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INVESTMENT APPROACH AMONG THE TABLE BANKING WOMEN ON SUSTAINABILITY OF RURAL LIVELIHOOD PROJECTS IN SIAYA COUNTY KENYA

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ABSTRACT

The study aims at establishing the Investment approaches among the table banking approaches on sustainability of rural women livelihood projects Siaya County. The objective of the study was to investigate how investment approach among the table- banking women has influence on sustainability of rural women livelihood projects. A questionnaire was used as data collection instrument. The target members of table banking were 240 women, a sample of 80 respondents were selected based on mugenda and mugenda 2008 sample determination of 30 percent of the total population approach. Data was analysed using Statistical Package for Social Scientists and the result depicts a p value of 0.374. The implication is that investment approach has a great influence on sustainability of rural women livelihood. This result shows that when you increase investment approach by 1, sustainability livelihood projects increase by 1.32 times. The study recommends that women be give training on how to choose the best investment upon receiving table banking funds.

Key Words: *investment approach, table banking, sustainability of livelihood*

INTRODUCTION

Kenyan women especially the rural women still experience high poverty and illiteracy levels as a challenge to their prosperity. The poverty level among Kenyan women stands at 25 percent (Bethwel, 2014).

As a result, for women empowerment and attainment of their livelihood needs more so in rural areas, there has been renewed interest in searching for financial models that can be used to deliver sustainable financial services

to the rural poor in the world. This is due to failure of formal and centralized microfinance institutions to reach remote and rural areas. These Organizations (MFIs and banks) are faced with challenge of poor infrastructure, lack of skills, low population density, lack of collateral, and the small transaction amounts of the people which often make it costly to deliver services in the rural areas. Some decentralized models have the added advantage of retaining financial resources within the villages and not causing drainage into the overhead costs of running distant head offices (Ezra Anyango). Table-banking is one of these models which borrows from the model of the Village Savings and Loan Associations (VSLA), modeled after CARE's project in Niger (commonly referred to as the Mata Masu Dubara or the MMD model). CARE uses this model to empower rural women in various countries. Other international NGOs, including Save the Children, Plan International, World Vision, OXFAM, Freedom from Hunger and Catholic Relief Services (CRS), are also promoting VSLAs, particularly in Africa. Village savings and loan (VSL) schemes have continued to act a key function in covering up financial service gap which pose the risk of high cost of services provided by the formal financial institutions.

In India, due to global success of the microcredit movement, the Indian state launched its own version of a grassroots credit intervention in 1992-the Self Help Group programme (SHG Programme). SHG consists of around 10-15 women from poor communities who come together to save and access credit (Garikipati, 2013). Group formation is facilitated by non-Governmental organizations' or Government agencies, primary focus is on credit, with little attempt at capacity building. A group begins its credit activity with each member saving 1 rupee per day. These savings are collectively used as revolving fund to provide loans to individual members. After saving regularly for six months, the SHG is eligible to enhance its revolving fund by obtaining loans from private and public financial institutions. These institutions are linked to the individual Self Help Groups referred to as SHG-bank linkage programme. it uses extensive state banking apparatus to provide credit to the rural poor, alongside innovations such as joint-liability and peer-monitoring to cultivate borrower discipline. This microcredit scheme is reported to be the biggest and fastest growing in the world with over 40 million clients and an average annual growth rate of 112.2% between 1999 and 2007 (Garikipati, 2013).

According to (Mwobobia, Fridah, 2016), table banking has been helping women access money and engage in income generating activities, it has enabled women to get involved in much income generating projects such as green houses, rearing goats and milking among others, which enables them get to plough back returns. Table banking groups are slowly becoming source of small loans for women in East Africa (Mengo 2014).

However, in Siaya County, table banking approaches as a source of sustainability of rural women livelihood projects have been experiencing a great challenges. Despite the money given to the women in various groups Majority of women have not implemented any sustainable projects. In Kenya, women of siaya continued to go through a lot of challenges as a result of poverty that should have been alleviated due to good investment. Several challenges have been identified as having significant effect on accessibility to finances among women , high rates of interests from the loans, insufficient assets to act collaterals, low levels of incomes, high illiteracy lack of entrepreneurial skills and inexperience in management of business (Ngumbau, 2017). This necessitated start of table banking concept yet the problem prevails. (Marti, 2009). This survey was conducted to seek for investment approach among the table banking women on sustainability of rural livelihood.

OBJECTIVES OF THE STUDY

The general objective of the study was to established how investment approach among the table banking women influence sustainability of rural livelihood projects in Siaya county Kenya.

LITERATURE REVIEW

Theoretical and Empirical Literature Review

According to Schlaufer, (2008). Table banking units comprise social bankers whose population is growing very fast hence is an important concern in research especially pertaining to economic empowerment for marginalized

minority groups; majority being women. It comprises of more than 2 billion people world-wide consisting of saving-groups and networks mainly the “unbanked poor” who prefer exploiting this form of social-banking and money lending due to its flexibility. The popularity of these groups stems from a great need among the poor for help with managing household cash flow, particularly in remote villages or urban slums where no brick and mortar financial institution exists.

Study conducted by Wanaswa (2015) in Western Kenya on influence of table banking on empowerment of women: a study of savings-led schemes in selected counties from the findings, majority (99) of the respondents indicated that savings and credit options to be MFI (micro finance institute), 78 other savings groups, 60 indicated Commercial Bank while 40 indicated Money lenders. The approaches opened an avenue for fund embezzlement. The findings from majority (76) of the respondents indicated that there were cases of fund misuse by management committee members in the past five years while 77 (53.4%) declined to the opinion. This implies that majority (53.4%) of groups had sound fund management while a minority (46.6%) encountered fund misuse by leaders in the past 5 years. Further findings from the study show that only 41% of groups that experienced fund misuse took precautionary measures against the vice; while 59% of affected groups went unattended. A study conducted by anyiamba (2016) indicates that dependence on donors for investments on economic and social development work has been on the increase in developing countries due to the constraints in national budgets as a result of unsustainable increasing public expenditure. However, through table-banking approach, the aim was to improving the livelihoods of the communities sustainably through direct participation of the communities. Most of the developing countries have witnessed an influx in the number of women venturing into entrepreneurship in recent years; this mainly being attributed to advocacy on women empowerment programmes and policies advanced by both government and non-governmental organizations Eden, (1993.) as cited by (Oloibe Jelagat, 2016). In Kenya table bankers rural women are encouraged to borrow loans from their groups and invest into income generating activities (IGA) through the technical assistance. Some of the IGA that women engage in include poultry farming, green house businesses, kitchen gardening etc. The income generated from this activity is used to pay back loan and its interest, and rest used for family consumption in terms of school fees for children, food, and emergencies. The finding indicates that this has not been achieved.

According to Amason (2006) table-banking assumed that women are in a better position to choice the best project to invest based on their own interest in order of priority. Since the women own this income generating activities, it creates accountability and sustainability. However, Table-banking System is not based on assessing the material possession of a person; rather, it is based on the potential of a person and that all human beings, including the poorest, are endowed with endless potential. Unlike other financial institutions, table-banking looks at the potential that a waits to be taped and owned by poor members. Al-Mamun, at el (2011) describe banking in microfinance study and can be compared to women as a group that pool formidable resources and loan it to a well-trained entrepreneurial women whose investments give them good returns enough to save In table banking, the group has to set rules for lending and repayment. Having shares requires rules and gives people “ownership”. They have to be more business-like and assess the capability of an applicant to repay the loan. Oloibe Jelagat (2016) consent that separate compassionate hand-outs or loans could be interfering with the real “banking” business.

In a study by Gichuki, (2014) on the effects of SMEs on women economic empowerment in Naivasha District of Kenya, found that majority of the women are engaged in business ventures despite having not been trained on business establishment and management. They get their agribusiness idea from groups to which they are members. He highlights that the Kenya Government has helped women to run their agribusiness by financing them through the women contributed fund kitty. Women groups’ contribution has developed many SMEs and that form their source of livelihood. A study by Mengo, (2014). on factors affecting table banking on investment decisions among women, found that financial literacy affects investment choices of individuals. Insecurity also

came out as a strong obstacle to women engagement in business enterprises, lack of entrepreneurial capacity building has not helping these women in diversify their business ideas as well their business opportunities. Gichuki, (2014) recommended more security personnel should be employed to guard women business places: building capacity for women entrepreneurs to promote more women groups to venture into entrepreneurship skill, that a methodology be adopted to aid in the formulation of favourable policies to promote Jua kali businesses among the women groups. This study assessed the factors that causes failure among women groups small and micro enterprises to understand the obstacles that the micro-entrepreneurs experience and also establish problems faced by micro-client group dynamics to improve group operations and profit maximization. In a study by (Oloibe Jelagat, 2016) on the influence of social capital in table banking on the performance of women-owned business enterprises in Eldoret East Sub-county, Kenya. The findings were that table banking has a positive effect on the business performance of women-owned enterprises. That was attributable to the fact that during meetings the members are able to discuss the challenges they face in running their businesses and how well they could improve their incomes. He emphasized that cohesion and inclusion among members helps the team grow in terms of profits, markets share and assets and attributed the results the findings to the women being able to share the problems with one another during the group meetings and discuss ways to come out of those challenges.

According to Andre, (2015) study on Impact of Women Empowered through Community Savings Groups on the Wellbeing of their Families: A Study from Mgubwe, Tanzania pointed that Policy debates have focused particularly on the importance of small savings and loan provision for consumption as well as production, group formation and the possible justification for some level of subsidy for programmes working with particular client groups or in particular contexts. They posit that Some programmes have developed effective methodologies for poverty targeting and operate in remote areas and that Such strategies have recently become a focus of interest from some donors and also the Microcredit Summit Campaign. Lambisia *et al* (2016) points that assumption is to increase women's access to microfinance will enable women to make a greater contribution to household income, together with other interventions to increase household wellbeing, will translate into improved wellbeing for women and enable women to bring about wider changes in gender inequality, as to whether this contributes to sustainable investment is a concern.

According to Abraham and Samoei (2017) in a study on Constraints that Affect the Success of Women Development Projects in Ngong Ward, Kajiado County, Kenya found that most of the women projects are facing dire financial constraints that are stifling their growth hence most projects reverting to table banking to finance their activities due to its affordability, flexibility and ease of access. The situation has grown from the most difficult moment in women life. Table banking takes on the model of the Grameen bank of Bangladesh and the village savings and loans schemes of Zanzibar whereby people form a group and members loan each other money, (Kenya, Gazette 2009). The results were very impressive but the government did not continue with the roll out thereafter. Nevertheless, Women groups adopted the Table banking concept and since then there has been an ever rising demand in various parts of the country especially in rural areas where it has spread over forty three counties (Lumwamu, & Murgor, 2014), Yet there is no improvement in the life of those women in the practice.

Oloibe Jelagat, (2016) Study found out that majority of the entrepreneurs were registered groups with the Ministry of culture and social services at the county level due to the funds availed by the government that require a group to be registered before they could access the cheap funds and that table banking provides advice on the business running and sometimes the members given expert opinion on entrepreneurship to guide them on how to run their businesses. This helps to spur the growth of the individual businesses in terms of profits, assets and market share, however sustainability remains a challenge. The study Recommended that table banking study be taken serious as a concept that can assist the women in enhancing growth of their wealth. That there should be an increase in the level of networking leads to increase the profits among the women groups.

Naila Kabeer, (2011) emphasis on adoption of entrepreneurship with indications pointing at its pivotal role in motivating sustainable livelihoods and lifestyle change across the globe. However, the cost of credit, hinders the unbanked poor to gain access to suitable financing services essential for them to initiate enterprise start-ups. Starting a new business is risky and sustainable providers of credit cannot afford to lose money, hence credit is generally not used to start a new business but rather to expand an existing one. Therefore, most people prefer relying on savings to start up new business ventures. Savings enables future investment by giving people an access to lump sums of money. These lump sums of money can be used for investment opportunities. On how to link the study of Naila with the women groups still remain a great challenge as sustainability of the women projects is not based on the money factor but based on the decision to invest.

DATA ANALYSIS TECHNIQUE

After data collection, all the returned questionnaires will be numbered and the data coded. Preliminary editing will be done where the raw data will be keenly scrutinized, checked and cleaned for completeness, consistency, and comprehensibility. Incomplete questionnaires and any other inconsistencies will be eliminated. The useful data will then be coded by assigning values to the responses. The data will then be entered into a computer for analysis using the Statistical Package for Social Scientists (SPSS) computer software, all the necessary calculations done and then findings presented using tables. The process of interpretation of data into a meaningful form followed and then the researcher to draw the necessary conclusions.

Table 1.1: Correlations Statistics on Asset acquired and sustainability of rural lively hood

		Project Success	Asset funds
Project Success	Pearson Correlation	1	0.374**
	Sig. (2-tailed)		0.05
	N	80	80
Asset acquired funds	Pearson Correlation	0.374**	1
	Sig. (2-tailed)	0.05	
	N	80	80

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

Table 1.1 presents correlations statistics on investment funds out of table banking and sustainability of rural lively hood project. The analysis shows a moderate correlation between independent variable asset funds and dependent variable sustainability of rural livelihood project with (0.374 $p < 0.05$). This implies that there is a strong positive linear correlation between the asset funds and sustainability of rural lively hood project. This implies that though there is a positive relationship between the two it is weak. This led to the conclusion that there is a significant relationship between assets funds and sustainability of rural livelihood project.

Table 1.2: ANOVA Test Analysis of asset funds and sustainability of rural livelihood project

Model		Sum Squares	Df	Mean Square	F	Sig.
1	Regression	9.591	5	1.918	2.294	.069 ^b
	Residual	26.751	80	0.836		
	Total	36.342	80			

a. Dependent Variable: The investment approach project has been successful

b. Predictors: (Constant), Women entrepreneurs, Groups income, Household incomes, Market accessibility sustain rural livelihood project.

Table 1.2 shows ANOVA conducted on asset funds against the dependent variable at 95% confidence level and it indicates that there is a 6.9% chance that the null hypothesis being true on the assumption that sustainability of rural livelihood project depends on Women entrepreneurs, Groups income, Household incomes, Market accessibility. The p-value is 0.069 and is higher than 0.05 confidence level, (that is, $p > 0.05$). This therefore means that model relating investment funds to sustainability of rural livelihood project is not fit. This therefore means that the model is not significantly fit. This leads to the conclusion that investment funds through table banking are not a significant component in the sustaining of rural livelihood project. This is inconsistent with findings of the study under literature review (Nkengasong et al, 2010) Multiple regression was used to determine whether a group of variables together predict a given sustainability of livelihood projects.

The regression model is of the form:

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

Where:

Y- is the dependent variable

X1-n- are the independent variables

β_0 - is the constant

β_1 -n- are the regression coefficients or change induced in Y by X

ϵ -is the error

Y- Sustainability

X1-Investment funds

X2- marketing resources

Table 4.7 Regression Coefficients of investment approach and sustainability of rural livelihood projects

Model		Unstandardized		Standardized	T	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	1.594	0.855		1.864	0.72
	Investment funds	0.321	0.128	0.410	2.500	0.018

Table 4.7 shows the regression coefficients of investment approach and sustainability of rural livelihood projects. The analysis gives the β coefficient constant of 1.594 and a predicative variable value to be 0.321, thus, for every 1 increase in approach, there is a corresponding 1.32 times increase in performance of livelihood projects. Thus, the dependent variable can be computed using the formula:

$$Y = 1.594 + (0.321 \times \text{Investment funds}), Y \text{ is the dependent variable.}$$

The coefficient (β) is positive thus we can conclude that an increase investment funds leads to increase in sustainability rural livelihood project. This is consistent with results of the findings of the studies under literature review section that found that higher table banking in Bomet County. Funds leads to higher performance of projects. However, the coefficient of marketability funds has a p-value of 0.072 that is greater than 0.05 significance level suggesting that it is not statistically significant.

CONCLUSION AND RECOMMENDATIONS

The research concluded that the funds to invest are available to the women groups any time they need and there is more than 1.72 times of any member of the women group in securing funds, that there is no sustainable livelihood project despite having the potential of 1.72 time autonomy to secure funds. The study recommends training of all those members of the women groups on the choice of investment as this will enhance their right in decision making as choosing the best project will enhance sustainability.

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