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Role Of Informal Financial Banking Services In Economic Empowerment Of Rural Women Through Self-Help Groups Affiliated To Joyful Women Organization In Kericho County, Kenya

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Abstract: *Women all over the world contribute a lot to the national agricultural output and family food security, and several studies from Sub Saharan Africa shows that rural women are credit constrained than men of equivalent socio-economic conditions. Rural women are exposed to economic disability yet they form the majority of the rural population. Empowerment and improvement of women's socio-economic status is important for achievement ofthenecessary rural Development. In Kenya informal financial services concept has taken root with recent adoption of Joyful Women Organisation to provide financial resources to rural women to engage in livelihood projects. The purpose of this study was to determine the role of informal financial services to the economic empowerment of rural women entrepreneurs in Kenya. The specific objectives were; to determine the role of informal savings, to evaluate role of informal loans and credit on empowering rural women entrepreneurs, and to establish the role of financial training on empowering rural women entrepreneurs and to assess the role of information access and awareness of informal financial services on the empowerment of rural women entrepreneurs in Kericho County. The study used a survey design and targets rural women who are members of groups that subscribe to (JoyWO). The target population was 1040 members of women spread in 65 groups. Stratified sampling method was used to sample out 153 women. The study was carried out in Kericho County. The main instruments of data collection were the questionnaire, focus group questionnaire, and use of interview schedule for key informants. A pre-test of the questionnaire was carried out in a similar setting in Nakuru County to test the reliability of the instrument. The data was analysed using descriptive statistics, frequency distributions, chi-square and multiple linear regressions with the aid of Statistical Package for Social Sciences (SPSS). The results of the study showed that there was a significant association between informal savings and women economic empowerment (χ^2=54.534, df= 27, P=0.001). The researcher therefore failed to accept the null hypothesis, hence concluded that there was a significant relationship between members' savings and their level of economic empowerment.The study recommends that the Government and micro-finance institutions need to help women groups evaluate viability of income generating projects and follow up on how loans are used. This will ensure funding is directed to projects that can generate income and improve the ability to pay back loaned money easily.The study will be helpful to groups and their members in streamlining their lending, saving and borrowing programmes. The formal banks will also benefit by adapting the principles of Informal banking and the use of group lending. Both national and county governments will make policies based on the findings.*

Keywords: *Informal financial Banking Services, Rural Women Entrepreneurs, Economic Empowerment, performance, poverty.*

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I. Introduction

Kenya's financial system is by far the largest and the most developed in East Africa despite the challenges that hinder it from reaching full potential with its stability improving significantly over the past years (Beck and Fuchs, 2004). IFAD is joining forces with the Italian Ministry of Economy and Finance (MEF)**,** theBrookings Institutionand theUniversity of Warwick advancing global efforts to end extreme poverty and hunger by 2030 through greater investments in rural development and innovative financing for smallholder agriculture that benefits the rural poor (IFAD, 2017).

Financial system comprises of formal and informal sectors: Formal banking services are provided by large financial institutions like commercial banks licensed by Central Bank of Kenya (CBK) which supervise and regulate their activities. Formal banking institutions target large scale enterprises and rich individuals and ignore the small income earners and small scale enterprises. Informal sectors on the other hand are not legally registered at national level but belonged to a registered association. Informal institutions engaged in provision of financial services like mobilizing savings and credit facilities to farmers and low-income households in rural areas and also small scale enterprises in urban areas (Pagura and Kristen, 2006).

Furthermore according to Rutherford (2009), in Kenya and most countries financial access is limited to only 20-50 per cent of the entire population, that is, the few rich individuals excluding the other large percentage of the marginalized people. This is because the poor lack education and knowledge to understand financial options that are available to them, banks are normally located in urban centres making them inaccessible to the marginalized group. Lack of collateral to borrow large loans from banks also is a major challenge the poor face in attempt to borrow loans.

According to Adoyo (2013), the establishment of sustainable financial services as a means to support or empower marginalized people to help them out of poverty differ from country to country. There are those microcredit programs which are member owned financial institutions which is evidence in Self-Employed Women's Association (SEWA) microfinance in India and those which are donor or government supported like Women Enterprise and Development Fund (WEDF). Microcredit and microfinance have thus, in recent years, been claimed to be the most suitable vehicles for providing access to sustainable financial services and alleviating poverty among people who are economically challenged.

Microfinance Institutions (MFI) historically offers credit mainly to the poor people in order to alleviate poverty. It has been noted that savings alone cannot be used to reduce poverty, since sometimes it may not be possible to save enough. The poor need variety of financial services and hence MFI focuses on providing loans. Savings serves as invaluable reserves, insurance against unforeseen circumstances as illness, natural calamities and other human needs that may reduce human being into a destitute (Karlan and Morduch, 2010). Savings is a saver way for most families since borrowing is a high risk decision for most poor families (Collins et al, 2009).

The Concept of microfinance came into existence due to the weakness of formal financial institutions and systems. The vulnerable people and women have continued to be denied access to funds. Initially the services which were offered by microfinance were financial services to the disadvantage group who the poor. This group were not gathered for by the formal financial institutions. This led to development of other services like micro-saving, micro-leasing, insurance and money transfers, deposits mobilization with some percentage being loaned, (Stewart et al., 2010). It is argued that microfinance is not only a source of finance for investment but also in financing well-being and reducing vulnerability to life crisis and health improvement (Armendariz&Morduch, 2010).The main objective is to improve the power of the poor and to improve in the acquisition and control of assets and also have decisions –making. It also aims at reducing inequalities and gender discriminations (Swain &Wallentin 2009).

From previous studies which have been documented reveals that there are many constraints faced by clients and especially those who are new in business in most of the developing countries, which include infrastructure, power, lack of market and many others depending on the country of origin. However, in the recent literature has revealed otherwise , that financial constraints to firms as the most hindering of these constraints (Carpenter Guariglia 2008, Beck et al., 2006, Beck et al., 2013, Ayyagari et al., 2006, Quartey, 2008). The issue of financial constraints is more serious for SMEs, informal firms who are new or may want to start business and may lack collateral securities. Therefore these firms may have two alternatives; formal finance and informal finance. Informal finance may require less detailed information for on to get to get funds from lenders due to less rigorous procedures and requirement but is normally have inadequate supply and force to offer at a higher interest rate. Formal finance can be a substitute other hand to help firms overcome financial constraints because of its adequacy in supply and financial advice on the management. The small and medium scale enterprises are driving force for Ghanaian economy. The recent research has established that informal firms serve as the engine behind any economic development (Beck et al., 2006, Triki et al., 2011). Indeed Nyamekye (2009) evidence showing that the informal sector has grown from being twice that of the formal sector in the earlier years.

Women empowerment is key to any country in achievement of sustainable development goals. The rural woman should have the information on the existence of funds, availability of markets, tenders, for their goods, social linkages, and also skills development (Kumar, 2009). Women empowerment indicators are through social, educational, political gender equality and this reflects the development of a country (IMF, 2013, CIDA, 2001). Poverty reduction is by increasing women empowerment in any developing economy, (Intel, 2013).The women population in the world constitute the poorest since they have no access to financial services (Dupas and Robinson, 2009) and therefore cannot start businesses. (GEM, 2012).Income inequality in Kenya used (WEF) Women Enterprise Fund to improve on wealth distribution across all groups of women (Lagarde, 2013).

II. Literature Review

This section discusses literature review from studies done in the past that show how informal savings in developing countries have financially empowered women.

2.2.1 Informal Savings

Munene (2011) in his article, "*Chama the best choice for tjommies"*,Chama, a Swahili word for a group of people anywhere between two and more. Banking sector consist of formal banks such as commercial banks, semi-formal financial institutions, microfinance and credit unions and informal institutions for example savings schemes. Microfinance is the provision of financial services ranging from credit, savings and insurance for low income individuals who were in the past excluded from formal financial institutions. In Kenya there have emerged many microfinance institutions and Non-Governmental Organizations (NGOs) which have increase financial access in the country.

Ghazala (2006) found positive effects of informal financial institutions such as micro-credit programmes on the welfare of the people. The study found that micro-credit reduced poverty thrift societies. Women economic empowerment increased, savings improved and purchase of agricultural inputs and ensured easy access to loans with considerably lower interest rate that Loans from ROSCA improve people's income and stimulated building of assets. It also improves. The economic condition of subsistence rural farmers through easy access to finance for adequate storage facilities improved.

Linda (2013) outlines that microfinance programmes are currently being promoted as a key strategy for simultaneously addressing both poverty alleviation and women's empowerment. Where financial service provision leads to the setting up or expansion of micro-enterprises there are a range of potential impacts including: increasing women's income levels and control over income leading to greater levels of economic independence , access to networks and markets giving wider experience of the world outside the home, access to information and possibilities for development of other social and political roles, enhancing perceptions of women's contribution to household income and family welfare, increasing women's participation in household decisions about expenditure and other issues and leading to greater expenditure on women's welfare and more general improvements in attitudes to women's role in the household and community.

Microfinance programmes targeting women have been a welcome corrective to previous neglect of women's productive role. For some women in some contexts microfinance programmes have indeed set in motion a process of empowerment where all the above elements have been mutually reinforcing. There are many anecdotal case studies in NGO reports of women who have shown considerable initiative, increasing their income and improving their status in the family and community, particularly after a series of loans.

There have several interventions to facilitate saving that have been believed worldwide as anti-poverty tools and are evidence showing that the poor have substantial, potentially latent, demand for accumulating financial assets (Karlan, Ratan, &Zinman, 2013). Surveys indicate poor households do tend to have some surplus that they use for non-essential expenditures (Banerjee &Duflo, 2007). Some studies documents show complexity in poor households' financial portfolios and highlight the demand for small irregular flows accumulate into lump sums for household or business investment (Collins et al., 2009). When formal savings products are unavailable or unaffordable, the poor often save under mattresses, in informal groups, and/or in livestock.

Female entrepreneurship in Bangladesh is strong. Microcredit financing and the upswing of the RMG sector has increased the population of women with expendable income. This has led to opportunities to sell goods such as clothes, jewellery, and food to a new generation of consumers. Despite all these improvements being made women still have difficulties to target the export-market because of lack of access to capital, land, lack of business and management knowledge, not able to identify markets and source of raw materials. Long structural obstacles are bureaucratic administrative requirements when starting a business, corruption and bribery system in order to obtain a business license and hard to access business networks (The World Bank & IFC 2011).

Bauchi study in Gwer- West of Benue, Nigeria found that Informal Financial Institutions (IFI's) through ROSCA promoted economic situation of its members and society at large (cited in Akinlabi, 2015). The organizations keep and save money on behalf of their members, a function that is key for capital creation, and also give loans to members to facilitate investment. Findings by Demirguc-Kunt and Klapper (2012) shows that there is increasingly prevalent pro-saving intervention to increase access to basic formal saving accounts. This is stimulated by lack access by the poor where only 22% of the world saved with formal financial institutions in a year, whereas 23% of those earning less than 2% a day are found to have an account with a formal financial institutions. In the more recent years, several studies have found large impacts of expanding access to formal accounts on savings rates (Dupas and Robinson 2009; Prina 2013; Schaner 2013). Most of these studies also concluded that there is a downstream outcome for example income, expenditures, and decision power, and the magnitudes hint at more transformative impacts than found this is also concluded in similar evaluations of microcredit (Banerjee 2013).

According to Mayoux (2008), credit programmes not only give women access to savings and credit, but also reach millions of people worldwide bringing them together regularly in organized groups. Through their contribution to women's ability to earn an income, microcredit programmes can potentially initiate a series of 'virtuous spirals' of economic empowerment, increased well-being for women and their families and wider social and political empowerment (Mayoux 2009).

According to Holloway, Niazi, and Rouse (2017), increasing women's access to micro-finance services can lead to women's economic empowerment by enabling them to make decisions about savings and credit use, invest in their own economic activities and assets, and play a more controlling role in household activities. This may increase productivity and the income under women's control and increase women's engagement in the market (Holloway, Niazi, & Rouse, 2017).

Research findings on gender and rural finance indicate that providing women's access to informal credit can increase household wellbeing (United Nations, 2015). Channelling economic resources like credit or savings to households through women can enable them to play a more active role in intra-household decision-making, address the risks facing the household, and increase investment in family welfare. This may not only benefit children through increasing expenditure in areas like nutrition and education, but can also lead to improved well-being for women and enable them to bring about changes in gender inequalities in the household. A combination of women's increased economic activity and increased decision-making in the household can lead to wider social and political empowerment. The positive effects on women's confidence and skills, expanded knowledge and support networks through group activity and market access, can lead to enhanced status for all women within the community (United Nations, 2015).

Mayoux (2009) argues that micro-finance can have positive contributions to women's empowerment at the household level; increasing women's access to micro-finance can also increase household wellbeing. A combination of women increased economic activity and increased decision-making in the household can lead to wider social and political empowerment. The positive effects on women's confidence and skills, expanded knowledge and support networks through group activity and market access can lead to enhanced status for women in the community. Individual women who gain respect in their households may then act as role models for others, leading to a wider process of change in community perceptions that may lead to increased women participation at the community level (Mayoux 2008).

Women's economic empowerment at the individual level has potentially significant, contributions at the community level. The greater ability to meet household wellbeing needs, in turn, increases their effectiveness as agents of poverty reduction. Women self- help groups may form the basis for collective action to address gender inequalities at the household and within the community, including issues like violence against women as well as access to resources and local decision-making. Microfinance can be an entry point for wider social and political mobilization of women around political, social and economic participation (Mayoux 2009). Angelucci, Karlan, and Zinman, (2015) observe that a majority of scholars consider women's ability to influence or make decisions that affect their lives as one of the main components of empowerment. According to the two scholars, it is assumed that access to credit and participation in income generating activities strengthens women's bargaining positions within the household, thereby making it possible for them to influence greater numbers of strategic decisions. Studies in Asia have shown that community group lending has an influenceon contraceptive use. According to Banerjee, Duflo, Glennerster, and Kinnan, (2015), women in micro-credit programmes are more likely than non-members to use contraception. Economic security contributes to women's feelings of independence and self-esteem, which affects the ways women perceive decision-making on their fertility and the cultural pressures to have children (Holloway, Niazi, & Rouse, 2017).

Women have been shown to spend more of their income on their households; therefore, when women are helped to increase their incomes, the welfare of the whole family is improved. In its report, on its survey findings, the Special Unit on Microfinance of the United Nations Capital Development Fund (UNCDF) asserts that "Women's success benefits more than one person. Several institutions confirmed the well-documented fact that women are more likely than men to spend their profits on household and family needs. Assisting women therefore generates a multiplier effect that strengthens their economic empowerment (Schaner, 2015).

III. Methodology

This study used survey design consisting of a questionnaire with standardized answers and specific questions that made it easier to compile data and it is therefore possible to give precise and testable expression of qualitative ideas. It employed descriptive and inferential statistics in analysing the role of informal financial services in economic empowerment of rural women. Descriptive research helps in obtaining information concerning the present status of the phenomena and to describe what is in existence with respect to variable in a situation. It maximises reliability (Kothari, 2004). Successful descriptive research design should have six w's:

who should be considered, where should the respondents be conducted to obtain the required information, when should the information be obtained, what information should be obtained, why information is being obtained and way in which the researcher is going to obtain the information from the respondents. (Cooper, &Schindlier, 2014). The target population was 1040 members of women spread in 65 groups that subscribe to JoyWO in Kericho County.

The key informants were sampled purposefully based on their positions of authority. The sample size was arrived at using Nassiuma (2000), formula:

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

(*Where;* n=sample size; N=population size; C=Coefficient of variation which is ≤ 30%; e=margin of error which is fixed between 2-5%). The study sample will calculate at 25% coefficient of variation and 5% margin of error (Nassiuma, 2000).

Twenty five percent coefficient of variation was used to ensure that the sample was wide enough to justify the results being generalized for Kericho County. Higher coefficients of variation will be not used to avoid very large samples due to limitation of research funds. Five percent margin of error was used because the study used an ex-post facto survey, whereby the independent variables will not be manipulated hence necessitating relatively higher margin of error.

$$\text{n} = \frac{468*0.3^2}{0.3^2+(468-1)0.02^2} = 152.17 \approx 153$$

The study used stratified random sampling to further divide the population into homogenous subgroup. Nachmias and Nachmias (2009) advices that for the purpose of getting accurate sample size, when population has more than 100 respondents, 10% or more of each stratum should be selected. In this case of the 23 groups that were randomly selected for study the stratified sample size was 153 respondents. Once you have fixed the sample size then allocate it proportional according to Neyman's formula $n_h = \left(\frac{n}{N}\right)N_h$

The main tool employed for data collection in this study was the questionnaire. The research assistants helped administer and distribute the questionnaires to the various Joywo women groups. The questionnaires were administered by research assistant during the group meetings. However, in case of language complications, the assistants assisted the respondents in filling the questionnaires. In situations of difficulties in answering the questions using questionnaires during group meetings the respond were allowed more time to be collected in the next meeting. Researcher analysed data collected using descriptive, chi-square and inferential statistics-test correlation and multiple regression analysis. The information was presented using tables. The relationship between various independent variables and dependent variable was determined using a multiple regression model in form of:

$$\text{Y} = \beta_0 + \beta_1\text{X}_1 + \beta_2\text{X}_2 + \beta_3\text{X}_3 + e$$

Where;

Y	= Dependent Variable (women empowerment)
β_0	= Constant Term
β_1, β_2, β_3,	= Beta coefficients
X_1	= Informal Savings Loans and Credit
X_2	= Informal financial Services training
X_3	= Information access and awareness on Informal financial services
e	= Error Term

IV.Results and Discussion

This section presents a detailed descriptive and inferential statistics based on the research data.

4.4.1 Descriptive Statistics

Table 1: ***Members Contribution***

Response	Frequency	Percent	Cumulative Percent
Strongly disagree	1	.7	.7
Neutral	26	17.9	18.6
Agree	74	51.0	69.7
Strongly agree	44	30.3	100.0
Total	**145**	**100.0**	

Source: Researcher (2017)

From the table, 74 (51%) of the respondents agreed that members' contribution was a source of the initial start-up capital for the group. 44 (30.3%) strongly agreed on the subject matter. However, 26 (17.9%) were neutral. From this data, we can conclude that members' contribution played a key role as a source of initial start-up capital for the group.

Table 2: ***Donations***

Response	Frequency	Percent	Cumulative Percent
Strongly disagree	2	1.4	1.4
Disagree	1	.7	2.1
Neutral	57	39.3	41.4
Agree	70	48.3	89.7
Strongly agree	15	10.3	100.0
Total	**145**	**100.0**	

Source: Researcher (2017)

From the findings most of the respondents agreed that donations were a source of the initial start-up capital for the group. This was represented by 70 (48.3%) of the total respondents. 57 (39.3%) were neutral on the subject matter. However, 15 (10.3%) strongly agreed. From this data, we can conclude that donations formed part of the initial start-up capital for the group, though a considerable number of the respondents neither agreed nor disagreed on the source.

Table 3: ***Savings***

Response	Frequency	Percent	Cumulative Percent
Disagree	5	3.4	3.4
Neutral	60	41.4	44.8
Agree	70	48.3	93.1
Strongly agree	10	6.9	100.0
Total	**145**	**100.0**	

Source: Researcher (2017)

The researcher found most of the respondents agreed that savings was a source of the initial start-up capital for the group. This was represented by 70 (48.3%) of the total respondents. 60 (41.4%) were neutral on the subject matter. However, 10 (6.9%) strongly agreed. Five (3.4%) of the respondents disagreed. From this data, we can conclude that savings formed part of the initial start-up capital for the group, though a considerable number of the respondents neither agreed nor disagreed on the source. This implies that the respondents don't have disposable income to save and used later as capital for starting the business. From table 4.7, we can only see 10 (6.9%).

Table 4: Informal Savings (Investments)

Response	Frequency	Percent	Cumulative Percent
Strongly disagree	2	1.4	1.4
Disagree	8	5.5	6.9
Neutral	63	43.4	50.3
Agree	67	46.2	96.6
Strongly agree	5	3.4	100.0
Total	**145**	**100.0**	

Source: Researcher (2017)

The findings as shown in Table 4.12 indicated that majority of the respondents agreed that informal savings was a source of the initial start-up capital for the group. This was represented by 67 (46.2%) of the total respondents. 63 (43.4%) were neutral on the subject matter. However, 8 (5.5%) disagreed. 5(3.4%) of the respondents, strongly agreed. From this data, we can conclude that informal savings formed part of the initial start-up capital for the group, though a considerable number of the respondents neither agreed nor disagreed on the source.

Table 5: ***Loans***

Response	Frequency	Percent	Cumulative Percent
Strongly disagree	2	1.4	1.4
Disagree	6	4.1	5.5
Neutral	57	39.3	44.8
Agree	67	46.2	91.0
Strongly agree	13	9.0	100.0
Total	**145**	**100.0**	

Source: Research data (2017)

Most of the respondents agreed that loans were a source of the initial start-up capital for the group. This was represented by 67 (46.2%) of the total respondents. 57 (39.3%) were neutral on the subject matter. However, 13 (9%) strongly agreed. Six (4.1%) of the respondents disagreed. From this data, we can conclude that loans formed part of the initial start-up capital for the group, though a considerable number of the respondents neither agreed nor disagreed on the source. The conclusion confirmed by findings of Reidel et al. (2007) that most of the Chinese private firms borrow very minimal from bank for investments, but most use ploughing profits and informal finance in this case from friends and members of the family. Degryse et al. (2012) argument is the same as that of Reidel where he says for most people informal finance is the main source because of the complexity of formal banks.

Table 6: ***Informal Microcredits***

Response	Frequency	Percent	Cumulative Percent
Strongly disagree	1	.7	.7
Disagree	2	1.4	2.1
Neutral	77	53.1	55.2
Agree	60	41.4	96.6
Strongly agree	5	3.4	100.0
Total	**145**	**100.0**	

Source: Research data (2017)

Most of the respondents neither agreed nor disagreed that informal micro-credits were a source of the initial start-up capital for the group. 77 (53.1%) attested to this. However, 60 (41.4%) agreed on the subject matter. 5 (3.4%) strongly agreed. From this data, it is evident that most respondents did not have adequate information on informal microcredits as the source of initial start-up capital, though a considerable number of respondents agreed that informal microcredits formed part of the initial start-up capital.

Table 7: ***Merry Go Round***

Response	Frequency	Percent	Cumulative Percent
Strongly disagree	1	.7	.7
Disagree	5	3.4	4.1
Neutral	51	35.2	39.3
Agree	67	46.2	85.5
Strongly agree	21	14.5	100.0
Total	**145**	**100.0**	

Source: Research data (2017)

Most of the respondents agreed that merry go round was the common source of financial services accessed in their groups. This was represented by 67 (46.2%) of the total response. However, 51 (35.2%) were neutral on the subject matter. 21 (14.5%) strongly agreed. From this data, it is evident that merry go round is the common form of financial services accessed by members in their groups, although a good number of respondents neither agreed nor disagreed on the statement.

Table 8: ***Table Banking***

Response	Frequency	Percent	Cumulative Percent
Strongly disagree	3	2.1	2.1
Disagree	5	3.4	5.5
Neutral	46	31.7	37.2
Agree	46	31.7	69.0
Strongly agree	45	31.0	100.0
Total	**145**	**100.0**	

Source: Research data (2017)

Most of the respondents agreed that table banking was the common source of financial services accessed in their groups. This was represented by 46 (31.7%) of the total response. The same proportion of respondents was neutral, 46 (31.7%). However, 45 (31%) strongly agreed on the subject matter. We can conclude that table banking is the common form of financial services accessed by members in their groups, although a good number of respondents neither agreed nor disagreed on the statement.

This finding was in agreement with Ahlen (2012) who found out that table banking which was a model of the Grameen Bank of Bangladesh and the village savings and loan schemes of Zanzibar women entrepreneurs benefitted women entrepreneurs by village savings and credit associations offering to the rural women credit at affordable and flexible interest rates.

Table 9:***Microcredit Schemes***

Response	Frequency	Percent	Cumulative Percent
Strongly disagree	5	3.4	3.4
Disagree	7	4.8	8.3
Neutral	38	26.2	34.5
Agree	76	52.4	86.9
Strongly agree	19	13.1	100.0
Total	**145**	**100.0**	

Source: Research data (2017)

Most of the respondents agreed that microcredit schemes were the common source of financial services accessed in their groups. This was represented by 76 (52.4%) of the total response. 38 (26.2%) were neutral. However, 19 (13.1%) strongly agreed on the subject matter. We can infer that microcredit schemes are the common sources of financial services accessed by members in their groups, though a few members disagreed and strongly disagreed on the same.

According to studies done by Thuo &Juma (2014) in group lending, they concluded that default rates among the micro finances in Kenya, where the self- groups are given loans and the self- group later lend to their members is very efficient. It guarantees good repayment rate. This micro-credit is founded on solidarity group lending. The effect of joined liability by Milgo (2013) on repayment rates and concluded it has positive effect. The main reason is that in this model the groups comprises of members from same locality or community, working together, in the market together. It is both social cohesion and there is flow of information for both parties that is the borrower and the lender.

Table 10: ***Informal savings and credit Schemes***

Response	Frequency	Percent	Cumulative Percent
Strongly disagree	4	2.8	2.8
Disagree	15	10.3	13.1
Neutral	47	32.4	45.5
Agree	53	36.6	82.1
Strongly agree	26	17.9	100.0
Total	**145**	**100.0**	

Source: Research data (2017)

Most of the respondents agreed that informal savings and credit schemes were the common source of financial services accessed in their groups. This was represented by 53 (36.6%) of the total response. 47 (32.4%) were neutral. However, 26 (17.9%) strongly agreed on the subject matter. We can conclude that microcredit schemes were the common source of financial services accessed by members in their groups, though a considerable number of respondents neither agreed nor disagreed.Beck, T. and Brown, M. (2011 argues that domestic savings play a key role in financing empowering and in the development of any economy by provision of resources for investment, boosting of financial market development, stimulating economic growth in a society.. Savings mobilizations have an impact on growth by increasing capital investment, productivity and human capital. Savings also lead to reduction in risk and vulnerability for the poor. The provisions of saving facilitate the poor people to accumulate funds in a secured place over time to build up reserves and for expansion of businesses.

Table 11: ***Bank Loan***

	Frequency	Percent	Cumulative Percent
Strongly disagree	2	1.4	1.4
Disagree	11	7.6	9.0
Neutral	41	28.3	37.2
Agree	61	42.1	79.3
Strongly Agree	30	20.7	100.0
Total	**145**	**100.0**	

Source: Research data (2017)

Most of the respondents agreed that bank loan was available as a source of financial services accessed in their groups. This was represented by 61 (42.1%) of the total response. 41 (28.3%) were neutral. However, 30 (20.7%) strongly agreed on the subject matter. 11 (7.6%) disagreed on the statement. We can conclude that microcredit schemes were available and the groups can be accessed by members in their groups, though a considerable number of respondents were neutral and some disagreed.

4.4.2 Hypothesis testing

The following hypothesis was put forward in regard to the first objective.

H_{o1} There is no relationship between the value of savings by members and the economic empowerment of rural women groups in Kericho County.

To test for significance, Chi- square (χ^2) was obtained and the results presented in Table12.

Table 12:*Chi Square Tests on Savings and Economic empowerment*

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	54.534[a]	27	**.001**
Likelihood Ratio	26.693	27	.480
Linear-by-Linear Association	.142	1	.707
N of Valid Cases	141		

Source: Research data (2017)

Table 12 indicated that there was a significant association between informal savings and women economic empowerment (χ^2=54.534, df= 27, P=0.001). The researcher therefore failed to accept the null hypothesis, hence concluded that there was a significant relationship between members' savings and their level of economic empowerment.

In addition, the researcher wanted to find out the direction of the association and therefore obtained Cramer's V value as shown in Table 13.

Table 13:*Economic Empowerment Cramer's V*Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.622	.001
	Cramer's V	.622	.001
N of Valid Cases		141	

Source: Research data (2017)

Discussion of the results

Table 4.22 shows that there was a significant positive relationship between member's savings and their level of economic empowerment. This means that the higher their savings in the group, the better their levels of economic empowerment. Evidence from literature shows that there is a direct relationship between savings and economic empowerment as confirmed by confirmed a study done by Ojo (2009).

4.4.3 Explorative Analysis

The researcher established the predictive abilities of the four independent variables (information access, informal loans and credit, informal savings and educational training) on economic empowerment of women enterprises. A multiple regression was obtained and the beta coefficients were presented in Table 14.

Table 14: ***Beta Coefficients***

Model		Standardized Coefficients	
		Beta	Sig.
1	(Constant)	13.06	.007
	INFORMAL SAVINGS **(IS)**	.458	.020
	INFORMAL LOANS AND CREDIT **(LC)**	.314	.016
	EDUCATIONAL TRAINING **(ET)**	.425	.035
	INFORMATION ACCESS **(IA)**	.221	.009

Source: Researcher (2017)

Dependent Variable: Economic Empowerment

Table 14 shows that, when all the four independent variables are equal to zero (0), the coefficient of economic empowerment is at 13.06. All the four variables were significant predictors of economic empowerment with informal savings having the highest predictive value (β= 0.458, $p<0.05$), followed by educational training (β= 0.425), then informal loans and credit (β= 0.314). Information access had the lowest predictive value (β= 0.221)

The results from Table 4.56 gave rise to the following equation:
$\hat{Y}$= 13.06 + 0.458 (IS) + 0.314 (LC) + 0.425 (ET) + 0.221 (IA).

Where:
$\hat{Y}$= Economic Empowerment
IS= Informal Savings
LC= Loans and Credit
ET=Educational Training
IA= Information Access

In order to establish the overall contribution of the four independent variables on the economic empowerment of women, adjusted R square was obtained and the results presented in Table15.

Table 15:*Model Summary*

Model	R	Adjusted R Square	Std. Error of the Estimate
1	.087[a]	.227	.22032

Source: Researcher (2017)

Table 4.57 shows that the adjusted R square was .227, which means that 22.7% of the total change in economic empowerment of women enterprises can be attributed to information access, informal loans and credit and educational training. The remaining 77.3% could be attributed to other factors not considered in this study.

IV. Conclusion

The informal financing derives a wide range of benefits to women including education and training through the self- help groups that women are affiliated to as well as access to easy and affordable credit as collaterals are based on personal trust, familiarity, family ties, and group connections. The informal financing is not built with sophisticated documentation, it can just be given with a simple agreement in writing and, sometimes, credit can be accessed through verbal commitments.

The study found that women groups find it hard to access credit from the formal financial institutions as they fear the high interest rates and the complex documentation processes before one can access a loan. The study findings revealed that most of the respondents were aware of microfinance loans and funding from the government. The study findings also indicate that the level of awareness of microfinance loans had prompted most groups to apply for funding.

Accessibility to credit and business services was described by the respondents as good. This was because a substantial number of women were able to access credit to facilitate projects. However, findings from the study revealed that accessibility of funds from government was low as opposed to other financial institutions.

The study findings also revealed that most women group members had received training on economic empowerment. These trainings were offered by financial institutions as well as the Government. The research further established that easiness to access finance in the microfinance and enhanced access to information that would add value to the women were the most significant values of micro-finance to women groups affiliated to JOYWO.

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