

**CONTRIBUTION OF SAVING AND INTERNAL LENDING COMMUNITIES (SILC)
ON WOMEN ECONOMIC EMPOWERMENT IN IGEMBE SOUTH CONSTITUENCY,
MERU COUNTY, KENYA**

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**A Thesis Submitted to the Graduate School in Partial Fulfilment of the Requirements for
the Degree of Master of Arts in Sociology of Egerton University**


EGERTON UNIVERSITY

SEPTEMBER 2024

DECLARATION AND RECOMMENDATION

Declaration

This thesis is my original work and to the best of my knowledge has not been previously submitted for the award of another degree in any other University.

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DEDICATION

To my dear husband, children, family members, friends and colleagues. To my children, may this work be an inspiration for you to reach greater heights in academics.

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LIST OF ABBREVIATIONS

CRS	Catholic Relief Services
CSOs	Civil Society Organizations
FE	Financial Education
GoK	Government of Kenya
GPFI	Global Partnership for Financial Inclusion
GSDG	Global Sustainable Development Goals
IFC	International Finance Corporation
ILO	[International Labor Organization]
KMO	Kaiser-Meyer-Olkin
MFI	Micro Finance Institution
MSMEs	Micro, Small and Medium Enterprises
NACOSTI	National Commission for Science, Technology and Innovation
NGOs	Non-Governmental Organizations
PCA	Principal Component Analysis
SILCs	Savings and Internal Lending Communities
SMEs	Small and micro-enterprises
SPSS	Statistical Package for Social Scientists
WEF	World Economic Forum
WG	Women Groups

ABSTRACT

This study assessed the contribution of Savings and Internal Lending Communities (SILC) in Igembe South Constituency, Meru County Kenya. The study was guided by three specific objectives: to explore the effect of SILC on economic empowerment among women in Igembe South Constituency, Meru County; to assess the Merits and Limitations of SILC on the empowerment of women in Igembe South Constituency, Meru County and finally; to examine the drivers of success of SILC model in the empowerment of women in Igembe South Constituency, Meru County. The study applied social capital and solidarity theories to explain the phases of economic empowerment in a social set up. Further, the study adopted descriptive research design, simple random and purposive sampling designs. The study comprised a sample size of 347 mainly women from SILC groups within Igembe South Constituency, Meru County. The main data collection method was the questionnaire. The data was analyzed with the aid of SPSS software using both descriptive and inferential analysis. Descriptive and inferential statistics were utilized to analyze the quantitative data. Descriptive statistics such as, measuring the relative frequencies, central tendency, frequency distribution tables, and variability were used to analyze data while inferential statistics used included the linear relationship between the response and explanatory variables. The study identified many drivers that enhance women's empowerment that included the need; to save (pension, insurance), to raise business capital, save for school fees (for children), save for social activity, and for better facilities, amongst others. On the other hand, the study identified the barriers that hinder women from acquiring the services of SILC such as lack of education opportunities, community disputes, and members' cooperation and confidence as well. The study recommends that: With the vast merits and limitations of SILC, the study recommends the group leaders of women empowerment programs to evaluate the merits and make sure they uplift every member of the group. Further, the study recommends the empowering of groups to resolve these limitations to reduce their negative impacts, hence promote the entrepreneurial power of women. Generally, with positive impacts of drivers and merits of SILC, the study recommends that group leaders be at the forefront to always point out appropriate drivers that will enhance quality group and individual output and merits attained from the empowerment. This will greatly reduce the negative forces that challenge entrepreneurial activity.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Modernization has derived many changes that have significantly affected lives in different ways both in the developed as well as the developing world (Inglehart & Welzel, 2005). Among the notable changes characterizing modernization and whose impact to individuals and the society, at large, includes changes in communication, education as well as social relationships (Csoba & Maszlag, 2019; Shaw, 2017). To be more specific, modernization has led to individualism, falling of incomes and rising poverty levels (Radieva, 2018). The impact of falling incomes as well as poverty, especially in developing countries such as Kenya has been more evident among people living in rural areas. Statistics have it that, in terms of gender, more women have been affected by poverty than their male counterparts, something that has been attributed to the fact that females represent the largest percentage of the rural population (Fidelis, 2009). Lack of access to credit from lending facilities or rather financial institutions is yet another reason to blame for low incomes and increased poverty among women in rural set-ups.

In the contemporary world, the concept of empowerment has become a critical part of policy formulation for human development across the world (Roodman, 2012). It is a mechanism that is used in promoting financial development of women in many parts of the world. According to Kasmel and Tanggard (2011), empowerment as part of policy formulation plays an important role in improving the quality of life because it provides an opportunity for individuals to engage with each other with the aim of improving their current situation. Similarly, Wallenstein (2006) noted that empowerment provides an opportunity for individuals to develop institutions in their society that focus on minimizing inequalities that are a major problem for progress. Worldwide, empowerment programs have been used effectively to address health and financial inequalities and limit occurrence of social problems like damages, substance abuse and development of social capital for economic development (Andersen *et al.*, 2011; Hurst, 2007; Janssens, 2010; Stuckler *et al.*, 2010; Wilkinson & Pickett, 2009;).

Financial institutions have changed with modernization in terms of advancing their technology as well as terms of issuing loans and other credits (Kidwell *al.*, 2016; Wang, 2016;). In the

contemporary world, for instance, lending institutions need to see assets that would serve as collateral before giving loans or credits as a way of reducing the issuing risk (Kilel, 2018). Such requirements, therefore, are making it extremely hard, especially for the poor women in rural areas to access credits from lending facilities since they are poor and with no assets to use as collateral (Fidelis, 2009). Arguably, the access to such credits by poor women in rural settings would otherwise give them economic empowerment and at the same time increase social awareness among other forms of empowerment.

Provision of economic capital is a fundamental strategy in promoting economic development of every society in the world. Microfinance has dominated this category because it targets people with small capital interests who are the majority in the society like women (World Bank, 2013). The approach used by microfinance in providing financial assistance is through empowering groups through providing necessary capital. As such, it creates an opportunity for people to work on their own and ensures that poverty is no longer a major problem by providing easy access to credit facilities even at remote areas in society (Daley, 2009). According to Christabell (2009) revealed that microfinance as a strategy cannot result in empowerment alone, but it only serves as a catalyst to improve development of beneficiaries to adopt a social accepted view in pursuing for financial development. As such, it plays a pivotal role in addressing gender inequality issues that are common in contemporary society.

Microfinance organizations play a significant role in promoting gradual consumption for less fortunate groups in the society (Islam, 2007). According to a prior study in Igembe North, microfinance and empowerment has become a major approach in addressing financial problems among women groups (WG) within the sub-county. The area is classified as a semi-arid region that does not have a lot of agricultural potential. SILC is a dominant microfinance organization in the area that has focused on providing empowerment of groups, particularly women in the sub-county. The region is densely populated, many people are unemployed, commodities have unstable input and output prices, majority of the inhabitants have low income and depend on rain fed agriculture as their main economic activity (Ngore, 2010). This characterization provides a suitable opportunity for microfinance activities to be undertaken. In terms of agriculture, Khat is the main cash crop that is produced although its significance in economic development has not

been good for the entire population. Thus, Igembe North is considered one of the poorest areas in Kenya in terms of high poverty, child malnutrition and low literacy levels (Ngore *et al.*, 2011).

Scholars have defined empowerment as a multidimensional social process of helping people take control of their lives (Rubin & Babbie, 2016). It may also include measures designed to enhance the degree of self-reliance and autonomy of persons and communities to allow them to serve ownership interests in an autonomous but accountable manner (Barak *et al.*, 2008) Economic empowerment is the ability to not only succeed and advance financially but also have the power to make and act on decisions that involve the control as well as the allocation of financial resources (Perezniето & Taylor, 2014). Economic empowerment of women, therefore, refers to measures put in place to enhance women's capacity to equally take part in existing markets in terms of their access and control over financial resources, control over their bodies, times and lives, access to decent work and meaningfully always participate in the overall economic decision-making (Dalal, 2011).

Informed by the trend of very low household incomes and escalating levels of poverty whose impact has been more evident among women and young persons, the world has seen the need to empower women (Douds, 2020). According to Kaur (2016), the world has seen the need to empower women as one of the ways of achieving sustainable development. In fact, one of the global sustainable development goals (GSDG 5) is about gender equality and its emphasis on women empowerment (Arora-Jonsson *et al.*, 2019). Sources indicate that, in many countries including Kenya, governments are aware of financial constraints affecting women and understand the need to empower them as one of the ways of achieving sustainable development (Matayo, 2016). It is also undeniably true that the government of Kenya (GoK) is doing a lot to empower women, but its effort is yet to be felt by many women, especially the poor ones in remote areas (Usaid.gov/Kenya, 2020). According to Usaid.gov/Kenya (2020), in Kenya, the level of women empowerment is still very low as evident by various indicators including issues of gender-based violence, work options and limited access to and control over the benefits from land tenure, education as well as employment opportunities. The combination of these factors is what is translating to low incomes among individual women and households, hence the reason for escalating levels of poverty (Koome & Ndwiga, 2017).

The prevailing situation, therefore, has made it necessary to explore alternative ways of empowering women, especially the poor ones in the community with no formal access to credits. In other terms, the prevailing situation of low incomes and escalating levels of poverty among the poorest households in rural areas due to lack of formal access to credit has increased the need to explore alternative ways that the poor women in the rural areas can use to primarily empower themselves economically (Fidelis, 2009). It is argued that economic empowerment of women, especially the poor one in rural areas is very important considering the critical role they play in bringing up families as well as their contributions in developing the society (Koome & Ndwiga, 2017).

The research done so far has shown that the economic empowerment of women has a wide range of benefits not only to individuals but also to society as well. One of the notable benefits of economic empowerment of women is that it serves as a central way championing the rights of women and ultimately gender equality (Mayanja & Tipi, 2017; Rimmer, 2017). Besides, there is the benefit of enhancing economic growth (Mayanja & Tipi, 2017). From the definition, it is crystal-clear evident that economic empowerment of women also entails giving them an equal chance to access job opportunities (Dalal, 2011). As more women enter the workforce, the economy grows stronger. Research indicates that empowering women economically enhances productivity, promotes income equality, and encourages economic diversification—all key indicators of positive economic growth (Husain *et al.*, 2014). Additionally, studies have shown that women's economic empowerment helps close gender gaps, particularly in workplaces, contributing to the achievement of the Vision 2030 sustainable development goals (Singh, 2013). This is the case considering the fact that economic empowerment of women also has something to do with gender equality, promotion of full and productive employment as well as decent work for all (Dalal, 2011). There is also the benefit of eradicating poverty, enhancing food security as well as access to good healthcare. There are also arguments that the economic empowerment of women is good for the performance of businesses (Kabeer, 2012). Here, the simple logic is that economic empowerment of women means increased employment as well as leadership opportunities for women. As more women get into employment and leadership, therefore, the more the organizational effectiveness and the overall growth increase. Statistics have it that firms

that have three or more women in top management positions tend to score much higher in every aspect of organizational performance (Unwomen.org, 2020).

The SILC, which is an abbreviation for Savings and Internal Lending Communities, denotes a model developed by Catholic Relief Services (CRS) for user-owned, self-managed, savings as well as credit groups (Odera & Muruka, 2007). According to Fidelis (2009), the model is meant to offer individuals from poor households who have limited or no access to credits from official financial institutions or rather formal lending facilities an opportunity to save. Typically, the SILC comprises between 15 to 30 self-selecting members and offers frequent, but rather convenient and safe opportunity to save (Odera & Muruka, 2007). Literature sources indicate that the models also help members to accumulate useful lump sums that become available at a predetermined time, thus allowing them to access small loans or even emergency grants for personal use or even investment (Fidelis, 2009). Ideally, the model addresses the need of the poorest members of society who are not able to access credits from financial institutions by helping them to pool together their own savings and avail loans or rather credits to each other. Consequently, SILC found an opportunity in the area to provide financial development as an approach to alter the trend through initiating a culture of savings and lending for financial growth. Groups have been selected for SILC consideration so that they can contribute small amounts of money to save as loan capital for its members. However, the loan capital is then provided to members of the group, who in many cases are women and later a small interest is paid for any loan taken by the member.

The level of participation in microfinance activities is determined by the prevailing demand and supply for the product. In the case of Igembe North, participation in microfinance activities through SILC has had equal demand and supply. This is important because it ensures an increased culture of savings and provides loan capital for access. The microfinance services provided play a major role in determining the willingness of women to take part in the program. Additionally, the needs and preferences of specific members significantly influence the decision to participate in microfinance activities. Bauchet and Morduch (2010) argue that the level of community participation in microfinance activities is crucial for obtaining important information related to societal interests and demonstrates an increasing demand for better services.

Membership in microfinance organizations is free, providing an opportunity for group members to join or opt out. Across the areas where SILC has had a presence, documented success in increasing financial services for poor people has improved, but it has experienced other limitations. According to Bauer *et al.* (2008), microfinance organizations experience challenges in the community because they target poor people living in different communities, which may have different interests.

So far, SILC has been tested and proven to be an effective model of helping poor individuals or even households to increase their incomes and overcome extreme poverty (Odera & Muruka, 2007). Recent research that was conducted in Kaloleni Division of Kilifi District with the aim of investigating the role of SILC in empowering the women confirmed that SILC groups have the benefit providing pecuniary services in terms of savings as well as lending to rural poor people or rather communities that have previously been sidelined by the official lending facilities such as banks (Fidelis, 2009). It was also the finding of this research that being a member of a SILC group is very rewarding in terms of accessing credit facilities as well as diversifying livelihood income sources. More so, the study confirmed that being in a SILC group had also the benefit of giving one a rare opportunity of learning new skills such as cash book and record keeping, decision making as well as leadership skills. In addition, being in a SILC group was such a great opportunity for the building of strong social bonds among members. It was the conclusion of Fidelis (2009) was that even though the SILC model tends to attract the poorest members of the society with the minimal ability to save, by the end of the day the resulting SILC groups have the capacity of empowering members in marvelous ways if there is an enabling environment.

The adoption and participation level of individuals in microfinance activities can be evaluated according to the aggregate approximation of existing microfinance institutions (MFI) administrative records. For instance, the number of SILC members in Igembe North is identified and divided into its entire population. This provides an estimation of the level of participation of customers in the region for services offered by the financial institution (Honohan, 2010). It is possible to estimate the level of involvement to microfinance activities through performing household surveys concerning the living standards of members in a particular microfinance

group. Accuracy is important in any of the measures adopted to determine the impact of microfinance institutions in society (Karlan *et al.*, 2010).

The role of microfinance in society has been linked to improved household assets in mitigating societal problems facing vulnerable groups in the communities. According to Avertay (2008), he undertook a survey and found out that microfinance institutions are integral in promoting quality of household life. In addition, the study showed that self-esteem is improved among members despite constituents having different strategies for coping with the problems. Wright (2000), through a similar study revealed that microfinance organizations can improve the quality of health services and education among their members. On his part, Honohan (2010) found out that SILC played a crucial role in improving housing, livestock, and land acquisition for members in the society.

The main objective of SILC in Igembe North was to empower communities facing financial challenges. This is achieved through giving members an opportunity to access loans in a convenient way and cost effective so that they get an opportunity to enhance themselves financially. However, prior requirements when the program was introduced in the areas played a major role in limiting its adoption by most of the population. According to Avertay (2008), SILC introduction was an awakening call to the reality of gender issues. For instance, a section of women has a substantial position in their society and are owners of properties just like men courtesy of SILC program in the region. Initially, owning an asset like land or buildings was perceived as a preserve of men alone in the community. On the other hand, the introduction of the SILC program in the region has not completely eradicated poverty, low levels of education and malnutrition. This is inconsistent with prior studies that have shown an increase in education levels, financial improvements and reduction of poverty among communities that adopted the SILC microfinance model.

O'Donoghue *et al.* (2013) stated that SILC is such an important model that helps the poorest members of society to deal with hard economic times. Nevertheless, there are arguments that the SILC model can even be enhanced in terms of its effectiveness in helping members to save and access credit. One of the recommendations made so far is that the CRS should take into

consideration the training needs of members of SILC groups, ways of strengthening monitoring as well as evaluation of systems as a way of making the model more effective in terms of empowering the poor in the society. There are also suggestions that the CRS should consider coming up with feasible ways or rather approaches of enforcing standards, rules as well as regulations set to govern SILC groups yet another way of enhancing their effectiveness (Fidelis, 2009). The study also recommends research into the negative effects of SILC and the dynamics of gender and educational level on the success of the program.

1.2 Statement of the Problem

The impact of gender inequality has been more evident in the growth of economies. Economic empowerment of women has been recognized as the most effective way of not only empowering individual women but also a powerful way of steering or sustaining economic growth both in developed as well as developing countries. The invention of programs such as the SILC model is proof that indeed a wide range of research has been done to address the very same need of helping even the poorest in communities to access credits. Though SILCs have helped women in rural and urban villages to galvanize themselves and improve their economic wellbeing, they have hardly been appreciated as important vehicles of socio-economic transformation. In Igembe South constituency, Women economic empowerment remains the biggest challenge, and their efforts never acknowledged despite the existence of numerous SILC programmes in the region. Although there has been tremendous progress on women empowerment over the last couple of years, concerns have been raised on the top-down approaches which excludes majority of women living in rural areas. Hence, the need for transformative initiatives such as SILCs have been touted as the solution to address these challenges of exclusion. However, very little research has been done to specifically evaluate the contribution of SILC on economic empowerment of women in our local communities. This means that there is the need for more research to evaluate the contribution of SILC on economic empowerment of women in our local communities hence the rationale for this research. It is in the backdrop of this reasons why the current study seeks to evaluate how effective SILC have been in empowerment of women in Igembe South Sub-County in Meru County.

1.3 Objectives of the Study

1.3.1 General Objectives

The general objective of the study was to assess the contribution of SILC on economic empowerment of women in Igembe South Constituency, Meru County, Kenya.

1.3.2 Specific Objectives

- i. To examine the drivers of success of SILC model in the empowerment of women in Igembe South Constituency, Meru County
- ii. To assess the Merits and Limitations of SILC on the empowerment of women in Igembe South Constituency, Meru County
- iii. To explore the effect of SILC on economic empowerment among women in Igembe South Constituency, Meru County

1.4 Research Questions

- i. What are the drivers of success of SILC model in the empowerment of women in Igembe South Constituency, Meru County?
- ii. What are the merits and limitations of SILC on economic empowerment of women in Igembe South Constituency, Meru County?
- iii. What is the effect of SILC on economic empowerment among women in Igembe South Constituency, Meru County?

1.5 Justification of the Study

It is undeniably true that the world has realized the need for economic empowerment of women as not only a way of enhancing gender equality but also an effective and powerful way of steering economic growth (Inglehart & Welzel, 2005). This study has shown that many states from both developed and developing worlds have embarked on economic empowerment. The measures put in place and the levels of success attained as far as the economic empowerment of women is concerned, however, vary from one nation to the other. In Kenya, for instance, statistics have it that although the government has been committed to empowering women as evident by various measures such as setting aside special catalytic funds such as the Uwezo Fund and Women Enterprise Fund, among others (Matayo, 2016).

Recent research, however, has shown that the poor women in the rural areas have hardly benefited from the programs that have been put in place by the government for the purpose of economic empowerment of women (Usaid.gov/Kenya, 2020). Many poor women in rural areas across the country have been suffering from extreme poverty due to lack of access to credits from formal financial institutions. Motivated by the need to solve this community problem of extreme poverty due to lack of access to credits from official lending facilities, a wide range of research has been done, thus giving birth to various programs such as the SILC (Odera & Muruka, 2007). That notwithstanding very little has been done through research to evaluate the contribution of the SILC on economic empowerment of women, more so in Igembe South Constituency, Meru County, Kenya. This research is meant to fill this specific gap.

Additionally, this study's may be critical to help policymakers understand alternative ways that can be used to empower even the poorest women in rural settings if there is an enabling environment. Besides, the findings of the study may provide useful insights to researchers and form a basis for further research. Study findings may inform policy formulation and recommendation that will economically empower women.

1.6 Scope and Limitation of the Study

The focus of this research is to evaluate the contribution of SILC on economic empowerment of women in Igembe South Constituency, Meru County, Kenya. The study was restricted to women from different remote parts of the Igembe South Constituency for the purpose of avoiding or reducing the chance of bias and for the purpose of getting the exact picture as far as the contribution of SILC on economic empowerment of the poor women in rural settings is concerned. Considering some unavoidable limitations such as limited time as well as funds, however, the research author might not manage to visit, sample and include representatives from all rural parts of the constituency. All the same, the actual research was narrowed down to carefully selected rural areas of the constituency from which a sample that served as a true representative of the targeted study population (women in Igembe South Constituency) was obtained.

This study was, however, not short of limitations. For example, one of the notable limitations of the study was a relatively small sample size, something that increased the risk of getting biased findings. The researcher tried to mitigate the problem by including a larger sample size though this was also hampered by limited resources. Further, and to address this limitation and reduce the risk associated with the same, the researcher was very careful in selecting densely populated areas from which the study sample size was obtained. The study was further hampered by fallout of respondents before the research was over. To overcome this limitation, the research adopted a “drop and pick later” method of data collection for the purpose of allowing respondents ample time to reenergize and join later. More so, this study was more of a path finder and more of exploratory in nature due to insufficient literature as very few researchers have scratched this area.

1.7 Limitations of the Currents Results

Various shortcomings in good research are possible. These limitations include factors that can restrict the precision of the results of the study. In the current research, sampling is a deep limitation because the collection of a sample cannot reach the whole population, and hypotheses for the whole population can change. The study was carried out during COVID-19 period thus guidelines and precautions played a major part delaying the collection of data.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter covers the empirical and then the theoretical review of previous studies in the area under inquiry. The chapter was presented thematically guided by the objectives of the study. The empirical review will be covered in terms of three key themes developed from the objectives as well as questions of the research. These include the effect of SILC on economic empowerment of women, the Merits and Limitations of SILC on the empowerment of women, the drivers of success of SILC model in the empowerment of women.

2.2 The Drivers of Success of SILC Model in Empowerment of Women

One of the key drivers of the success of SILC as a model of economic empowerment of women, especially in the local contexts is the adoption as well as facilitation of flexible financial education. In their report, Allen and Guevara (2019) noted that that SILC can enhance the financial management knowledge, behaviors as well as attitudes of members, but is only possible if financial lessons are well taken into consideration. Financial education lessons are one of the major drivers of success of SILC model in helping members (women) to overcome the challenge of not accessing credits either for their personal use or even for investment (Mulimila, 2019; Watson & Gianluca, 2017). There are many other factors of empowerment, especially among women, among which is the need for financial independence, the fact that there is no collateral requirement in the funding, there is convenience (ease and speed of access to lines of credit), and inclusiveness, and there is no frustration on the part of formal financial institutions (Mengo, 2014; Obiria, 2015).

Informal funding is triggered, among other things, by poverty and illiteracy. For example, poverty among Kenyan women is high, estimated at 25 percent nationwide, and is particularly worse among the rural population (Limobk, 2014 in Mwobobia, 2016). According to Mengo (2014), women also find financing through informal channels to be a very attractive alternative, which saves them bureaucratic procedures in obtaining loans from lenders in the formal sector; the approval process of formal channels is tedious, but loans are expensive. Women are also motivated to seek funding from informal channels through peer influence or pressure as they

admire their peers' success in starting small businesses, buying personal / household assets, raising their children, or even making a family livelihood in a more convenient way (Obiria 2014; 2015).

Businesses owned by women also prefer informal funding because of cultural and gender-discriminatory factors that hinder their access to funding from formal sources (Lazzarini *et al.*, 2015). Typical women-owned MSEs are found in rural and peri-urban areas of Kenya that trade in grain, food, semi-finished products, fresh products, catering, among other things (Naituli, *et al.*, 2008). Unfortunately, over time, women face gender inequalities, social and capital constraints that limit their development and growth (World Economic Forum, 2013). In addition to their male colleagues, many women entrepreneurs also face many obstacles in entrepreneurship. According to International Labor Organization [ILO] (2009) and (International Finance Corporation [IFC] and Global Partnership for Financial Inclusion [GPFI], 2011) obstacles for all entrepreneurs are: poor infrastructure, prohibitive production costs, political instability, among others.

Besides, other drivers of success of SILC model in empowering women include feasible ways or rather approaches of enforcing standards, rules as well as regulations set to govern SILC groups yet another way of enhancing the effectiveness (Fidelis, 2009).

2.3 The Merits and Limitations of SILC on Empowerment of Women

SILC is preferred as an alternative financing model to help empower women, as it does not require members (women) to provide security when seeking concessional loans. The model lacks strict requirements and, in the event, that collateral is needed, in this funding program it is designed to be flexible enough to include food and farm animals (ActionAid, 2017) which is user friendly and feasible for women entrepreneurs. Much like the bank to the table, members of a SILC group meet once a month, make savings contributions and loan repayments on the table for immediate loans such as short-term loans from qualified members. Women often use the borrowed money as capital for their livelihood projects. Most women use animals such as goats as collateral for loans (Action Aid, 2017).

SILC has another goal, namely the economic empowerment of women in the form of financial support and capacity building (Murithi, 2014). Mwobobia (2016) found a positive influence of these groups on female members, ranging from contributions on “Food security, harmony in households, women participating in modern agriculture, improving the standard of living of women, women building houses, the opportunity to Contributing to the family budget, gave women financial independence, enabled women to buy land, enabled access to credit from women, among others. SILC gives women participants a rare opportunity of learning new skills such as cash book and record keeping, decision making as well as leadership skills all of which contribute to the overall empowerment of women. In their study, Allen and Guevara (2019) ascertained that SILC serves as a great opportunity for the members (the majority of which are women) to get financial education as well as experience in budgeting, setting financial goals, saving, and borrowing. Furthermore, SILC has the merit of giving women a great opportunity for the building of strong social bonds (Fidelis, 2009). Most importantly, SILC has the merit of being simple and easy to implement as a model of economic empowerment of women even in local contexts.

Despite the benefits of SILC, according to (Mwobobia (2016) also established the typical challenges of SILC groups. These include “cases of default, poor record keeping, disagreements, non-attendance at meetings, and non-payment of interest on loans”. This study further indicates that these challenges could have serious consequences for affected women if they belong to more than one group. In their study, for instance, Mashenene and Rumanyika (2014) found out that lack of capital, as well as managerial skills, are the main challenges affecting the MSMEs in Tanzania. Therefore, this study recommended that the government and the financial institutions come up with the strategies of lending credits to the MSMEs as a way of reducing the financial challenges facing them considering their critical role not only in eradication of poverty but also the creation of job opportunities and boost on economic growth.

On the other hand, SILC tends to attract the poorest women in rural areas with minimum saving ability, something that makes hard to easily accumulate a useful amount for the members to borrow in form of loans or credits in case of emergencies (Bahir Dar & Dar, 2018). Generally, it takes a very long time for the SILC groups to save useful lump sums and because of struggles to

accumulate a huge amount of money loan sizes are usually small and repayment periods are also short. The fact that the loans are small, and repayment periods are short makes SILC a less effective model of economic empowerment of women (Mulimila, 2019). That fact members of the SILC groups must wait for quite some time for the savings to build up so that they can borrow is such a big limitation of the SILC as a model of empowering poor women (Kibe et al., 2019).

Another noteworthy limitation of SILC as the program of economic empowerment of women is that timing the amount that is required for seasonal needs is extremely difficult (Allen & Guevara, 2019). Again, this can be attributed to the contribution of a very low amount of money to savings by members. Sources have shown that SILC model tends to attract the poorest members of the society (Fidelis, 2009). The fact that most of the members of SILC groups are the poorest in the society with minimum saving ability and more emergencies that require money, therefore, is the reason why the SILC suffers the limitation of inability to time the amount required for seasonal needs (Kibe et al., 2019).

2.4 The Effect of SILC on Economic Empowerment of Women

According to Allen and Guevara (2019), the effect of SILC on economic empowerment of women was evident in various ways. According to their findings one of the notable ways through which the effect of SILC on economic empowerment of women is evident is that, by the end of the day, the financial management knowledge, behaviors as well as attitudes of the members of the SILC are improved. It was, however, the finding of the same research that such a positive effect of improved financial management knowledge, behavior as well as attitudes was only possible in cases whereby the SILC was characterized with financial education (FE) lessons. Here, the argument is that when FE lessons are facilitated to the members of the SILC groups, then, it becomes very possible and easy for those members to comprehend key financial management concepts hence the effect of positive behavioral changes as far as financial management is concerned.

Besides, Mulimila (2019) also note that SILC has a positive effect on economic empowerment of women since it has the effect of making members not only knowledgeable but also enthusiastic, particularly when it comes to the matters of saving as well as borrowing. Just like it was the

finding of Allen and Guevara (2019), Mulimila (2019) note that such positive effect of being knowledgeable and enthusiastic about saving and borrowing was only possible in cases where FE lessons were facilitated to the SILC members. It is also the finding of literature sources that the SILC membership has the effect of enhancing the financial experience of members, especially in setting realistic financial goals, developing budgets as well as experience in saving and borrowing (Kibe et al., 2019).

In their study, Watson and Gianluca (2017) supported the results of the previous studies that the CRS' SILC had a positive impact on the economic empowerment of women. In their study, Watson and Gianluca (2017) supported previous findings that the CRS' Savings and Internal Lending Communities (SILC) had a positive impact on the economic empowerment of women. Specifically, they found that the SILC helped members overcome the challenge of accessing credit for both personal use and investment.

The argument of the study was that by being a member of SILC groups, even the poorest person could safely and conveniently access useful lump sums that can enable them to deal with money crisis or even exploit investment opportunities. Just like it was the finding of Allen and Guevara (2019), Watson and Gianluca (2017) noted that such positive effect of the CRS' SILC to the members was only assured when the FE lessons are put into consideration. Their argument was that the adaptation, as well as flexible facilitation of FE lessons, especially in the local contexts, was imperative as far as the effectiveness of SILC programs in economic empowerment of the members is concerned.

2.5 Theoretical Framework

This study was anchored on the Grameen solidarity group model and the social capital theory which have been discussed below.

2.5.1 The Grameen Solidarity Group Model

This model is based on peer pressure, in which loans are given to individuals in groups of four to seven people (Berenbach & Guzman, 1994). The members of the group collectively guarantee the repayment of the loan and access to subsequent loans depends on the success of the repayment by all members of the group which are usually done weekly (Lidgerwood, 1999).

Berenbach and Guzman (1994) stated that solidarity groups have proven effective in deterring defaults, as evidenced by the loan repayment rates obtained by organizations such as the Grameen Bank, which use this type of microfinance model. According to the Grameen Bank variant of this model, groups contain five members, and savings must be paid for four to eight weeks before receiving a loan. Savings must also continue throughout the life of the loan. Only two members of the group initially benefit from a loan, after a successful repayment period, two points out that this model has contributed to wider social benefits through the mutual trust agreement at the heart of the group's guarantee system. The group itself often becomes the cornerstone of a larger social network. Group lending is an “invention” of the Grameen Bank, which has opened possibilities for microfinance for unsecured borrowers. There are three main modes of operation of the group loan:

Self-selection Model

Before signing the group loan agreement, people who have a similar risk attitude and that know the creditworthiness of others would form a group by selecting like-minded people. High risk borrowers are excluded because nobody wants them in their group. "Individuals must group very carefully to eliminate bad borrowers who could jeopardize the creditworthiness of the group as a whole" (Ray, 1998).

Joint Liability Model

The group loan mechanism generates group liability, which means that the risks of the loan are shared by the members of the group. The withdrawal of other members of a group and the social sanctions that go with it are a powerful stumbling block to non-compliance. In addition, the other members of the group can also repay in the event of default, to secure the loan, thereby reducing the risk of default.

Close Relationships Model

Group members know each other and you can reduce negative selection problems that result from inconsistent information, as group members can monitor each other's actions and, if necessary, impose social sanctions in advance.

2.5.2 Social Capital Theory

The study was also guided by Uphoff's (1999) social capital theory. Social capital is more often understood as the source through which individuals can use social relationships, networks, or other structures to obtain certain benefits (Portes, 1998). Putman (1990) advocated social capital as a means of collective action for mutual benefit, through trust and norms of reciprocity (ibid.). He is also known for his distinction between “binding and bridging” social capital, which relates on the one hand to the social connections between homogeneous groups of people and on the other hand to the relationships across and between different groups.

Others see social capital as embedded, dynamic and negotiable social resources that are not easy to store and therefore restrict and allow individual action and reproduce structural inequalities (Clever, 2005). Uphoff (1999) regards social capital as any asset, be it social, physiologically, culturally, cognitively, institutionally, and otherwise related that increase the extent (or likelihood) of mutually beneficial cooperative actions. The framework is a tool for measuring social capital in a specific context. Uphoff (1999) emphasizes collaborative behavior for mutual benefit. Social capital theory focuses on the participation of the poorest, as they have little wealth to offer and therefore from a general attitude can benefit from mutually beneficial cooperation. Hence the theory is applicable to SILC schemes. It is not believed that social capital can be generated when the underlying motivations and attitudes to collaboration are in place. The framework identifies social capital within communities based on structural and cognitive forms of social capital.

The structural form relates to the different dimensions of social organization, roles, rules and social relationships. These dimensions embody the patterns of interaction that enable mutually beneficial collective action that can be achieved through formal and informal roles as well as explicit and implicit rules that support behavior for collective action. According to Uphoff, roles are created by behavioral expectations and are reinforced by sanctions and initiatives. Rules and roles support basic functions and activities required for collective action such as decision-making, resource mobilization and management, communication and coordination, and conflict resolution (Uphoff, 1999).

The second dimension of structural form; Social relationships represent the actual connections between individuals. These connections presuppose all interaction and create broad and specific patterns of exchange and cooperation that can facilitate collaborative behavior. Networks are often understood as patterns that exist over time and are a typical manifestation of social capital. Therefore, social relationships refer to relationships that are beneficial for access to a SILC, a foundation for collaborative behavior by relying on groups for profit. For the purposes of this study, the social relations dimension provides a good framework for describing how SILC operates under the facilitation of collective action, as it creates a basis for collaborative behavior through its reliance on groups to create profits. The Social Relationships dimension is used to identify connections and relationships between individuals in the context of research and to determine whether these relationships promote collaborative behavior, as well as to understand how connections and communication channels influence participation in SILC.

Cognitive form that designates the motivations that predispose individuals to collective behavior. All these forms are classified into four dimensions: co-operation, solidarity, generosity and trust and reciprocity. Co-operation is understood as an attitude of working together for mutual benefit. This predisposes people to seek common solutions to problems, rather than working separately. In addition, it includes a willingness to oblige and adapt to missions and to accept tasks for the common good. Solidarity is seen as helping attitudes towards others and willingness to make sacrifices to provide help and investigate costs for the benefit of others in addition to immediate family and loved ones.

2.6 Conceptual Framework

The study proposes that empowerment of women (dependent variable) is hinged on drivers of success of their SILC groups, comparative benefits or limitations (relating to either the financing model or process) of SILC versus other formal sources of financing which both constitute the independent variables. But challenges and limitations facing women under SILC groups act as the intervening variable. The study looked at the following factors of SILC in women: fundraising for businesses, lack of collateral requirements, convenience (ease and speed of access to credit facilities), inclusion, need to save money 'money for (retirement, insurance), savings platform for tuition (for children), need for financial independence and frustrations with

formal financial institutions. Respondents were asked to rate the above factors in terms of the extent to which they feel were the main motivation to start or join their SILC group.

On the merits / benefits of SILC, the study evaluated the benefits between the lack of collateral when women need to take out a loan, the notion of mutual guarantee, the low interest rates on loans, the ease access to savings, ease of access. investment loans, access to training opportunities among other merits. The extent to which the socio-economic well-being of members has changed due to the SILC group was also assessed. The limitations and challenges faced by SILC were explored on a Likert-type scale: high insolvency / bad debts, lack of cooperation / trust between members, low leadership skills, lack of training, poor record keeping. files, disagreements, absence from meetings, non-payment of interest on loans, embezzlement, lack of transparency among others. Finally, women's empowerment was measured using changes in household income, ability to send children to school, creation and growth of small businesses, participation of women in leadership, reduction and conflict resolution / domestic violence, the ability to make decisions.

Independent Variables

Dependent Variable

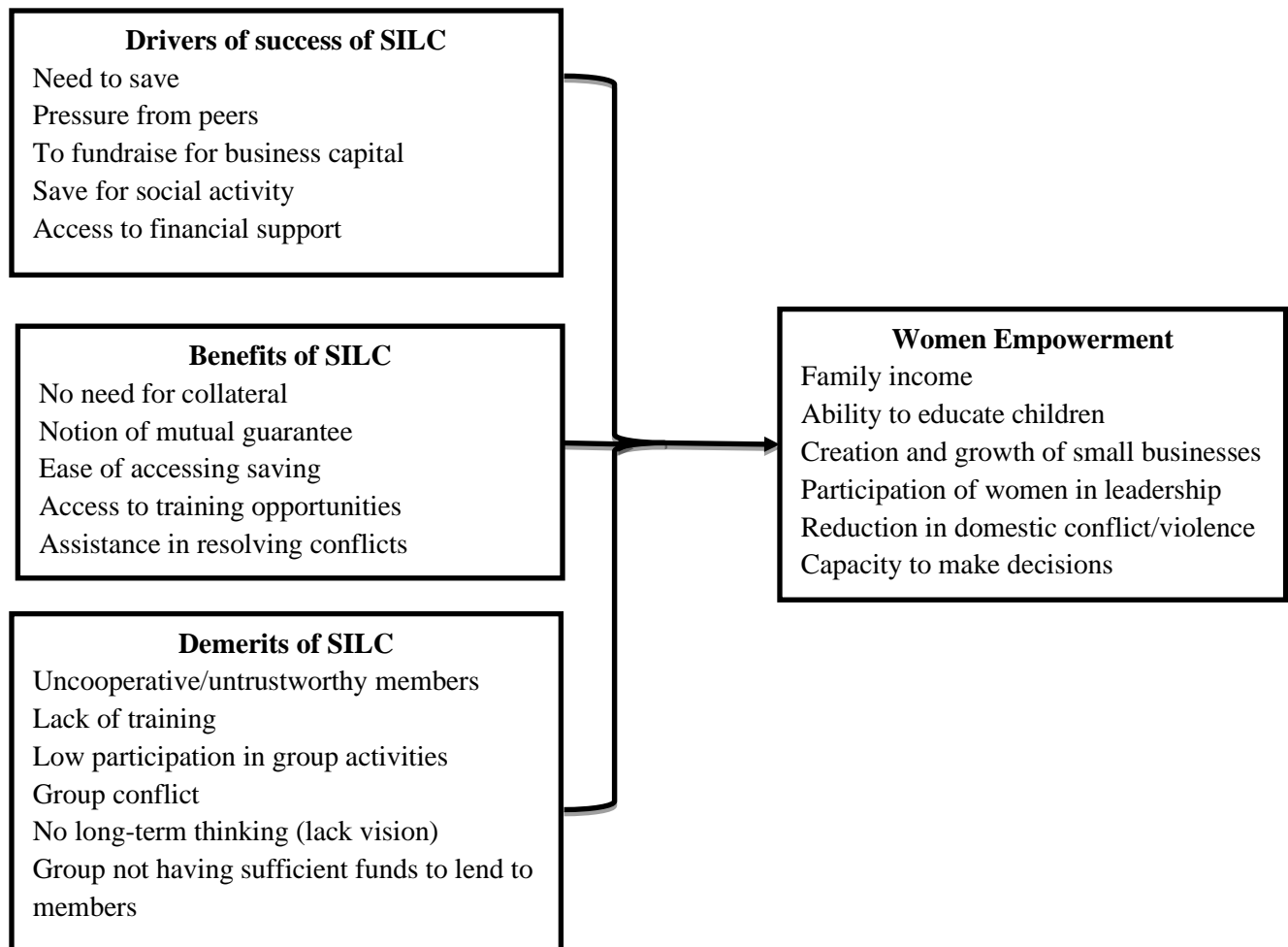


Figure 2.1: Conceptual Framework

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This section covers the methodology/methods employed in the research. It was covered in terms of various key subtopics that include the study design, population of the study, sampling design and techniques, methods of collecting information, pilot test, data synthesis/analysis and presentation as well as research ethics.

3.2 Research Design

This study adopted a descriptive survey research design. The design of research, according to Kothari (2004), is the establishment of the conditions for collecting and analyzing data, with the aim of combining the relevance of research with the economy of processes. It is the conceptual context in which the research is carried out and forms the basis for the collection, calculation and study of data.

Descriptive survey research is a primary data collection method based on communication with a representative sample of individuals (Zikmund, 2007). The interview design allowed respondents to give themselves details on their attitudes, values, demographics and other activities in the past, present and future (Cozby, 2003). To address the study goal which was to investigate the effectiveness of SILK on women empowerment in Igembe South Sub-County, however, ex post facto design which does not allow for manipulating of variables was employed (Meyers et al., 2016).

3.3 Study Area

The study was carried out in Meru County formerly in Eastern Province, focusing on Igembe South Sub-County. The area was selected since most women in the study area obtain finances for both domestic and business purposes from saving and internal lending communities. The area has been selected since most women in the study area obtain finances for both domestic and business purposes from saving and internal lending communities. One of the eight counties in the former Eastern Province is Meru County. The county headquarters is in Meru town. The county is home of Meru (Nгаа people) ethnic group, also Kikuyu, Embu and Akamba are also found in

the region. Meru County has nine electoral constituencies: Igembe South, Igembe North Igembe Central, Tigania West, Tigania East, Buuri, North Imenti, Central Imenti and South Imenti constituencies.

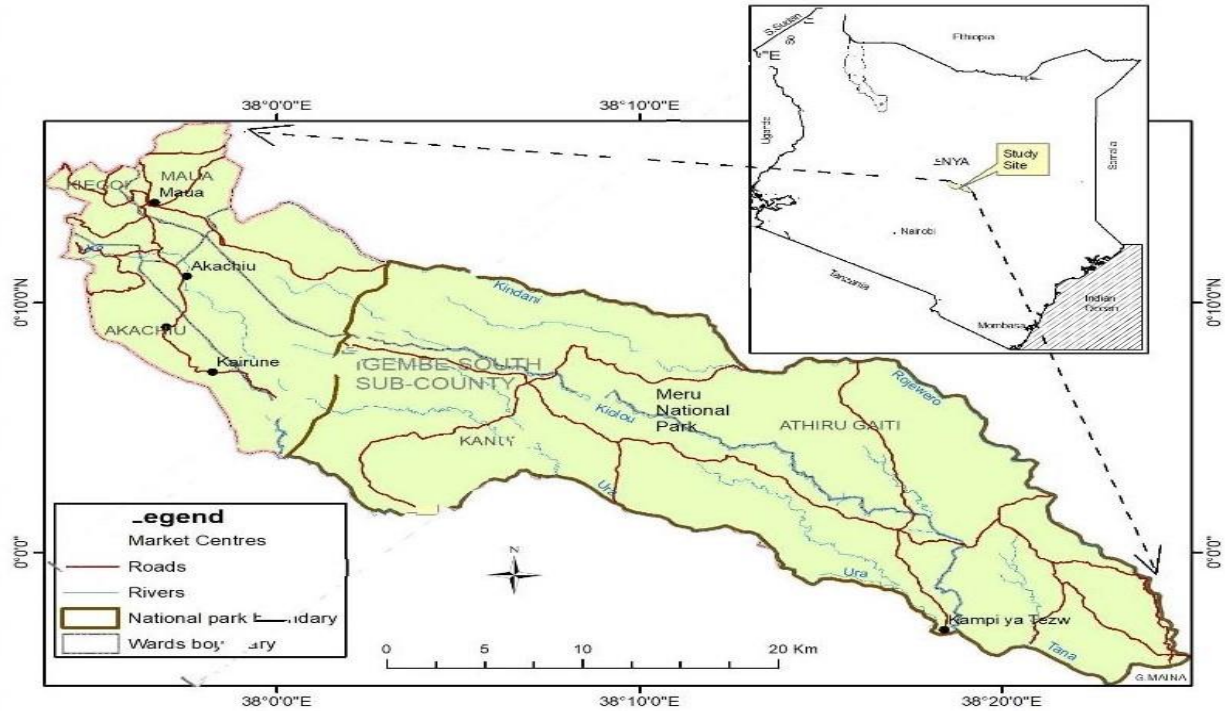


Figure 3.1: Kenyan Map showing Igembe South Constituency

3.4 Target Population

Scholars define the target populace as the group of people or objects on which the evaluation is set to concentrate (Woods *et al.*, 2015). Considering the primary objective of this research study, therefore, the target population were all women in SILK groups in Igembe South Sub-County, Kenya. In this study, the target population was all members of SILC groups in Igembe South Sub-County. There were 495 SILC groups (each with about 30 members) in SILC in the sub-county, translating to 14,850 women involved in SILC (Social services records, 2019).

3.5 Sampling Design and Techniques

A Cooper and Schindler (2008) sampling system is a list of population elements from which the sample is drawn. The study was undertaken at Igembe South constituency. The sampling frame was all the 495 SILC groups in Igembe South constituency. The unit of analysis was the

individual women who are members of SILC groups. Those women who have not been members of SILC groups for more than 6 months were excluded from the study as it was not possible to measure change/impact within that short period. A combination of random and purposive sampling techniques was adopted. Purposive sampling has the advantage of helping the research to save time and money while random sampling has the advantage of reducing bias hence the reason for selecting the combination of the two (Sharma, 2017).

To determine a sample size, the Fischer dependent formula (Cochran, 1963; Gorstein, 2007) was applied below. By determining the minimum sample size needed for precision in estimating proportions, the sample size was extracted by considering the standard normal deviation set at 95 percent confidence level (1.96), percentage selection or answer (50 percent = 0.5) and confidence interval (0.05 = ±5).

The formula is:

$$n = \frac{z^2 (p) (1-p)}{c^2}$$

$$\frac{1 + z^2 (p) (1-p)}{c^2 * N}$$

Where:

n = size of the sample

z = standard normal deviation set at 95% confidence level

p = percentage picking a choice or response

c = confidence interval

N – size of the population (14,850)

$$n = \frac{1.96^2 (0.5) (1-0.5)}{0.05^2}$$

$$\frac{1 + 1.96^2 (0.5) (1-0.5)}{0.05^2 * 14,850}$$

$$= 374$$

Therefore, a sample of 374 respondents was proposed for the study.

3.6 Methods and Tools of Data Collection

This study involved the use of primary information that was gathered from a sample of women in SILC groups in Igembe South Sub-County, Kenya. Thus, a formal questionnaire for collecting data or rather as a study method was used with this understanding. A standardized questionnaire consisting of both closed and open questions was used. The questionnaire had different sections to collect general socioeconomic, demographic information, the drivers of success of SILC groups, perceived impact and suitability of SILC. The questionnaire was administered to the respondents by the researcher through the assistance of trained interviewers.

3.6.1 Pilot Test

In this study, the pilot test was done to check whether the research design is working well and to ascertain that all the questions included in the questionnaire could collect all the relevant data without restricting respondents. The pilot test was done on purposively selected sub-sample of women that are also active members of SILC groups in Igembe South Sub-County, Meru County. The subjects selected to participate in pilot testing were excluded from the main study.

3.7 Validity and Reliability of the Research

For the data collection tool to be affirmed as valid, variables of the study must be relevant to the identified research gaps (Nardi, 2018). With this prior knowledge, therefore, the research author will submit the structured open-ended questionnaire to the supervisor after the pilot test for further guidance and correction. After discussing the questionnaire with the supervisor, all the necessary editing will be done accordingly thus ensuring the validity.

The reliability of instrument of research is the degree to which the same effects are seen in the trials that are repeated. According to Carmines and Zeller (1979), Reliability is the propensity to consistencies found in the measurement that are repeated. The researcher tested the questionnaire's reliability using the internal consistency tool, which provides an approximation of internal consistency. This approach involves separating and correlating the questions in two halves. When the questionnaires are trustworthy, the two halves relationship will amount to 70% or 0.7 or more (Cronbach, 1951). From the results, the overall reliability scale was 0.75 with the

independent variables exhibiting the following coefficients of alpha: drivers of success of SILC (0.73), Merits of SILC (0.78), and challenges (0.72), Empowerment of women (0.76). This approach helped to detect any issues that had to be altered prior to the main analysis. For testing or reliability of the questionnaire, data from the pilot test process and from the method used as it or as necessary modifications. The selected sample during piloting was not included in the main sample.

3.8 Data Analysis and Presentation

Analysis of data is an important research practice that entailed inspecting, inspecting, cleaning, transforming and modeling the gather data to identify the most relevant information that can inform not only the decision-making but also the conclusion about the phenomenon being studied. While data presentation is the process or practice of organizing the analyzed data into bar charts, tables, pie charts, histograms and graphs among others for purposes of informing both statistical and logical conclusions. In this research, the data gathered was inspected, cleaned and coded and thereafter entered in the SPSS (version 25) to analyze the data. Descriptive and inferential statistics were utilized to analyze quantitative data. Descriptive statistics involved measuring the relative frequencies, central tendency, frequency distribution tables, and variability whereas the inferential statistics included the linear relationship between the response and explanatory variables. Tables and diagrams were used to show the details analyzed.

3.8.1 Factor Analysis

Before conducting diagnostic tests, factor analysis was performed to identify factors that may not be critical to the study and come up with a composite variable to be used in inferential analysis for the study. Factor analysis serves as a measure of the significant significance of the factor variable and was used to classify and exclude hidden structures or variable objects that do not fulfill the study goals and that are ambiguous by direct analyzes (David *et al.*, 2010). The substantive significance of variable variables was illustrated by Communalities and eigenvalues. Eigenvalues have been derived from principal component analysis for each variable in this report. The components with eigenvalues of 1 and above were used for further analysis. These were combined to come up with a composite variable to be used in regression analysis.

To conduct hypothesis, the study used factor analysis for dimension reduction and principal component analysis (PCA) to extract factors scores that will be used for regression. Since either PCA or computing composite score based on all indicators measuring similar constructs are likely to yield similar results, the researcher will opt for PCA. The factors scores generated by PCA are supposed to meet all classical linear regression assumption of no multicollinearity, non-autocorrelation and homoscedasticity. Similarly, composite scores also met these assumptions (*see appendix III*).

3.8.2 Diagnostic tests

These were conducted to test the assumptions of a classical multiple linear regression model. All the assumptions including normality, autocorrelation, linearity, heteroscedasticity and multicollinearity were carried out. The data passed all the tests thus it was suitable for conducting multiple linear regression analysis (*see appendix IV*).

3.8.3 Regression Model

Regression analysis was used to relate the empowerment of women measured using various independent variables (i.e. drivers of success, merits of SILC). The equation for the regression took the following form:

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

Y – Empowerment of women

X₁ = Drivers of SILC

X₂ = Merits of SILC

X₃ = Challenges facing SILC

β_1, β_2 and β_3 = coefficients for which we are trying to predict the value of Y

β_0 = constant

ε = Error term

3.9 Ethical Considerations

In all research, especially those involving humans, ethical compliance is imperative. In other words, being ethical before, during, and even after research is important to any study. According to Walliman (2017), respect for research ethics before, during and after research benefits not

only the research participants, but also the authorities, contracting entities and the researcher. This is the case because by respecting ethics, the researcher can obtain less biased, reliable and valid results which can be used to accurately judge the subject under study. This way the researcher can get the answer to the research questions. The first ethical consideration was to seek permission from the Graduate Council of Egerton University and the National Commission for Science, Technology and Innovation (NACOSTI). By so doing the letter of introduction was issued which was presented to the participants. Besides, there was ethical consideration of assuring participants' confidentiality. The highest level of privacy was observed using codes and pseudonyms to replace their real names. All respondents participated voluntarily without coercion or any form of manipulation. After the purpose of the study was explained to the participants, it was explained that they were free to withdraw from the study at any point without any effect.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

The study results are outlined in this chapter. In the study the efficiency of SILC was evaluated as a funding choice for women in the County of Nairobi. The results are grouped according to the goals. Firstly, respondents demographic information is submitted, and then the characteristics of the SILC community are presented.

4.2 Description of respondents

This section presents demographic information of respondents such as age, level of education, occupation, household income, and characteristics of the SILC groups they belong to.

4.2.1 Response Rate

The study sample size was 384, of which 347 responded, giving you a response rate of 90.4 per cent. Such a response is more than adequate information for the research goals to include the relevant information.

4.2.2 Age

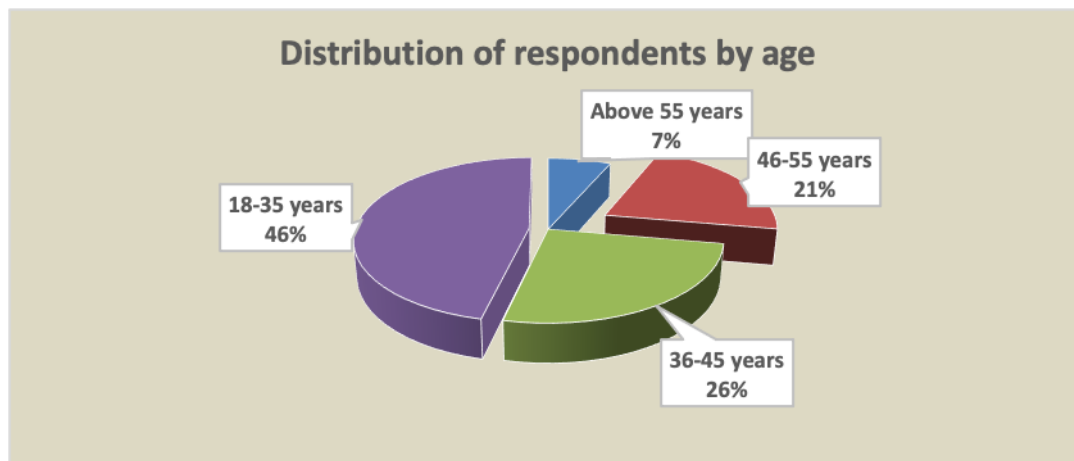


Figure 4.1: Respondents' Age distribution

Figure 4.1 above indicates that almost half (46 percent) were 18 to 35 years of age, 26% percent had 36 to 45 years of age and just 7 percent had over 55 years. In total, the majority (72 percent) of the interviewees were aged 18 to 45, which suggests that most of the women in SILC groups are members of this age group.

4.2.3 Level of Education

Table 4.1 below shows how education level was distributed among the respondents

Table 4.1: Level of education

	<i>Frequency</i>	<i>Percent</i>
<i>No education</i>	11	3.3
<i>Primary</i>	71	20.4
<i>Secondary</i>	174	50
<i>Tertiary</i>	91	26.3
<i>Total</i>	347	100

Source: Research data, 2020

Most of the respondents representing a proportion greater than three-quarters of participants reported that they had at least secondary education. This shows that most of the participants knew the questions asked in this study and understood it. While only 3.3 percent had no schooling at all.

4.2.4 Occupation

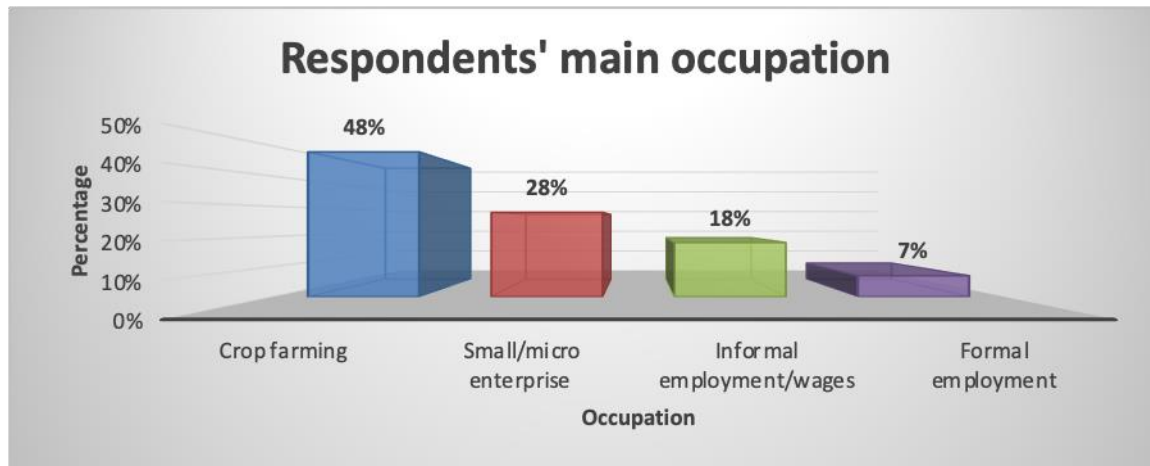


Figure 4.2: Respondents' main occupation

In the figure above, most of the respondents' main occupation was crop farming with a proportion of 48%, followed by small/micro enterprise with 28%, while those who were formally employed represented the least proportion with 7%.

4.2.5 Household Incomes

Table 4.2 below presents questions on the average income of the respondents, the proportions of incomes provided by the businesses and whether women are the main bread winners for their households.

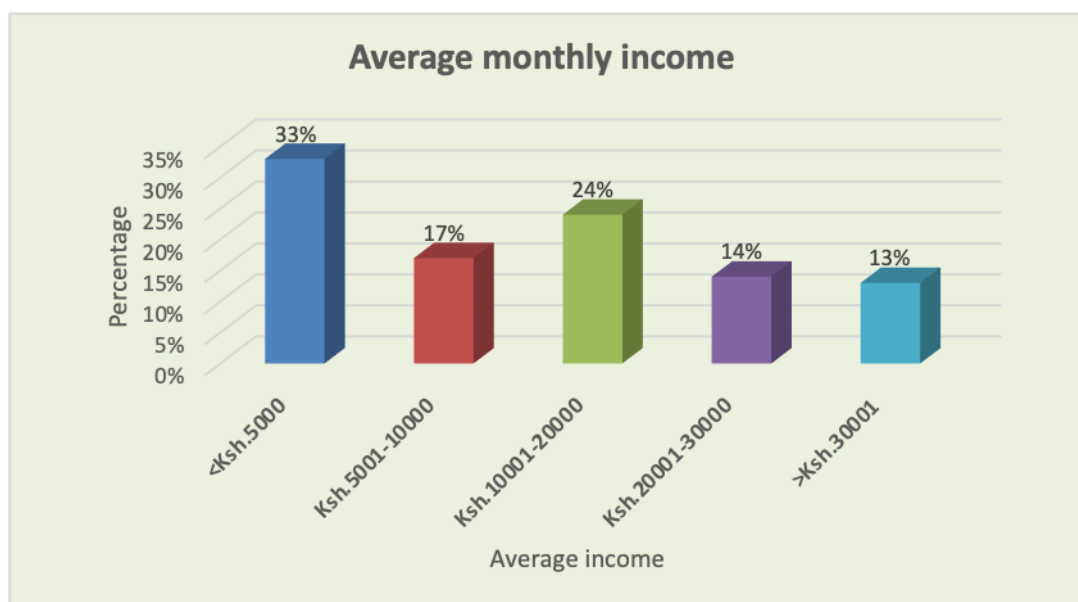


Figure 4.3: Household Incomes

The higher (33%) estimated that their total monthly household income from all sources was less than Ksh 5000, while 14% had an income of between 20,001 and 30,000 Ksh. Furthermore, Ksh 10,001 – 20,000 earnings were 24%, while only 13% recorded sales of more than Ksh 30,000 as illustrated in Figure 4.3 above.

4.2.6 Information on SILC Groups

The research examined the membership size, period of service since the group was formed and members contributed monthly as shown in Table 4.2.

Table 4.2: Characteristics of SILC groups

	<i>N</i>	<i>Min</i>	<i>Max</i>	<i>Mean</i>
<i>Groups of members of SILC</i>	347	5	30	13.67
<i>SILC group operating period (in years)</i>	347	1	15	4.87
<i>Amount of monthly contribution (Kshs per member)</i>	347	300	5000	2095.04

The results showed among the characteristics of SILC group, Groups of members of SILC had a minimum and maximum value of 5 and 30, respectively while the mean was 13.67. SILC group operating period (in years) had a minimum and maximum value of 1 and 15, respectively and a mean value of 4.87. Amount of monthly contribution (Ksh per member) had a minimum and maximum value of 300 and 5000, respectively while the mean was 2095.04.

The size of most of the groups in the SILC ranged from five to 20 members, with most of them. There were five members of the least group and 30 members of the largest group. On average, 14 members belonged to a party. In addition, for fifteen years (the longest reporting period in operation) some groups have operated while others have operated very young groups for only one year. The SILC groups had an average operating duration of four years.

Nearly all members were expected to pay no more than Ksh 2000 per month. Each SILC group member contributed average Ksh 2095 per month. Some groups paid at least Ksh 300, while Ksh

were collected by the members of the community which had the most monthly donations, but that was extremely outdated.

During which time they were SILC participants, whose comments are provided in Table 4.3 was requested from respondents. It was found that almost half (49.9 percent) of respondents were 2-5 years in groups; one third was between 7 months-2 years in groups, while only 5.5 percent were within 6 months of the time of study.

Table 4.3: Group in SILC Characteristics

<i>Item</i>	<i>Responses</i>	<i>Frequency</i>	<i>Percent</i>
<i>SILC Group Membership Respondent Period</i>	< 6 months	19	5.5
	7 months - 2 years	117	33.7
	2-5 years	173	49.9
	> 5 years	38	11.0
	Total	347	100
<i>Does the SILC group have a commercial bank account?</i>	Yes	293	84.4
	No	54	15.6
	Total	347	100
<i>Have you ever accessed loan from your SILC group?</i>	Yes	239	68.9
	No	108	31.1
	Total	347	100

Most respondents (84.4%) reported having a commercial bank account in the SILC groups to which they belong. In addition, 68.9% of respondents said that their SILC groups had ever had access to credit.

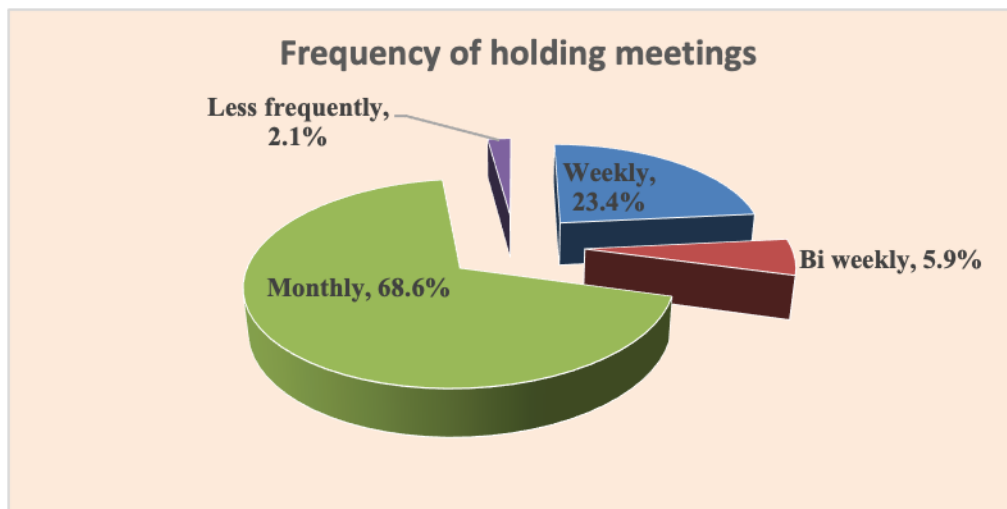


Figure 4.4: Meetings holding in Frequency

Majority of the participants (68.6%) reported meetings once per month for their classes, with just 2.1% meeting less often than as shown in the Figure 4.4 above.

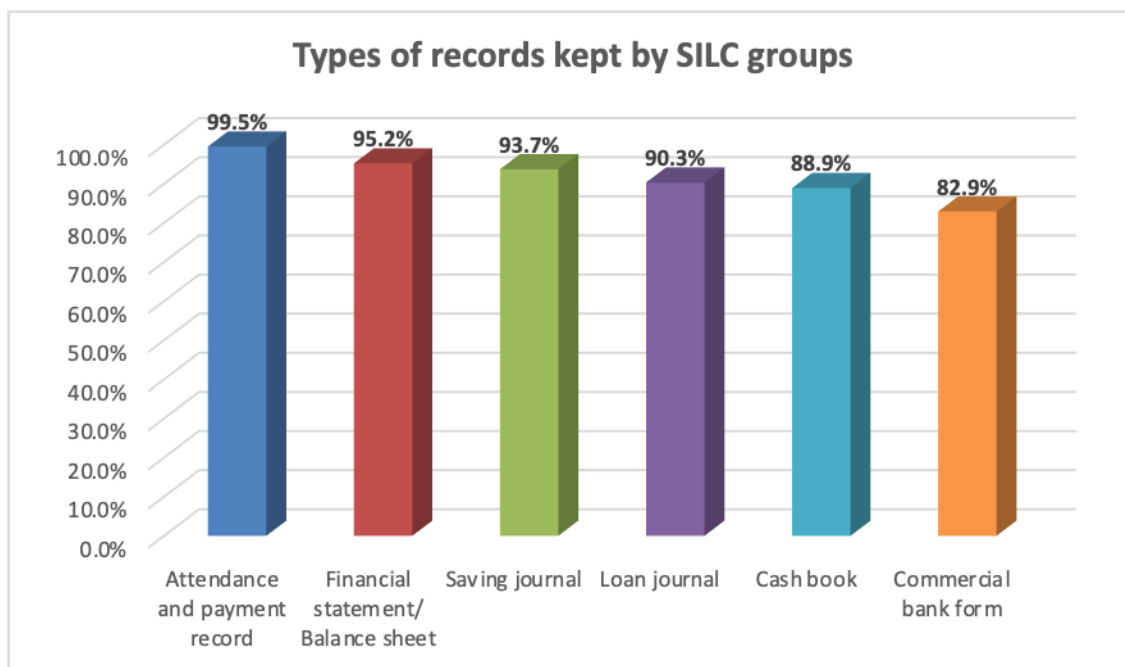


Figure 4.5: Types of Records kept by SILC groups

As shown in Figure 4.5, most of the SILC groups maintained different records for their activities and operations which included attendance and payments with 99.5% agreement, financial

statements/balance sheet with an agreement of 95.2%, saving journal, loan journal, cash book, commercial bank form, with 93.7%, 90.3%, 88.9%, and 82.9%, respectively.

4.3 Drivers of success of SILC among Women

The study's first objective was to develop women entrepreneurs from SILC communities. To study, the researcher identified several reasons why women are joining SILC and asked interviewees to state their agreement with the reasons for their involvement in SILC groups based on their main motivator. The results are as shown in the Table 4.4.

Table 4.4: Motivations for the formation of SILC Groups

	<i>Disagree</i>	<i>Neither agree nor disagree</i>	<i>Agree</i>	<i>Mean</i>	<i>Std. Deviation</i>
<i>Need to save (pension, insurance)</i>	20	8	319	2.88	0.459
	5.8%	2.3%	91.9%		
<i>To raise business capital</i>	19	15	313	2.86	0.464
	5.5%	4.3%	90.2%		
<i>Save for school fees (for children)</i>	53	37	257	2.65	0.765
	15.3%	10.7%	74.1%		
<i>Difficulty obtaining financing from official sources</i>	33	47	267	2.63	0.676
	9.5%	13.5%	76.9%		
<i>Peer pressure</i>	81	63	203	2.31	0.886
	23.3%	18.2%	58.5%		
<i>Save for social activity</i>	122	60	165	2.09	0.912
	35.2%	17.3%	47.6%		
<i>For better facilities, to be able to negotiate</i>	118	70	159	2.03	0.897
	34.0%	20.2%	45.8%		

Table 4.4 shows that women join SILC groups because of the primary reasons for their financial saving potential (to protect social welfare) (91.9%), raising capital for their enterprises (90.2%),

due to trouble obtaining funds from the official networks/channels (74.1%) and savings for school fees for their children (76.9%). The above four factors are more significant than other causes of the accession of women to banking groups. Very small numbers have shown that peer pressure, social financing or the opportunity to negotiate better financial services joined SILC groups.

4.4 Merits and Limitations of SILC Groups to Women

The second study objective was to assess the merits and demerits of SILC on women empowerment.

4.4.1 Merits of SILC

First, the researcher explored different advantages for women in the SILC groups. The results are shown in the following Table 4.5.

Table 4.5: Benefits from SILC Groups

	<i>Disagree</i>	<i>Neither agree nor disagree</i>	<i>Agree</i>	<i>Mean</i>	<i>Std. Deviation</i>
<i>Quick access to savings</i>	4.6%	5.2%	90.2%	2.86	0.466
<i>Ease of access to investment lending</i>	1.5%	12.9%	85.6%	2.84	0.407
<i>Low borrowing interest rates</i>	2.6%	13.9%	83.5%	2.81	0.454
<i>The idea of ensuring that each other is friendly is</i>	9.3%	6.4%	84.3%	2.75	0.612
<i>When I need to take a loan, no need for collateral</i>	11.1%	12.9%	76.1%	2.65	0.671
<i>Assistances in dispute resolution</i>	22.4%	17.2%	60.4%	2.38	0.828
<i>Access to programs for training</i>	34.7%	16.2%	49.1%	2.14	0.905
<i>Company management training as part of a community</i>	36.3%	16.3%	47.4%	2.11	0.909

Women also accepted that the SILC groups have a myriad of advantages. Case in point, 90,2% of respondents agreed that SILC savings and credit were easy to access, 85.6% agreed to Ease of access to investment lending, 83.5% agreed to an easier access to investment loans, 84,3% agreed that guaranteeing is mutually friendly (co-guarantee) and 76.1% said that in SILC for investment loans, the idea of guaranteeing one another is friendly.

Table 4.6: Loans Qualification Criteria

	<i>Not applied at all</i>	<i>Sometimes applied</i>	<i>Always applied</i>	<i>Mean</i>	<i>Std. Deviation</i>
<i>Character (stability – good record of paying bills)</i>	13 3.7%	29 8.4%	305 87.9%	2.88	0.409
<i>Capacity (ability to acquire loan)</i>	16 4.6%	19 5.5%	312 89.9%	2.83	0.445
<i>Terms and conditions of the loan (e.g. interest rate and principal amount)</i>	65 18.7%	77 22.2%	205 59.1%	2.36	0.821
<i>Capital (net value – asset value minus liabilities)</i>	72 20.7%	99 28.5%	176 50.7%	2.27	0.806
<i>Collateral (in case of default, asset such as household goods that can repay the debt)</i>	84 24.2%	109 31.4%	154 44.7%	2.2	0.807

The Five Cs strategy was used by most of the SILC groups when their members were eligible for loans. As the respondents stated, nearly all the groups often concentrated on assessing the quality of each Member's record of payments (87.9%) and his ability to receive loans (89.9%) before the loans were released. The most critical conditions for funding were therefore character and the willingness to pay. In addition, more than a half (59.1%) (the groups always considered loan terms and conditions, including interest and the principal amount, while 50.7% further considered the loan applicant's net worth (asset value less liabilities), and 44,7% always considered collateral for the loan which comprises assets such as household goods capable of being loaned.

4.4.2 Challenges Facing SILC Groups

Then the study assessed the challenges of SILC groups on women empowerment. The researcher investigated various challenges which women SILC groups faced during their operations that had influence on women empowerment.

Table 4.7: Challenges facing SILC groups

	<i>Disagree</i>	<i>Neither agree nor disagree</i>	<i>Agree</i>	<i>Mean</i>	<i>Std. Deviation</i>
<i>Lack of coaching</i>	35.4%	12.3%	52.3%	2.17	0.922
<i>Conflict in Group</i>	33.5%	17.4%	49.1%	2.16	0.897
<i>Low engagement in social events</i>	42.7%	18.7%	38.6%	1.96	0.902
<i>Lack of collaboration / trust between members</i>	52.7%	6.1%	41.2%	1.88	0.963
<i>Bad/ unpaid debts / payment defaults</i>	52.7%	8.7%	38.6%	1.86	0.946
<i>Groups do not have enough money to lend to members</i>	51.9%	15.9%	32.1%	1.8	0.896
<i>Divisions (forming cliques) in the party</i>	53.8%	13.1%	33.1%	1.79	0.91
<i>Bad proficiency in leadership</i>	58.3%	8.4%	33.2%	1.75	0.925
<i>Not to travel in the same direction</i>	63.3%	9.6%	27.1%	1.64	0.881
<i>No thought in the long run (lack of vision)</i>	62.1%	11.8%	26.1%	1.64	0.868
<i>Misuse of funds from the party and diversion</i>	69.7%	8.2%	22.1%	1.52	0.832
<i>Lack of openness (failure of knowledge sharing)</i>	68.8%	12.4%	18.8%	1.5	0.792
<i>The approval process for business loans is not explicit.</i>	76.2%	6.2%	17.7%	1.42	0.773
<i>Non-payment or late payment fines are too harsh.</i>	74.4%	10.2%	15.3%	1.41	0.742

During their activities, the SILC groups were faced with different challenges. The respondents had to agree to statements on issues in groups based on the difficulties they are experiencing in their groups. Most of the respondents face significant obstacles, including a lack of education opportunities (52.3%), community dispute (49%) and members' cooperation and confidence (41%) as well as low debt (38.6%). In general, groups had strong business loan approval (76.2%), low non-payment or late payment penalties (74.4%), and Misuse of funds from the party and diversion (69.7%), so these did not present as important challenges.

4.5 Effect of SILC on economic empowerment of women

The third objective of the study sought to establish how SILC groups had affected the economic empowerment of women. The results were as illustrated in Table 4.8 below.

Table 4.8: SILC Achievements

	<i>Disagree</i>	<i>Neither agree nor disagree</i>	<i>Agree</i>	<i>Mean</i>	<i>Std. Deviation</i>
<i>My savings ability has increased</i>	5 1.4%	11 3.2%	331 95.4%	2.95	0.269
<i>I can provide for my children's education</i>	33 9.5%	53 15.3%	261 75.2%	2.62	0.697
<i>I have formed new friendships</i>	24 6.9%	71 20.5%	252 72.6%	2.58	0.654
<i>I have enhanced current friendships</i>	27 7.8%	77 22.2%	243 70.0%	2.57	0.66
<i>I have experienced more wealth creation</i>	37 10.7%	55 15.9%	255 73.5%	2.55	0.728
<i>I have better health and wellness</i>	31 8.9%	87 25.1%	229 66.0%	2.54	0.639

In addition, the analysis aimed to examine the accomplishments of SILC membership. More than 60 percent accepted that their membership in banking groups resulted in closer friendships and better financial skills. Nearly all respondents (95.4%) reported that since they joined SILC, they had also improved their savings potential. Moreover, 73.5% agreed that have experienced more wealth creation and 75.2% agreed that their children will now be taught as shown in Table 4.9.

Table 4.9: Socioeconomic Changes

	<i>Improved</i>	<i>Stayed the same</i>	<i>Worsened</i>	<i>Mean</i>	<i>Std. Deviation</i>
<i>Family income</i>	336	11	0	1.02	0.15
	96.8%	3.2%	0.0%		
<i>Providing housing and acquiring household assets</i>	311	35	1	1.14	0.359
	89.6%	10.1%	0.3%		
<i>Providing adequate food for the family and improved nutrition</i>	285	62	0	1.22	0.415
	82.1%	17.9%	0.0%		
<i>Starting and growing small businesses</i>	286	58	3	1.23	0.436
	82.4%	16.7%	0.9%		
<i>Decision making capability</i>	283	63	1	1.24	0.436
	81.6%	18.2%	0.3%		
<i>Sending your children to school</i>	274	69	4	1.24	0.437
	79.0%	19.9%	1.2%		
<i>Taking care of medical needs for the family</i>	267	80	0	1.27	0.442
	76.9%	23.1%	0.0%		
<i>Participation in leadership</i>	157	186	4	1.60	0.511
	45.2%	53.6%	1.2%		
<i>Domestic conflict/violence reduction</i>	164	178	5	1.61	0.515
	47.3%	51.3%	1.4%		

Women have had many socio-economic shifts since joining SILC communities. For example, most (96.8%) respondents reported an increase in their family income. Furthermore, 89.6%

registered improvement in household provision and household assets acquisition. Small companies (82.4%), the family-friendly supply of adequate food and better nutrition (three meals a day) (81.6%), increased decision-making (79.0%) have also improved in sending children to school.

4.6 Inferential Statistics

4.6.1 Factor Analysis

Before conducting inferential statistics, factor analysis was done to identify factors that may not be instrumental to the study. Factor analysis acts as a gauge of the substantive importance of a given variable to the factor and it was used to identify and remove hidden constructs or variable items that do not meet the objectives of the study and which may not be apparent from direct analysis (David *et al.*, 2010). Communalities and eigenvalues were used to show the substantive importance of variable factors. In this study, eigenvalues for each variable were extracted using principal component analysis. The components with eigenvalues of 1 and above were used for further analysis. These were combined to come up with a composite variable to be used in inferential analysis.

The study used factor analysis for dimension reduction and principal component analysis (PCA) to extract factor scores that were used for regression. The study found either PCA or computing composite score based on all indicators measuring similar constructs yielded similar results and therefore opted PCA. The factors scores generated by PCA were found to meet all classical linear regression assumption of no multicollinearity, non-autocorrelation and homoscedasticity. Similarly, composite scores also met these assumptions.

4.6.2 Correlation Analysis

Table 4.10: Correlation Analysis

		<i>Women Empowerment</i>	<i>Drivers of SILC</i>	<i>Benefits of SILC</i>	<i>Challenges facing SILC</i>
<i>Women Empowerment</i>	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	38			
<i>Drivers of SILC</i>	Pearson Correlation	0.507	1		
	Sig. (2-tailed)	0.000			
	N	347	347		
<i>Benefits of SILC</i>	Pearson Correlation	0.811	0.793	1	
	Sig. (2-tailed)	0.000	0.000		
	N	347	347	347	
<i>Challenges facing SILC</i>	Pearson Correlation	0.256	0.407	0.631	1
	Sig. (2-tailed)	0.044	0.027	0.016	
	N	347	347	347	347

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

. Correlation is significant at the 0.05 level (2-tailed).

From the findings, there was a positive relationship between drivers of SILC groups as well as the benefits of SILC and empowerment of women in Igembe South. For instance, Drivers of SILC exhibited a positive correlation with empowerment of women ($r=0.507$, $p<0.01$). The benefits of SILC had a stronger correlation with empowerment of women with $r=0.811$. On the other hand, challenges of SILC showed a moderate inverse correlation with empowerment of women ($r=-0.256$, $p<0.05$). This implied that the more the challenges a SILC group was facing, the less the women were empowered.

4.6.3 Regression Analysis

Goodness of Fit of the Model

Goodness of fit of the model refers to how well the model explains the variations in the dependent variable (Gujarati, 2012). It evaluates whether the model is good, reliable and valid to be used for prediction. In this study, the R squared, Standard error of estimate (S.E.) and the F-test statistic were used respectively to evaluate the goodness, reliability and validity of the various models.

Table 4.11: Goodness of Fit Model

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.868 ^a	.753	.751	.241

a. Predictors: (Constant), Drivers of SILC, Benefits of SILC, Challenges of SILC

Coefficient of Determination describes how the change in the response variable can be described by changes in the independent variables or by the variance percentage of the dependent variable which all independent variables explain. The coefficient usually lies between 0 and 1 whereby 0 indicates a complete lack of fit while 1 indicates a perfect fit. Therefore, the closer it is to 1 the better the fit. The value of R-square produced was 0.753 and was adjusted to 0.751. The adjusted R squared is a better measure in this case because it is used to make comparison of a regression model that has the same dependent variable but different number of independent variables. This means that the independent variables could explain 75.1% of the women empowerment while only 24.9% of the empowerment can be explained by factors not studied in this study.

Table 4.12: ANOVA^a

	<i>Model</i>	<i>Sum of Squares</i>	<i>df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
1	Regression	65.957	3	16.489	284.078	.000 ^b
	Residual	21.593	339	.058		
	Total	87.549	342			

a. *Dependent Variable: Women Empowerment*

b. *Predictors: (Constant), Drivers of SILC, Benefits of SILC, Challenges of SILC*

Variance analysis (ANOVA) has been used to determine the general significance of the regression model. The null hypothesis is that there is no explanatory force for the independent variables ($\beta_1=\beta_2=\beta_3=0$). The p-Value of 0.001 means that the R squared is significantly greater than zero thereby our predictors can account for a significant amount of variance in empowerment of women. With a significant p-value, we reject the null hypothesis and adopt the alternative hypothesis and conclude that the predictors have explanatory power. Therefore, the regression model is significant ($F_{(3,342)} = 284.078, p < 0.001; R^2 = 0.753$).

Table 4.13: Regression coefficients

		<i>Coefficients^a</i>				
Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	-.862	.110		-7.862	.000
	Drivers of SILC	.290	.030	.277	9.739	.000
	Benefits of SILC	.919	.037	.707	25.103	.000
	Challenges of SILC	-.057	.028	-.065	-2.023	.044

a. *Dependent Variable: Women Empowerment*

$$\text{Women Empowerment} = -0.862 + 0.290 X_1 + 0.919 X_2 - 0.057 X_3$$

Where;

X_1 = Drivers of SILC

X_2 = Merits of SILC

X_3 = Challenges facing SILC

The results of linear regression showed that all the independent variables had effects on the empowerment of women in Igembe South. In this regard, drivers of SILC and benefits of SILC exhibited a significant positive effect on women empowerment while challenges faced by the

SILC groups had marginal effects. In this regard, drivers of SILC were found to be positively related with women empowerment where a unit increase in drivers of SILC would lead to a significant increase in women empowerment by 0.29 points other factors kept constant.

In addition, a unit increase in benefits of SILC by members would significantly increase women empowerment by 0.919 units all other factors kept constant. However, challenges faced by SILC groups had a negative effect on empowerment where a unit increase in perceived challenges would significantly lead to marginal decrease in women empowerment by 0.057 units, other factors kept constant.

The fact that the independent variables (drivers of SILC, benefits of SILC as well as challenges faced by SILC) could explain 75.1% of the women empowerment, shows that empowerment of women is highly determined by the variables studied.

4.7 Discussion of Findings

This section discusses the findings above in relation to other research studies conducted. The section is organized as per the objectives and includes comparison with other studies.

4.7.1 Drivers of SILC among Women

This study has established that women entrepreneurs are pushed to join SILC financing groups to enable them to save, raise business capital, avoid prohibitive requirements and procedures in formal financial institutions, and save for their children's school fees more than peer pressure, social activity funding ability, or financial services negotiating power. This feedback was advanced by 92.8% of respondents who joined groups primarily to save, 91.3% of respondents who concurred they joined to raise business capital, 73.7% of respondents who said they experienced constraints accessing formal financial institutions, and 72.6% who needed a platform to enable them to pay school fees (World Economic Forum [WEF], 2013; Obiria *et al.*, 2015; World Economic Forum, 2007). Similar findings have been reported, indicating that women in micro and small enterprises are pushed to seek informal financial services by the desire to grow their businesses and cater to household/domestic goals. It is critical to reiterate that complex bureaucratic procedures and requirements of financial institutions are another push

factor since they have been reported and exclusive to women (Gichuki, 2015; Mengo, 2013, 2016; Obiria, 2016;).

The aim of introducing SILC program among women groups was to increase their income and give them financial freedom. However, majority of participants in SILC programmes are people who earn low levels of income between 5000 and 20000 shillings. The low levels of income among the members are an indication that poverty is still a major challenge that SILC needs to address because it has not improved the level of income earnings as would have been expected from the literature review. Islam (2007) revealed that microfinance organizations promote consumption of low-income earning individuals, but this is to a small extent that is not significant to the whole society. This position is also supported by other studies by Ngore *et al.* (2011) who found out that Igembe North is a leading producer in Khat that has a significant contribution to the economy of Kenya, but the area is still considered among the poorest regions in the country. This supports the findings in this study that, SILC improves consumption but does not have a major financial impact to the participants because they only deal with small amounts of money. Further, Ngore *et al.* (2011) have argued that khat is key source of income for people in Igembe North and it is the basis of deriving their livelihoods. In the recent past, the market of Khat in the international market has been banned and this can explain the reasons of insignificance impact of SILC programs to women in Igembe North. As such, members have little loan capital that they contribute, and this limits access to substantial amounts of loans that can have a major impact to their lives.

Kenyan women are encouraged to engage in informal networks to access financial services, such as SILC loan groups. SILC offers women lower entry barriers and a diverse range of loan options, including social bond commitments. This highlights the importance of SILC in providing women entrepreneurs with access to financial services for both personal and business needs, as noted by Bandeira-de-Mello *et al.* (2015). Additionally, findings from (Naituli, Richtulo and Kaimenyi 2008) indicate that traditional women's micro and small enterprises (MSEs) are prevalent in Kenya's rural and suburban areas, focusing on products like cereals, vegetables, semi-processed goods, and fresh produce.

In contrast, according to the World Economic Forum ([WEF], 2013), women face time and social constraints and capital gender inequalities which constrain their development and growth. Furthermore, according to ILO's (2009) and IFC and GPMI (2011), among those that are facing its male counterparts, many female entrepreneurs face many entrepreneurial obstacles. Poor infrastructure, prohibitive production costs and political instability are the obstacles to all entrepreneurs. These are negative drivers that hinders many women from being actively involved in entrepreneurial choice of women.

4.7.2 Merits of Women SILC Groups in Kenya

The study reveals that merits of SILC groups include ease of accessing savings and credits, the ease with which women can expand their businesses and accepting that the principle of mutual guarantee is friendly (co-guarantor) in conjunction with low borrowing interest rates plus no need for collateral. Gichuki *et al.* (2015) echoed such attributes much earlier and introduced them to be innovative by Action Aid (2017), insofar that if collateral is required, common assets such as foodstuffs or even livestock can suffice to enable a member to receive a loan. The merits of women include growing family incomes, enhanced decision-making and sufficient nutrient feed to families after joining SILC and table banking classes. Women have been able to gain socio-economic benefits for women. The results support those of Allen and Guevara (2019), where in their study, they ascertained that SILC serves as a great opportunity for the members (the majority of which are women) to get financial education as well as experience in budgeting, setting financial goals, saving, and borrowing. Furthermore, as stated by Fidelis (2009), the SILC has the merit of giving women a great opportunity for the building of strong social bonds.

The level of community participation in SILC programs in the region is important in understanding its impact. In Igembe North, majority of women are members of SILC, and the level of participation is commendable. The microfinance has presence across the sub-county, and this provides ease of access by women across the constituency. Also, majority of women in SILC programs have been in their groups for more than two years because they are recruited from existing groups. This confirms an earlier claim by Bauchet and Morduch (2010) who argued that the level of participation within the community provides an important framework to obtain accurate information concerning interests, and demand for improved services. The level of

participation in microfinance activities is universal and may differ from one region to the other, which defines the level of success (Bauer *et al.*, 2008). Participation in SILC programmes is voluntary, but it is high in Igembe North because it solves most of their financial problems supported by SILC innovations and creativity.

The success of SILC in Igembe is determined by the level of improvement on livelihoods. In this context, products offered by SILC in the region have facilitated enhancement of farm inputs acquisition, house renovations, purchase of livestock, water tanks and better water storage. The findings of the study support an earlier claim in literature review by Ayertey (2008) that showed role of microfinance in promoting the quality of lives of its members. In addition, the level of self-esteem is improved by offering participants an opportunity to adopt coping strategies to address poverty. Majority of members from Igembe North have improved their physical assets like land, and livestock because of SILC (Ayertey, 2008). The study confirms that SILC has played a major role in improving the physical assets of members. Other important benefits that accrue from SILC programs are financial ability to educate their children, better health and informed decision making. Access to capital loans for women in the rural areas provides an opportunity to use the money in basic and important strategies that add value to their lives. Therefore, the findings of the study support earlier studies in literature review that should improve education and health through access to capital loans provided by microfinance organizations (Wright, 2000). However, most of the improvement in SILC programmes are confirmed at household levels because the amounts of loans are not big enough to support big projects outside the homestead. In the contemporary world, the role of silk in promoting initiation of small businesses, improved health, education and acquisition of physical assets remains a positive finding that should be considered across the country.

4.7.3 Challenges Facing Women SILC Groups in Kenya

The SILC Groups expressed their key problems, including the scarcity of training opportunities, group conflicts, lack of partnership/trust between members and bad debts. The results of this study indicate that SILC women's organizations have effective record keeping management. Nine in ten groups keep savings journal, cash book or control sheet while some groups keep financial statements and balance sheets. It emerges It is commendable, that women can gather

bookkeeping and corporate administrative competence from the same organizations, and that women's groups are funded by NGOs and micro-finance institutions (ActionAid, 2017). That is commendable. While these findings are nice, as it shows, Kenya's development partners considered study recommendations like Mashenene and Romanyika in Tanzania (2014) which recommended training for women, particularly for those owning enterprises. SILC Nation party. Groups. Not only women have the problem of defaulting on payments SILC groups as Mwobobia (2016) founded.

CHAPTER FOUR

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

This study's broad objective is to evaluate the effectiveness of SILC on the empowerment of women in Igembe South Constituency, Meru County, Kenya. The study also sought to explore the effect of SILC on economic empowerment among women, assess the Merits and Limitations of SILC on the empowerment of women, and examine the drivers of success of the SILC model the empowerment of women. The nature of a slow economy and turbulence in the global market have increased participation in microfinance activities in many parts of the world. In Igembe North, the level of participation in microfinance activities has increased because it provides easy access to capital loans to improve livelihoods. Therefore, this study can conclude that association with SILC through investing and loaning has played a major role in improving livelihoods of women in Igembe North. The study was motivated by the fact that women's economic empowerment has been recognized as the most effective way. Although there has been tremendous progress on women empowerment over the last couple of years, concerns have been raised on the top-down approaches, which excludes most women living in rural areas. Therefore, there was a need for SILC to be integrated as the driver of this empowerment.

The research used a cross-sectional descriptive survey research design. A deductive research approach and a quantitative research strategy were also used as they yield logical and unbiased results. The study adopted a combination of random and purposive sampling techniques was adopted. Purposive sampling has the advantage of helping the research save on time and money, while random sampling can reduce bias. Purposive sampling was used to collect data using questionnaires from 495 SILC groups in the Igembe South constituency. The unit of analysis was the individual women who are members of SILC groups.

Results revealed that the main drivers of many women involving in the SILC group included the need to save (pension, insurance), to raise business capital, save for school fees (for children), difficulty obtaining financing from official sources, Peer pressure, save for social activity, and for better facilities, to be able to negotiate. The results further showed most women indicated that their savings ability has increased, they can provide for my children's education, have formed

new friendships, have enhanced current friendships, have experienced more wealth creation, and have better health and wellness as results of SILC which is a form of empowerment.

Furthermore, some of the merits of SILC on the women were quick to access savings, ease of access to investment lending, low borrowing interest rates, the idea of ensuring that each other is friendly is, no need for collateral, assistances in dispute resolution were major merits. Finally, results showed women experiences challenges that hinder their effectiveness. These challenges include a lack of education opportunities, community disputes, and members' cooperation and confidence as well as low debt. In general, groups had strong business loan approval, low non-payment or late payment penalties, and misuse of funds from the party and diversion.

Generally, drivers of SILC and benefits of SILC exhibited a significant positive effect on women empowerment, while challenges faced by the SILC groups had marginal effects. The fact that the independent variables (drivers of SILC, benefits of SILC, as well as challenges faced by SILC) could explain 75.1% of the women empowerment shows that empowerment of women is highly determined by the variables studied.

5.2 Conclusion

This section covers the conclusions of this study based on research findings. The conclusions are divided into two categories, namely: theoretical conclusions; and empirical conclusions.

5.2.1 Theoretical Conclusion

This study was guided by two theories: the Grameen solidarity group model and the social capital theory. The Grameen solidarity group model is built on a social pressure under which lending in groups of four to seven is made to individuals. This model further asserts that members of the group are guaranteed the repayment of loans jointly, and access to additional loans is subject to all group members' satisfactory repayments. The model on the aspect of collateral opportunities for micro-finance is divided into three sub-models, namely the Self-selection model, which concludes that prior to signing the group lending contract, individuals who share a common risk role and know the credit level of each other will form a group by selecting peers. In contrast, the high-risk creditors are disqualified because nobody in his party

needs them. The next sub-model is and concludes that the group lending process creates group obligations, meaning that loan liability is shared by group members. It is a powerful disincentive to fail other group members and the resulting social penalties. While in the Close relationships model, the model concludes that group members know each other and can lessen adverse problems of selection caused by uneven knowledge, as groups can track each other's activities and, if need be, apply social sanctions in advance.

In the social capital theory, social capital is mostly understood as a source by which people can benefit from social relationships, networks, or other structures. The theory of social capital further focuses on the presence of the weakest since they have little assets to give and therefore benefit from the general approach to mutually advantageous cooperation. Therefore, the theory makes conclusions to the plans of the SILC. The theory is also useful because it does not presume that if underlying motives and attitudes towards cooperation are not developed, social capital can be created. The theory concludes there are four factors that denote the motives that predispose people to collective behavior. These include Friendship, Unity, Generosity and Confidence, and Reciprocity. Cooperation is understood as a mutually beneficial way of working together. This precludes people from working individually to pursue joint solutions to problems.

5.2.2 Empirical Conclusion

The findings of this study confirm the effectiveness of SILC on the economic empowerment of women in Igembe South Constituency, Meru County, Kenya. Generally, the study sought to explore the effect of SILC on empowerment among women in Igembe South Constituency, Meru County. Since empowerment is a multi-dimensional social process that entails helping people to gain control over their lives or measures designed to enhance the degree of self-reliance and autonomy of persons and communities to allow them to serve ownership interests in an autonomous but accountable manner. Therefore, the effectiveness of SILC is the way in which measure SILC has positively or negatively changed or impacted the women in economic empowerment. From the results, the study concludes the SILC has positively impacted women empowerment by the increment in savings ability, and many women can provide for my children's education. SILC has also enabled the forming of new friendships, has enhanced current friendships, have experienced more wealth creation, and have better health and wellness.

The first objective sought to determine the drivers of the success of the SILC model in the empowerment of women in Igembe South Constituency, Meru County. Drivers in this context are the motivations that empower many women to engage in daily entrepreneurial activities. The study identified many drivers that enhance many women's empowerment. These drivers included need to save (pension, insurance), to raise business capital, save for school fees (for children), difficulty obtaining financing from official sources, Peer pressure, save for social activity, and for better facilities, to be able to negotiate. These drivers have enabled many women to be active and successful entrepreneurs who have led to reducing the gap of gender inequality in many business participations.

The second objective of the study sought to assess the Merits of SILC on the empowerment of women in Igembe South Constituency, Meru County. Since the objective of SILC is to provide financial assistance and capacity-building as well as empowerment to women, therefore, it has its own merits. Merits are the advantages that are brought to the table by SILC. The study concludes that quick access to savings, ease of access to investment lending, low borrowing interest rates, the idea of ensuring that each other is friendly is no need for collateral, assistances in dispute resolution were major merits that motivated women empowerment.

Finally, the third objective of the study sought to assess the challenges facing SILC groups that hinder women empowerment. These are the barriers that hinder women from acquiring the services of SILC. From the study results, the major limitations included a lack of education opportunities, community disputes, and members' cooperation and confidence as well as low debt. Furthermore, the barriers with fewer impacts included groups that had strong business loan approval, low non-payment or late payment penalties, and misuse of funds from the party and diversion.

5.3 Recommendations

Policy makers in the country should focus on developing sustainable approaches for supporting community development through encouraging more participants in SILC programs as a way of

enhancing empowerment. Secondly, there is a need to capacity building at community level about microfinance activities as a way of providing skills and knowledge that will support empowerment and improve livelihood of its people. Thirdly, extensive studies should focus on ways SILC can improve its programs and attract more men because it has the potential of being a major source of income in the future for local communities. To address the effectiveness of SILC on economic empowerment of women in Igembe South Constituency, Meru County, Kenya, this study makes the following recommendations in respective areas:

With the vast merits and limitations of SILC, the study recommends the group leaders of women empowerments the program to evaluate the merits and make sure they uplift every member of the group. Given that the limitations, which included lack of education opportunities, community dispute, and members' cooperation and confidence as well as low debt, the study recommends the empowering groups to resolve these limitations which reduce their negative impacts, and hence promoting the entrepreneurial power of women.

The study recommends the government or leaders of the SILC to identify drivers of success of SILC such as the need to save, to raise business capital, save for school fees (for children), difficulty obtaining financing from official sources, peer pressure, save for social activity, and for better facilities, that will ensure they make the right decision in choosing which driver will lead them to acquire the right knowledge on how they can be empowered.

The results also recommend the women to adopt SILC as the study has indicated they have positively impacted many women in their daily lives. This will, therefore, will reduce gender inequality in taking part in enterprise activities.

Generally, with positive impacts of drivers and merits of SILC, and the negative impact of challenges, the study recommends the groups to always consider what type of driver will enhance quality output and merits attained from the empowerments. This will, therefore, reduce the negative force of challenges that are normal to occur in any entrepreneurial activity.

5.5 Suggestions for Further Study

The current study focuses on the effectiveness of SILC on the economic empowerment of women in Igembe South Constituency, Meru County, Kenya. This study has shown clearly that

SILC has an important role in improving the livelihoods of women in the region through access to effective capital loans. However, there is a need for a similar study in this topic in other parts of the world so that the findings provide information for development of an enhanced empowerment program in Kenya. On the other hand, majority of members in the SILC program were poor women with low levels of education and it is possible that it affected the output of the program objectives in one way or another. Therefore, future studies should focus on identifying the impact of high illiteracy levels to the performance of SILC programs in other parts of the country. The research was carried out during the hard times of COVID-19, where many people and institutions are experiencing many hardships to keep them moving. Hence the same study can be conducted in Meru County after the pandemic has been controlled and compare the effectiveness of SILC on the economic empowerment of women. Researchers can adapt this methodology and increase the sample size by including all the participants and cover a wider area and compare results.

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APPENDICES

Appendix I: Letter Of Introduction

CYNTHIA WECHABE

EGERTON UNIVERSITY
BOX 536
NJORO –KENYA

Dear Respondent,

RE: DATA COLLECTION

I am a student of Egerton University pursuing a Master of Arts Degree in Sociology. I am currently carrying out a research study titled, “Effectiveness of Saving and Internal Lending Communities (SILC) on women economic empowerment in Igembe South Constituency, Meru County, Kenya”.

I will highly appreciate if you participate in this study and assist me by responding to the questions that will follow. Your response will be treated with utmost confidentiality.

Thank You.

Yours Faithfully,

CYNTHIA WECHABE

Appendix II: Research Authorization



Appendix III: Nacosti Authorization

 REPUBLIC OF KENYA	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
Ref No: 204519	Date of Issue: 26/October/2023
RESEARCH LICENSE	
	
This is to Certify that Ms. Cynthia Asafi of Egerton University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Meru on the topic: CONTRIBUTION OF SAVING AND INTERNAL LENDING COMMUNITIES (SILC) ON WOMEN ECONOMIC EMPOWERMENT IN IGMEMBE SOUTH CONSTITUENCY, MERU COUNTY, KENYA for the period ending: 26/October/2024.	
License No: NACOSTI/P/23/30580	
204519 Applicant Identification Number	 Director General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
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See overleaf for conditions	

Appendix IV: Questionnaire

Section A: Background information

Serial No. _____

Name of the SILC group: (Optional) _____

Size of the group (No. of members): _____

For how long has the group been operational? _____ years

How long have you been a member of this group? < 6 months 7 months -2 years >2-5 years > 5 years

Section B: Socio-demographic and economic information

1. Age of the respondent: years
 18-35 years 36-45 years 46 -55 years Above 55 years
2. What is the highest level of education you have attained?
 No education Primary Secondary Tertiary
3. What is your main occupation?
 - a. Crop farming
 - b. Casual work/ wages
 - c. Self-employed/ business
 - d. Formal employment
 - e. Other (specify) _____
4. What is your estimated total household incomes from all sources? KSh _____
 - (a). 10,000 or less
 - (b). 10,001-20,000
 - (c). 20,001-30,000
 - (d). 30,001-40,000
 - (e). 40,001 - 50,000
 - (f). Above 50,000

Section C: Drivers of SILC Groups

	For questions 6 and 7 kindly rate the following responses on a scale of 1-5	(1) Highly disagree	(2) Disagree	(3) Neither Agree nor Disagree	(4) Agree	(5) Highly agree
5.	What motivated formation of your group was ...					
a)	Need to save (pension, insurance)					
b)	To raise business capital					
c)	Save for school fees (for children)					
d)	Difficulty obtaining financing from official sources					
e)	Peer pressure					
f)	Save for social activity					
g)	For better facilities, to be able to negotiate					
h)	Others (Please specify)					
6.	Thinking about your SILC group's achievements since you started, what are you especially proud of?					
a)	I have been able to increase my savings					
b)	I am able to fund my children's education					
c)	I have created new friendships					
d)	I have strengthened my current friendships					
e)	I have been able to create more wealth					
f)	I have better and healthy lifestyle					
g)	Other(s)					

Section D: Advantages/Benefits of SILC groups to members

10. What would you say is the main benefit you enjoy from being a member of your SILC group?

Kindly rate the following benefits	Highly disagree	Disagree	Neither Agree nor Disagree	Agree	Highly agree
No need for collateral					
Notion of mutual guarantee is friendly					
Low interest rates on borrowing					
Ease of accessing saving					
Easy to access loans for investment					
Assistance in resolving conflicts					
Access to training opportunities					
Other: (specify)					

Section E: Challenges of SILC groups among Women

	On a scale of 1-5, kindly rate the following	Highly disagree	Disagree	Neither Agree nor	Agree	Highly agree
11.	What are some of the problems your group has faced in its existence?					
a)	Uncooperative/untrustworthy members					
b)	Poor leadership skills					
c)	Lack of training on group dynamics and management					
d)	Bad/ unpaid debts/default in payment					
e)	Misuse of group funds and diversion					
f)	Low participation in group activities					
g)	Conflicts among group members					
h)	Failure to move in the same direction					
i)	Divisions in the group (forming cliques)					
j)	Lack of vision					
k)	Lack of transparency					

1)	Other(specify)					
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Section F: Effects of SILC groups on Empowerment of women

12. To what extent do you feel that the following socioeconomic well-being of members of the group has changed because of the group?

		Improved	Stayed the same	Worsened
a)	Family income			
b)	Ability to provide adequate food for the family (three meals per day)			
c)	Improvement of nutrition at the household			
d)	Ability to meet medical needs for the family			
e)	Ability to send children to school			
f)	Creating and growing small businesses			
g)	Housing & household assets			
h)	Participation of women in leadership			
i)	Reduction in domestic conflict/violence			
j)	Access to safe, clean water			

Section G: SILC Group Operations

14 How much money does each member contribute per month? _____ per month

15 Does the SILC group have a commercial bank account?

Yes

No (Why? _____)

16 Have you ever accessed loan from your group in the last 12 months?

- Yes
 No

17 What is the criteria is adopted by your group for decision making on qualifying members for a loan?

On a scale of 1-5, kindly rate the extent to which each of the following criterion is applied in your group when members are borrowing a loan		Not Applied at all	Sometimes applied	Always applied
Criteria for qualifying for a loan				
a)	Capacity (your ability a loan)			
b)	Capital (net worth — the value of your assets minus your liabilities)			
c)	Collateral (assets such as household goods which can repay the debt in case of default)			
d)	Conditions (terms and conditions of the loan, such as its interest rate and amount of principal)			
e)	Character (stability- good record of paying your bills)			
f)	Other (specify)			

18 How often does the group hold meetings? Weekly Once every two weeks Monthly
 Less frequently

19 Which of the following records do you maintain as a group?

Type of record		Yes	No
i.	Attendance and payment record		
ii.	Saving journal		

iii.	Loan journal		
iv.	Cash book/control sheet		
v.	Financial statement/balance sheet		
vi.	Commercial bank form		
vii.	Other (specify		

20 Any other comments on SILC as a mode to finance small businesses?

Appendix V: Factor Analysis

Variable 1: Drivers of SILC groups

Factor tests were performed before the findings were evaluated in order to explain heterogeneity between the observed and verify associated variables in order to minimize redundant information. Factor analysis carried out on the drivers of SILC as indicated in Table 4.8. This method allowed checking redundancy within the variables in case of strong correlation. The sample was adequate since Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) attained was 0.752 and was greater the recommended threshold of 0.5 (Field, 2009).

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.752
	Approx. Chi-Square	368.429
Bartlett's Test of Sphericity	df	21
	Sig.	.000

The Bartlett test of sphericity was also applied to investigate whether there are relationships between the drivers of SILC groups. As a rule of thumb, for the factor analysis to be appropriate the p-value of Bartlett test should be less than 0.05 (Pallant, 2006).

Communalities

	Initial	Extraction
Need to save (pension, insurance)	1	0.441
To raise business capital	1	0.688
Save for school fees (for children)	1	0.772
Difficulties accessing finance from formal channels	1	0.500
Peer pressure	1	0.664
To be able to negotiate for better services	1	0.501
Save for social activity	1	0.714

Extraction Method: Principal Component Analysis.

Principal components analysis was used because the primary purpose was to identify and compute composite scores for the factors underlying the drivers of SILC groups. Initial Eigenvalues indicated that the first two factors explained 44.9% and 16% of the variance respectively. Cumulatively, the two factors extracted explained 61.2% of the total variances. The two factor scores were combined to get a composite score to be used for inferential analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.140	44.861	44.861	3.140	44.861	44.861
2	1.141	16.298	61.159	1.141	16.298	61.159
3	.776	11.086	72.246			
4	.609	8.701	80.947			
5	.531	7.589	88.536			
6	.499	7.128	95.664			
7	.304	4.336	100.000			

Extraction Method: Principal Component Analysis.

Variable 2: Merits/ Benefits of SILC Groups

Similarly, factor analysis carried out on the benefits of joining SILC groups by women. This method allowed checking redundancy within the variables in case of strong correlation. The sample was adequate since Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) attained 0.64 which was above the recommended threshold of 0.5.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.637
	Approx. Chi-Square	130.678
Bartlett's Test of Sphericity	df	24
	Sig.	.000

The Bartlett test of sphericity was also applied to investigate whether there are relationships between the benefits of joining SILC groups. As a rule of thumb, for the factor analysis to be appropriate the p-value of Bartlett test should be less than 0.05.

Communalities

	Initial	Extraction
Quick access to savings	1	0.801
Access to investment loans is simple	1	0.695
Low borrowing interest rates	1	0.611
The principle of mutual assurance is pleasant	1	0.890
When I need to take a loan no collateral	1	0.635
Help for dispute resolution	1	0.362
Access to programs for training	1	0.393
Corporate management preparation as part of the group	1	0.708

Extraction Method: Principal Component Analysis.

Principal components analysis was used because the primary purpose was to identify and compute composite scores for the factors underlying the benefits of joining SILC groups. Initial Eigenvalues indicated that the first two factors explained 48% and 27% of the variance respectively. Cumulatively, the two factors extracted explained 75% of the total variances. The two factor scores were combined to get a composite score to be used for inferential analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.919	47.967	47.967	1.919	47.967	47.967
2	1.079	26.963	74.930	1.079	26.963	74.930
3	.307	7.084	82.014			
4	.283	6.501	88.515			
5	.245	4.363	92.878			
6	.123	3.110	95.988			
7	.102	2.336	98.324			
8	.079	1.676	100.000			

Extraction Method: Principal Component Analysis.

Variable 3: Challenges Facing Women SILC Groups

Factor analysis carried out on the challenges facing SILC groups. The sample was adequate since Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) attained a score of 0.60 which was above the recommended threshold of 0.5.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.597
	Approx. Chi-Square	487.759
Bartlett's Test of Sphericity	df	26
	Sig.	.000

The Bartlett test of sphericity was also applied to investigate whether there are relationships between the benefits of joining SILC groups. As a rule of thumb, for the factor analysis to be appropriate the p-value of Bartlett test should be less than 0.05.

Communalities

	Initial	Extraction
Lack of training	1.000	0.588
Group conflict	1.000	0.564
Poor participation in group activities	1.000	0.698
Lack of cooperation/trust among members	1.000	0.574
Bad/ unpaid debts/default in payment	1.000	0.615
Group not having sufficient funds to lend to members	1.000	0.460
Divisions in the group (forming cliques)	1.000	0.549
Weak leadership skills	1.000	0.694
Not moving in the same direction	1.000	0.620
No long-term thinking (lack vision)	1.000	0.632
Lack of transparency (failure to share information)	1.000	0.483
The process is not simple for authorizing commercial loans	1.000	0.617
Penalties for default are too harsh or late payment	1.000	0.602

Extraction Method: Principal Component Analysis.

The primary objective of Principal components analysis was to identify and measure composite results for the factors behind the challenges faced by SILC groups. The primary objective was to analyze components. Initial Eigenvalues indicated that the first four factors explained 27.5%, 12%, 9.9% and 9.5% of the variance respectively. Cumulatively, the four factors extracted explained 58.9% of the total variances. The four factor scores were combined to get a composite score to be used for inferential analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.023	27.479	27.479	3.023	27.479	27.479
2	1.319	11.991	39.470	1.319	11.991	39.470
3	1.086	9.875	49.345	1.086	9.875	49.345
4	1.049	9.534	58.879	1.049	9.534	58.879
5	0.851	6.540	65.419			
6	0.827	6.414	71.832			
7	0.796	5.258	77.090			
8	0.625	4.679	81.770			
9	0.586	4.330	86.099			
10	0.431	3.922	90.021			
11	0.407	3.703	93.724			
12	0.376	3.257	96.981			
13	0.348	3.019	100.000			

Extraction Method: Principal Component Analysis.

Variable 4: Empowerment of Women

In the same way, factor analysis carried out on the attributes of women empowerment. The sample was adequate since Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) attained a score of 0.59 which was above the recommended threshold of 0.5.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.592
	Approx. Chi-Square	561.063
Bartlett's Test of Sphericity	df	18
	Sig.	.000

The Bartlett test of sphericity was also applied to investigate whether there are relationships between the benefits of joining SILC groups. As a rule of thumb, for the factor analysis to be appropriate the p-value of Bartlett test should be less than 0.05.

Communalities

	Initial	Extraction
Family income	1.000	0.584
Providing housing and acquiring household assets	1.000	0.738
Providing adequate food for the family and Improved nutrition	1.000	0.568
Starting and growing small businesses	1.000	0.404
Decision making capability	1.000	0.569
Sending your children to school	1.000	0.551
Taking care of medical needs for the family	1.000	0.550
Participation in leadership	1.000	0.575
Domestic conflict/violence reduction	1.000	0.793

Extraction Method: Principal Component Analysis.

The primary purpose of the principal components analysis was to identify and calculate composite scores of the factors underlying female empowerment. The first three factors explained in the initial Eigenvalues were 29.4%, 17.4% and 12.3% of the variance respectively. Cumulatively, the four factors extracted explained 59.2% of the total variances. The four factor scores were combined to get a composite score to be used for inferential analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
	1	2.650	29.443	29.443	2.650	29.443
2	1.570	17.448	46.891	1.570	17.448	46.891

3	1.111	12.347	59.238	1.111	12.347	59.238
4	.803	8.923	68.161			
5	.738	8.199	76.359			
6	.691	7.672	84.032			
7	.554	6.160	90.192			
8	.519	5.762	95.954			
9	.364	4.046	100.000			

Extraction Method: Principal Component Analysis.

Appendix VI: Diagnostic Tests

Normality Tests

Normality test, when parametric tests like correlation and regression analysis can be used, this is fundamental to statistics. Therefore, the normality tests performed in this analysis were used to assess if the data is well modelled and distributed normally (Gujarati, 2002). The study used a normality test from Kolmogorov to Simonov, and it means that the data is not usually distributed in the test Kolmogorov-Simonov if the normality tests show a p-value less than 0.05. The Kolmogorov and Shapiro-Wilk test allows us to determine whether or not our data is normally distributed.

H₀: The data is not normally distributed

H₁: The data is normally distributed or not from a normal distribution.

Normality tests

Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Women empowerment	.131	33	0.162	.939	33	0.064

a. Lilliefors Significance Correction

From the results, both the Kolmogorov-Simonov and Shapiro-Wilk tests yielded a p-value of more than the alpha value of 0.05. This implies that both tests passed the normality threshold therefore the response variable is normally distributed.

Multicollinearity

In the analysis, Multicollinearity was evaluated by means of the correlation matrix with a severity cutoff point of 0.8 (Gujarati, 2003; Cooper & Schindler, 2008). Variance inflation factor was also used to measure multicollinearity since it is more conclusive than Pearson correlation coefficients. The assumption for multicollinearity states that, there is no multicollinearity if the VIF value is between 1 and 10. Multicollinearity leads to large standard errors that affect the precision and accuracy of the results.

Autocorrelation

In order to determine if the residues are serially associated, Durbin-Watson autocorrelation test was carried out. The Durbin Watson test indicates a 0 to 4 value, where 2 does not denote an autocorrelation, $0 < 2 < 4$ is a positive autocorrelation, while $2 > 4$ is a negative autocorrelation, respectively. The rule of judgment is that the test statistics are reasonably usual for 1,5 to 2,5. There may be questions about values that are beyond this range (Field, 2009). The results from the Durbin-Watson test for autocorrelation value of 2.07 shows that the variables were not auto-correlated.

Heteroscedasticity

As the data for this research is a cross-section of businesses, there were fears that heteroscedasticity was present. The Classic Model of Linear Regression (CLRM) takes the notion that the word "error" is homoscedastic. If the variance of error is not constant, the data have heteroscedasticity. The Breusch-Pagan / Koenker test is used to test for heteroscedasticity. The zero hypothesis of this research is that it has homoscedastic error variance. If the null hypothesis is denied and an inference is that the data contain heteroscedasticity, then this will consider the implementation of a Feasible Generalized Least Squares (FGLS) model.

Breusch-Pagan and Koenker test

Breusch-Pagan and Koenker test statistics and significance-values

	Lagrange multiplier (LM)	Sig
BP	1.463	.833
Koenker	1.617	.806

Null hypothesis: heteroskedasticity not present (homoskedasticity).

If sig-value less than 0.05, reject the null hypothesis.

Therefore, we do not reject the null hypothesis and conclude that there is presence of homoskedasticity in the data.

Appendix VII: Journal Article Extract

CONTRIBUTION OF SAVING AND INTERNAL LENDING COMMUNITIES (SILC) ON WOMEN ECONOMIC EMPOWERMENT IN ISEMBE SOUTH CONSTITUENCY, MERU COUNTY, KENYA

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ELIUD OKUMU

Abstract

This study assessed the contribution of Savings and Internal Lending Communities (SILC) in Isembe South Constituency, Meru County Kenya. Three decades ago a historic Convention dubbed "Beijing Conference" for the Elimination of All forms of Discriminations against Women (CEDAW), was held in Beijing, China. Major milestones have since been achieved in addressing gender-based challenges, including integration of women into socio-economic as well as political development. Much, however, remains to be done, as there is growing consensus that empowering a woman wholesomely is like empowering the whole family, the community and the nation at large. In rural as well as urban areas, however, access to financial institutions is usually limited or missing for the women, as transaction costs are too prohibitive for making use of banking services. Innovative schemes such as savings and internal lending communities (SILCs) have emerged as timely initiatives to provide collateral-free and reasonable credit to support women start and expand businesses and