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## AN ASSESSMENT OF THE CONTRIBUTION OF SELF-HELP GROUPS TOWARDS POVERTY REDUCTION. A CASE STUDY OF CARITAS SUPPORTED GROUPS IN MACHAKOS COUNTY

**Authors:** <sup>1</sup>Joachim Kasimbi, <sup>2</sup>Petronila Otuya and <sup>3</sup>Redempta Kiilu

**Corresponding author: Email:** joe3kasimbi@gmail.com

<sup>1,2&3</sup> St. Paul's University, Limuru, P.O. Private Bag, - 00217, KENYA

### Chief Editor

Web: [www.ijsdc.org](http://www.ijsdc.org)

Email: [info@ijsdc.org](mailto:info@ijsdc.org)

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**Abstract:** Globally, poverty is a social misery spread in every socio-economic zone. Since independence, the government of Kenya, local and international organizations have implemented many policies and plans in the fight against poverty. However, these efforts have had limited success as many Kenyans particularly in the rural areas still live below poverty line. The purpose of this study was to examine the contribution of self-help group approach towards poverty reduction in Machakos County, focusing on unique Caritas supported self-help groups. Descriptive survey design using both qualitative and quantitative methods was applied. The study targeted a population of 6462 Self-Help Group members drawn from 359 groups from three sub counties (Machakos, Yatta and Athi River). Using Krejcie and Morgan table, the study arrived at 364 members who were sampled through stratified sampling technique. Household questionnaires and key informant interview guides were used to collect data in a face-to-face interview between 9<sup>th</sup> of May and 18<sup>th</sup> of June 2016. The results of the study indicate that self-help groups encourage members to engage in income generating activities and that these activities have economic gain for the members and therefore, poverty reduction. In addition, the study established that self-help groups enhance saving culture among the members which in turn promotes investments. Several challenges affecting these groups such as insufficient capital, poor leadership and management were also noted. The report concluded that Caritas supported self-help groups have positive impact on poverty reduction in Machakos County. The study recommended that sponsors of these groups need to work closely with them and address the challenges they face to make them effective in the fight against poverty. The study further recommended that this new model of self-help groups should be spread to other communities in Kenya.

**Key Words:** Poverty reduction, Self-Help Group, Caritas, Machakos County

## 1.1 Introduction

Poverty reduction has been a world agenda for many decades. Globally, various policies and strategies have been developed (including the recently launched Global Strategic Goals) and implemented by the International Monetary Fund (IMF), World Bank, Non-governmental organizations and governments in the fight against poverty for a long time. For instance, in 1990, the World Bank came up with three strategies for poverty reduction. The strategies were; broad-based growth, investment in health and education, and social safety nets (World Bank, 1990). Broad-based growth strategy was to ensure that income of the poor grew rapidly than income of the non-poor. The second strategy was to increase focus on health and education while the third strategy was to secure the vulnerable through the provision of cash transfer programmes. All countries were to implement these policies. In addition, the targets set by Millennium Development Goals (MDGs) in early 2002 were to halve the proportion of hungry people by 2015 and currently, Sustainable Development Goals number 1 and 2 which outlines measures combat poverty and hungry across the World (United Nations Development Programme (UNDP), 2015).

However, despite all these efforts many people particularly in developing countries still struggle to eke a living. Empirical evidence indicates that from 2002 to 2014, a slight reduction in poverty levels occurred particularly in the middle-income countries (Ongesa et al., 2014). According to the World Development Report (WDR) of 2000/2001, out of the World's 6 billion population almost half (2.8 billion) lived on less than a dollar a day. In 2014, the same report shows that there were 2.7 billion people living below poverty line (less than US \$1.25 a day) with 22% coming from Sub-Saharan Africa. The high rate of poverty is a testimony that some of these efforts have failed (FAO, 2012). Using the World Bank's measure of poverty, there are around 2.6 billion people in extreme poverty worldwide (IMF, 2014). According to Food Agricultural Organization (FAO) report of 2012, 26% of poverty-stricken people are mainly from sub-Saharan Africa. Countries such as India, Nigeria, and many other lower middle-income countries, face enormous challenges of maintaining high and inclusive economic growth in view of highly challenging demographic, environmental and social factors (World Development Indicators (WDI), 2017). Sub-Saharan Africa remains the World's poorest region with the highest headcount poverty rate of 47.5%, South Asia is second at 36% and South East Asia is third with 14.3 % head count poverty.

While progress in the fight against poverty has been made since independence, Many Kenyans still live below poverty line. According to the Kenya Integrated Household Survey (KIHBS) of 2018, Kenya's head count poverty is estimated at 32.0% with a higher prevalence in rural areas (35.8%) compared to urban areas (24.4%). Apart from poverty, Kenya is also unequal country where the gap between the rich and the poor is increasing becoming huge with time. There is also unequal development when comparing rural and urban areas in terms of access to employment, education, health and other basic needs necessities like water, adequate housing and sanitation (GOK, 2008). HIV/AIDS and other diseases have claimed the lives of many productive adults leaving many dependants who include children and elderly. Because of this, the welfare of the poor has been compromised to the extent that community support systems are severely constraint. Poverty reduction is a central goal of many development programs in Kenya. It is high in agenda of policy makers and is the key objective of Vision 2030. Kenya's development efforts since independence have emphasized poverty reduction through economic growth, employment creation, and the provision of basic social services (Kimaluet *al.* 2002). However, even though the basic commitment to fight poverty has remained strong, these efforts have not yielded the hoped

results (World Food Programme (WFP), 2015).

Poverty level in Machakos County stands at 59.6% against a national average of 47.2% (Kenya Integrated Budget Household Survey (KIBHS), 2015). In the year 2006, Caritas (The Commission for Development and Social services of the Catholic Church in Kenya) in collaborations with Catholic Diocese of Machakos and Kindernothilfe-a child focused German development organization, introduced a new self-help group approach for women. These groups target the poorest of the poor in the communities. The informally formed organizations, works on building institutions owned by the people of the people and for the people. The aim of these groups is to empower women socially, economically and politically in line with the approach's three pillars, that is, social, political and economic. Among the unique characteristics of these groups are: a sense of communalism, rotational leadership, and a similar economic background of all its members. Community members with the help of community facilitators and project officers use set criteria to identify the most needy and eligible member for SHG. Groups of 15-20 are formed and follow a basic agenda of regular meetings, savings and borrowing from a common pool.

Since the introduction of these groups, there has been limited evidence on their capacity to fight poverty in Machakos county. It was on this basis that the study sought to investigate their contribution to poverty reduction. This paper makes two key contributions. First, it provides an in-depth analysis on the capacity of SHGs in the fight against poverty and secondly, the study presents relevant information to policy makers and implementors of poverty reduction programmes. The rest of papers is structures as follows: literature, methodology, results, conclusion and policy implications.

## **1.2 Literature Review**

There are various theories that can be used to understand different aspects of SHG's settings, processes, and outcomes. Developing rich understanding of SHGs can be helpful to leaders, potential members, professionals, policy makers and researchers. The theories provide insights into how SHGs setting can be most effectively structured, how policy makers can effectively articulate policies favorable to SHGs, who is likely to benefit from participation and how to design theoretically sound evaluations. Empowerment theory proposed by Rapport (1981) and expounded on by other theorists posits groups enables their members to gain control over their lives, make informed decisions and take actions on their own behalf. Empowerment is viewed by Shyna (2013) as a process by which those who have been denied their ability to make choices get such ability. The fundamentals of empowerment have been defined as agency, that is, the ability to define one's goals and act upon them (Kabeer, 2001). Experts believe that, under the right conditions, SHGs could promote the empowerment of the poor people and catalyzed opportunities for the poor to become active participants in economic activities, and so to attain roles as cash income earners (UN, 2005). It has been noted that, with access to financial services, poor women might become more confident, assertive and better equipped to overcome cultural inequalities. In addition, women's savings through microfinance seem to build economic power that could change attitudes and practices so as to enable communities to move from subsistence to market-based economies (UN, 2005). Selinger (2008), however, discounts this empowerment narratives provided by indigenous theorists and functionaries because he views their judgment as compromised by national pride and personal ambition. It is said that; many women borrowers are not the direct beneficiaries of the credit extended to them. Instead the women seem to serve as mediators between their male household members and SHGs. Weber (2004), argues that microcredit advanced to SHG

members are not primarily used for investment purposes but for consumption smoothening purposes. Due to this, beneficiaries of SHGs could find themselves in a state of microcredit dependency in which they rely on loans for consumption instead of production. What then might be the relationship between SHGs and empowerment?

Empirically, several authors have examined the contribution of SHG's initiatives towards poverty reduction, specifically their efforts in promoting all round skills among the poor population (Karmakar, 1999; Kimaluet *al.* 2002; Kulundu, 2007). Suguna (2006) argues that participation in SHGs has been instrumental in micro enterprise development such as income generating activities. The study further reports that some group members have used the loans to start businesses; to scale up the existing businesses, and to add new businesses. Loans have also enabled members to own assets as reported in the World Bank report (2008). Similarly, Vetrivel and Mohanasunduri (2011) established that loans from SHGs enabled the members to purchase paddy, start cow rearing, small-scale businesses, purchase vans, open tea shops, leased land and also take up collective projects. Studies have underscored the contribution of women self-help groups towards poverty reduction (Davis, 2003; Chaim, 2006). For example, Davis found that women SHGs particularly those in rural areas play a crucial role in community-based activities such as production of food for both home consumption and for commercial purposes which supplements family income. Similar sentiments were echoed by Ochanda (2011) who observed in Uganda that, SHGs engage in activities such as investment in property, agri-business, merry go round, sales and marketing, finance mobilization and revolving fund which enhances members welfare. Puhazhendi and Badatya (2002) for the case of India revealed that this groups were significant both on social and economic spheres of the household. Thy further noted that, economically weaker section accounted for 84% of the membership (farmers 29%, marginal farmers 23% and agricultural laborers 32%, the average value of assets per household during pre-self-help group period was lower than during post self-help group period situation.

The study by Coppocket *al.* (2005) on 16 women groups in Moyale and Marsabit districts in the northern Kenya, revealed that the overall goal of group formation was to increase the living standards of the members. Findings by Kabeer (2005) assert that the ability of self-help group members to save and access loans gives them economic role within the household through an increase in the level of income of the group members. Similarly, case study provided by Kindenorthilife (2012) describes how a self-help group member was able to get capital for starting a business. The study reported that Faith Mutheu, a single mother struggling to raise her 5-year old daughter in Pumwani slums in Nairobi who worked as a casual laborer in the industrial area. After joining a self-help group in April 2006, she started saving regularly. She then borrowed Kshs. 1000 and began a small food kiosk. Jothi (2010) finds that saving culture, regular meetings and trainings are the key pillars advocated by self-help group approach. This in turn enables members' access loans which necessitates entrepreneurial activities. Chepchirchir (2013) established that participation in self-help groups enhanced members access to formal loan and an increase in loan amount.

In summary, studies demonstrate that SHGs have been used globally as poverty reduction strategy. In Kenya, there is limited empirical evidence on the contribution of these groups on poverty reduction and most of the studies have majorly focused on formal SHGs and not informal like those supported by Caritas Machakos.

### 1.3 Conceptual Framework

When people join SHGs, they save money, borrow money from the common pool, start business and income generating projects and as a result, increase their levels of income which eventually reduces poverty. Access to credit is made easy by belonging to a SHG. Group members borrow loans to start businesses or to finance existing ones and hence increase their incomes. Challenges faced by SHGs may affect their stability in relation to income generation and hence poverty reduction. Government policy, political stability situation of the region will influence the operations of SHGs positively or negatively. Political good will or lack of it has an influence on the operations of self-help groups. Management, leadership styles of the groups can either have negative or positive impact on member's income and hence the level of poverty.

### 1.4 Methodology

This study used a descriptive survey design to provide qualitative and quantitative description the contribution of Caritas supported SHGs on poverty reduction in Machakos county. The County borders Nairobi and Kiambu counties to the West, Embu to the North, Kitui to the East, and Makueni to the South, Kajiado to the South West, and Murang'a and Kirinyaga to the North West. Machakos County stretches from latitudes 0° 45' South to 1° 31' South and longitudes 36° 45' East to 37° 45' East. It has an altitude of 1000 - 1600 meters above sea level. Machakos County has eight constituencies, namely, Machakos town, Mavoko, Masinga, Yatta, Kangundo, Kathiani, Matungulu, and Mwala (County Strategic Plan of 2014) and eight sub- counties namely; Machakos, Athi River, Yatta, Kathiani, Matungulu, Masinga, Mwala, and Kangundo. The County has a total population of 1,098,584 people, 264,500 households with 49% Male and 51% Female (KNBS, 2009). Its population density is 177 persons per square Kilometers (KM). The County covers an area of 6,208 square kilometers. It experiences erratic and unpredictable rains of less than 500mm annually, with short rains in October to December and the long-rains in late March to May. The local climate is semi-arid with hilly terrain covering most parts of the County. Subsistence agriculture is practiced with maize and drought –resistant crops such as sorghum and millet being grown. Poverty levels in the County are 59.6% against a national average of 47.2% (KIHBS, 2009)

The study targeted a population of 6462 SHG members drawn from 359 Caritas supported groups in Machakos. The groups are based in three out of the eight sub-counties. The three sub-counties include; Machakos, Athi River and Yatta. To determine a sample size for the study, Krejcie and Morgan table (1970) was used. According to this table, a population of 6462 members yields a sample size of 364 members. Krejcie and Morgan further argues that, as the population increases, the sample size increases but, at a diminishing rate and it remains relatively constant at slightly more than 380 cases. Therefore, the study used a total of 364 self-help group members drawn from women SHGs in Machakos, Athi River and Yata Sub-Counties. Both probability and non-probability sampling techniques were used to determine the sample. For probability sampling, a two-step stratified approach was followed where each sub-county formed a stratum. First, groups were randomly selected from each stratum, and secondly, simple random sampling technic was applied to arrive at the required sample size as shown in Table 1.

**Table 1: Target Population and proportionate sample size**

Sub Location	Number of members	Sample Size	Percentage of target Population
Kathakakai	216	12	3.34
Mua	216	12	3.34
Katelembo	162	9	2.51
Kitanga	108	6	1.67
Mathatani	126	7	1.95
Kakuumini	954	54	14.76
Kithimani	1800	101	27.86
Kisiiki	2880	163	44.57
<b>Total</b>	<b>6462</b>	<b>364</b>	<b>100</b>

**Source: Own computation from Caritas Machakos**

This sampling technique was appropriate for the study because it increases the representation of the sample and ensures that all the key characteristics individuals are captured (Fraenkel & Wallen, 2010). Addition, the study purposely selected the director, Caritas programme in Machakos Diocese and the officer in charge of programmes at Kindernothilfe to participate as Key informants. The two were selected due to their wealth of knowledge in the operations and contributions of SHGs towards poverty reduction.

Data was collected with the aid of household questionnaire, key informant interview schedules, observable check list and document analysis. Descriptive and content analysis techniques were used.

### **1.5 Findings**

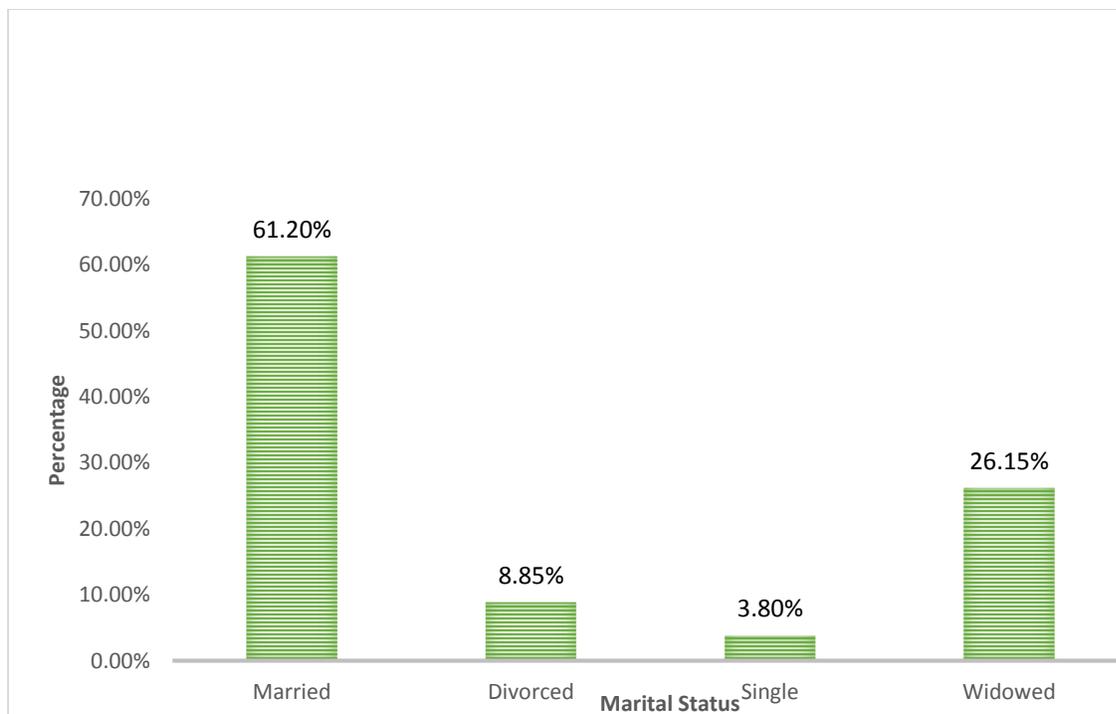
Out of the sampled 364 self-help group members, 260 members were interviewed by the researcher representing a response rate of 71.42%. Some of the respondents were not available throughout the duration of the study and hence making it difficult for the study to achieve 100% response rate. However, a response rate of 71.42% was good for the study following Reiersen et al. (2008). In this section, background and findings of the study based on the objectives are presents

#### ***Background Characteristics***

The study hypothesized key household characteristics such as marital status, age, and sources of income as very critical determinants of poverty alleviation.

#### ***Marital status***

Respondents were hence asked to indicate their marital status, and the findings are as shown in table in figure 2



**Figure 2: Respondents marital status**

Source: Research data (2016)

Figure 1 above shows that majority, 159 of the respondents representing 61.20% are married, 68(26.15%) are windowed while the number of divorced members was 23 or 8.85% of the members polled. It was further established that only 10(3.80%) out of the 260 respondents are not in married. Based on the findings, it can be deduced that there is a considerable number of widows in Machakos County while the rate of divorce on the other hand is slightly lower.

**Age of the respondents**

Table 2 present summary of the respondent’s age

**Table 2: Respondent’s age**

Age Category (Years)	Frequency	Percentage
10 – 20	0	0
20 – 30	26	10
30 -40	100	38.46
40 -50	59	22.69
50 -60	52	20
60 and above	23	8.85
<b>Total</b>	<b>260</b>	<b>100</b>

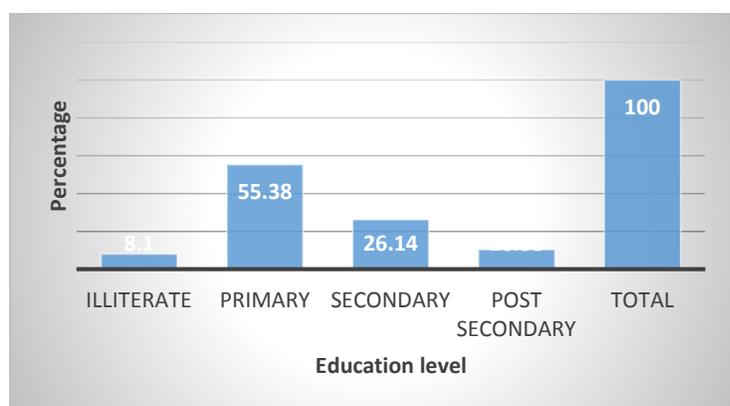
Source: Research data (2016)

With regard to the age of the respondents as shown in Table , 100(38.46) are aged between 30 and 40 years. In addition, the findings on the age of SHG members in Machakos County indicate 59 members out of the 260 interviewed are aged between 40-50 years while 52(20%) ` of the members are aged between 50-60 years. While there is no SHG member who is aged between 10-20 years,

the findings observe that 23(8.85%) members of SHGs in the County are 60 years and above. These findings indicate that Caritas supported SHGs in Machakos County, comprises of both young and elderly women. This can be interpreted to be a healthy situation for exchanging ideas and synergies between the two generations. While the elderly women are perceived to be loaded with wisdom and sometimes life experience, the young are perceived to be energetic with fresh ideas. Thus, combing wisdom, experience and fresh ideas can produce strong movements capable of tackling societal challenges such as poverty.

***Respondents level of education***

It is a common knowledge that the level of education is a key determinant of any organization. Based on this, the study sought to establish the educational levels of SHG members. Findings are summarized in Figure 3.



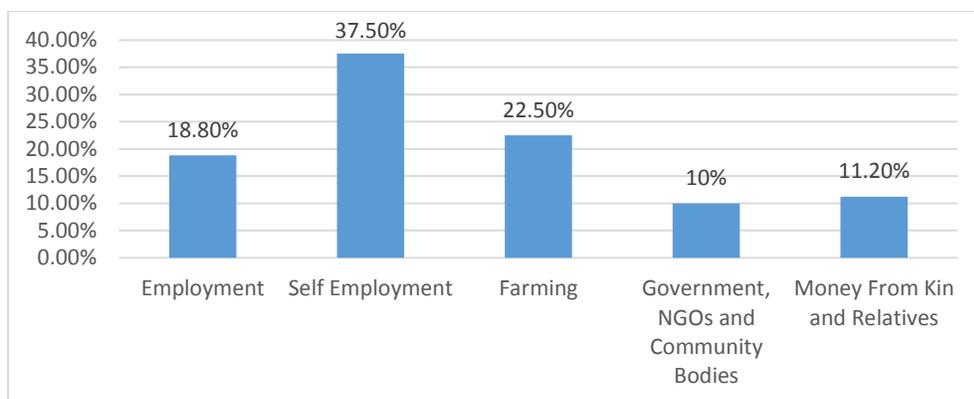
**Figure 3: Education levels of respondents**

Source: Research data (2016)

Figure 3 indicates that majority of the SHG members, 55.38% are holders of primary level certificates as their highest level of education. According to the findings, only 27(10.38%) of the respondents had attained post secondary level education, 68(26.14) had secondary education while 21(8.1%) of those interviewed indicated that they have no formal education. These findings can be interpreted to mean that majority of the SHG members in the Caritas supported groups in Machakos County are less educated and this is likely to have an impact of their effectiveness in group participation especially idea generation, and leadership.

***Pre-SHG sources of income***

The study sought to understand various sources of income for the respondents before they joined SHGs. The summary of findings is presented in Figure 4



**Figure 4: Sources of income**

Source: Research data (2016)

Majority of the respondents, 37.7% mentioned self employment as their main source of family income prior to joining SHG, followed by 22.50% whose main income came from farming. The results further reveal that 18.8% of those polled, derive their livelihood from formal employment, while 10% get their daily bread through aid from government, non-governmental organization, and community based organizations while the remaining 11.20% of the respondents have no any source of income and relied on their relatives to get their daily supplies.

***An assessment of the contribution of self-help groups towards poverty reduction in Machakos County***

**Income generating activities of SHG members**

The study sought to analyse income generating activities of the members. Table 3 shows summary of the findings.

**Table 3: Income generating activities for groups**

<b>Group Projects</b>	<b>Frequency</b>	<b>Percentage</b>
Retail Shops	96	36.92
Farming (crops, and livestock)	79	30.38
Bead Making	40	15.38
Mart making	18	6.92
Others (rope making)	27	10.38
<b>Total</b>	<b>260</b>	<b>99.98</b>

Source: Research data (2016)

From Table 3, that SHGs in Machakos County are involved in variety of income generating projects aimed at boosting the economic status of their membership such as retail business, farming, beadmaking, mart making and making of ropes for commercial purposes. The results indicates that most of the groups, that is, 96(36.92%) are involved in retail shop businesses followed closely by 79(30.38%) groups which are undertaking farming of both crops and livestock. In addition, 40(15.38%) of the Caritas supported SHGs are involved in making beads for commercial purposes, 27(10.38) are engaged in crafting and selling of ropes while the remaining

18 (6.92%) of the respondents revealed that their groups are involved in mart making for income generation. These findings are in tandem with the study by Ochanda (2011) who argued that SHGs engage in activities such as investment in property, agri-business, sales and marketing, finance mobilization and revolving fund.

### *Income generating activities for SHG members*

To measure how SHGs influenced occupation of their members, respondents were asked to indicate their occupations before and after joining SHGs. Table 4 presents a summary of the results.

**Table 4: Percentage of respondent's activities before and after joining SHGs**

Activity	Percentage before	Percentage after
Peasant farming(crop)	51	47
Shopkeeper	37	60
Casual Labor	31	17
Employed	32	38
Animal farming	25	40
No any activity	20	4

**Source: Research data (2016)**

According to the findings from Table 4, the percentage of peasant farming among the respondents dropped from 51% to 47% while that of shopkeepers increased from 37% to 60% indicating an improvement rate of 23%. Casual laborers recorded a remarkable decline from 31% to 17%, while members who were formerly engaged in animal farming increased from 25% to 40%. A more interesting observation is the drastic decline from 20% to 4% in the number of respondents who had formerly no any income generating activity. These findings are similar to studies by Vetrivel and Mohanasunduri (2011) and De Mel et al. (2007) who in their separate studies observed that microfinance institutions enable members to initiate income generating activities such as retail businesses, mart making, weaving, and sale of vegetables as well as small scale farming. These findings demonstrate the contribution of self-help groups on the kind of income generating activities SHG members engage in and the trends of improvement. The trend established by these results is that there is an improvement in the income generating activities by members of the SHGs as they engage in more income generating activities than the ones they had before. It is expected that members who moved from less productive activities such as casual jobs, non-activity and peasant farming could be either be into formal employment or shop keeping or rearing of animals. Indeed, these improvements in the occupations of the SHG members is an indication more earnings in future if not now.

### *Ownership of income generating activities by SHG members*

The study sought to establish the distribution of the respondents who owned income generating projects after joining the groups. Table 5 presents summary of findings.

**Table 5: Members income generating activities**

<b>Project/business</b>	<b>Frequency</b>	<b>Percentage</b>
Before	117	45
After	104	40
None	39	15
<b>Total</b>	<b>260</b>	<b>100</b>

**Source: Research data (2016)**

Based on these results, 40% of the respondents started small scale businesses by the virtue of joining SHG. While 45% of those polled indicated they had their small businesses by the time they joined SHGs, the remaining 15% said that they did not own any project before or after joining SHG. These observations imply that SHGs can influence some members to become innovative and thereby come up with ideas which can help them improve their living standards. The director, Caritas Machakos Diocese stated that these SHGs engage in several income generating activities ranging from retail businesses, arts and culture and other projects whose goal was to boost their incomes and reduce the burden of poverty among them. In addition, he revealed that their annual survey of members of these groups show that majority of them have improved greatly in terms of their living standards. The director noted that some members do access credit from their groups and that the money has helped them a lot in terms of starting business ventures as well as boosting those businesses which were already in operation. He further revealed that some members moved from temporary shelters to either permanent or semi-permanent, some members are now able to pay school fees for their children which they could not do before among many other benefits.

Using the observation check list, the researcher was able to see new developments in the respondent's home steads. Most homes had cattle, television sets and radios and bicycles. In addition, most homes did not look like those inhabited by extremely poor people but rather, people who are full of hope. Karin and Osada (1998) established similar results. Their study, they found out that SHGs had changed the fortunes of group members through credit borrowed by members. Considering the fact that Caritas targets the poorest of the poor in this project, the results of these observations can therefore imply that there have been forces embedded with the operations of these groups behind the transformation of the homes of group members.

### ***Influence of Income generating Activities on poverty reduction***

In an attempt to measure the contribution of income generating activities of the SHGs status, Table 6 indicates results of the study.

**Table 6: Influence of income generating activities**

Variable	Frequency before joining SHG	Percentage	Frequency after joining SHG	Percentage
<b>1.Sources of Drinking Water</b>				
Piped water	0	0	7	2.69
surface water/stream	230	88.46	228	87.69
Well	30	11.54	25	9.62
<b>Total</b>	<b>260</b>	<b>100</b>	<b>260</b>	<b>100</b>
<b>2.Toilet</b>				
Flush toilets	2	0.77	5	1.9
Pit latrines	212	81.58	255	98.1
No toilet	46	17.69	0	0
<b>Total</b>	<b>260</b>	<b>100.04</b>	<b>260</b>	<b>100</b>
<b>3.Lighting in the house</b>				
Electricity	5	1.9	18	6.9
Kerosene	255	98.1	203	78.1
Others (Solar)	0	0	39	15
<b>Total</b>	<b>260</b>	<b>100</b>	<b>260</b>	<b>100</b>
<b>4. Fuel in the household</b>				
Wood/firewood	235	90.38	221	85
Charcoal	7	2.69	5	1.92
Kerose	14	5.39	31	11.92
Others (Gas)	4	1.54	3	1.15
<b>Total</b>	<b>260</b>	<b>100</b>	<b>260</b>	<b>99.99</b>

**Source: Research data (2016)**

These findings indicate that there was a slight change in the sources of water for the respondents before and after joining the groups. Majority, 230 (88.46%) of the respondents interviewed indicated that they were using surface/stream water before joining the groups. However, this number changed slight to 228(87.69%) after some years in the groups. The interesting development to note from the findings is that, the number of respondents who were using piped water increased from 0% to 7(2.69%) after joining SHG, while the number of respondents using well water declined from 30(11.54%) to 25(9.62%). These results imply that there was a slight shift from the use of both surface water and well water to piped water. The study did not get into the details as to whether this change was attributed to joining of the self-help groups or not.

With regard to toilets, findings show a huge change particularly to the respondents who had indicated that they had no toilets before. Table 6 indicates that the percentage of respondents who used bush toilets before joining SHG declined from 17.69% to 0% after joining the groups, while the number of respondents with pit latrines increased from 212(81.58%) to 255(98.1%) after joining the groups. In addition, out of the 260 respondents polled, 2(0.77%) were using flush toilets before joining the group but, this number increased to 5(1.9%) after joining the SHGs. This implies that SHG involvement helped some members to construct or move to better toilet facilities. The most important observation to note is that members with no toilets were able to have one. An increase in the number of respondents with pit latrines can be interpreted to mean that members with no toilets acquired some muscles to construct pit latrines courtesy of being in SHGs.

Turning on the lighting used in the households, findings from Table 4.6 shows a substantial increase in the number of respondents who were using solar power after joining SHGs. This number had increased from 0(0%) to 39(15%). This increase can be attributed to either income received from individual or group projects or the exposure of groups to aid agencies that support

poor communities to light their houses using solar lamps. In addition, findings indicate a slight increase from the number of respondents who were using electricity from 5(1.9%) to 18(6.9%), while for those who were using Kerosene, there was a slight decline from 255(98.1%) to 203(78.1%). This implies that some of the respondents who were using kerosene for lighting before could have moved to the use of either electricity or solar energy.

Finally, the results from table 6 indicates that the number of respondents using firewood as fuel had declined from 235(90.38%) to 221(85%), while the number of respondents using kerosene as fuel rose from 14(5.39%) to 31(11.92%). This could indicate a slight change from firewood to kerosene. An interesting observation is the decline from 7(2.69%) to 5(1.92%) in the number of respondents who were using charcoal and respondents who were using gas. On his part, the director, Caritas noted that these groups have contributed a lot in terms improving the quality of life of the members saying that members use the proceeds from their projects to do various development initiatives for their benefits. Chijoriga (2000) found the same results during his assessment of the performance of SHGs in Tanzania in terms of their contribution to economic development. His study found that asset base for group members had increased and also that members living standards had also improved. This positive change in assets and facilities with the joining of SHG implies that these groups have the capacity to transform the lives of the less fortunate members of the society. As a result of these groups, SHG members in Machakos County can be said to enjoy at least an upgraded life as compared to the period before these groups. Poverty levels are therefore supposed to have declined though by a small margin.

### ***Comparison of SHG member's income before and after joining the group***

The contribution of income generating activities towards poverty reduction was also measured by comparing the income of the members before and after joining the groups. Respondents were therefore asked to indicate what their monthly incomes were and their current levels of income. The findings are summarized in Table 7

**Table 7: Personal monthly incomes of SHG members before and after joining SHG**

<b>Parameter</b>	<b>Income group</b>	<b>Frequency</b>	<b>Percentage</b>
Income (Kshs) before joining SHG	Less than 500	198	76.15
	500-1500	55	21.15
	1500-3000	7	2.69
	Above 3000	0	0
	Total	260	99.99
after joining SHG	Less than 500	90	34.62
	500-1500	120	46.15
	1500-3000	35	13.46
	Above 3000	15	5.77
	Total	260	100
Savings (Kshs) before joining SHG	less than 100	156	60
	100-500	98	37.69
	more than 500	6	2.31
	Total	260	100
	After joining	less than 100	70
100-500		166	63.85
more than 500		24	9.23
<b>Total</b>		<b>260</b>	<b>100</b>

**Source: Research data (2016)**

Findings from Table 7 shows that the number of respondents with income of less than Kshs. 500 reduced from 198 to 90 when they joined SHG, while the number of SHG members with monthly income of between Kshs.500-1500, increased from 55 to 120 members. In addition, the findings indicate that the numbers of members who were earning monthly income of between Kshs. 1500-3000 before joining SHGs, increased from 7 to 35 members, while also the number of members who earned Kshs. 3000 and above before joining SHG increased from 0 to 15. These observations indicate that SHGs have a significant impact on the incomes of the members and an increase in incomes implies reduction in poverty. This is because more income of the households leads to an increased living standard.

In the case of savings, the results indicated that the number of members who were saving less Kshs. 100 declined from 156 to 70 with SHGs, while those who were saving between Kshs 100-500 increased from 98 to 166. This indicates that SHGs have some powerful forces which inculcate a saving culture into their members. These results are in tandem with the findings of other scholars. For example, Ochanda (2011) carried out a study on the role of Self-help groups in Kenya in which he reported that SHGs helped members to know how to save. His study further indicated that through group borrowing and saving members were able to improve their incomes by engaging in profitable small businesses. Similar observations were made by Puhazhendi and Satyasai (2000) who in their study, found that the overall impact of self-help groups was significant both on social and economic spheres of the household.

### ***Contribution of microcredit access by members on poverty reduction***

The study sought to determine the influence of micro-credit access by self-help group members on poverty reduction. First, the study sought to find out the percentage of SHG members who were able to access credit from their groups. The results of this observation are summarized in Figure 8

**Table 8: Credit accessibility by SHG members**

<b>Credit accessibility</b>	<b>Frequency</b>	<b>Percentage</b>
No response	10	3.85
Yes	180	69.23
No	70	26.92
<b>Total</b>	<b>260</b>	<b>100</b>

**Source: Research data (2016)**

The results from Table 8 show that out of 260 respondents, 180(96.23%) indicated that they had accessed credit from their groups while 70(26.92%) members had not yet so far accessed group loans. Only 10 members representing 3.85% of the respondents did not respond to this question. Findings from the study indicate that most members of SHGs in Machakos County are can access credit from their groups. Caritas director reported that these groups are informal in the sense that they target the poorest of the poor in the society so that those who cannot afford big amounts of money for registration and savings can afford this one. The aim was for the poor members to bring their little cash together to grow capital from which members can borrow to do business or other projects. These results imply that SHGs increase the chances of the less fortunate members of the society to access credit. Other studies had established similar results. For instance, a study

conducted by Chepchirchir (2013) established that participation in self-help groups enhanced the respondent's access to loan and an increase in loan amount. He further reported that before joining the self-help group, only 4.7% of the respondents had taken bank loan which were all below 50,000 Kenyan shillings and after joining SHGs, the number increased to 86.7% with most respondents (58.4%) having had taken loans of between 50,000 to 150,000 Kenya shillings. In a similar rejoinder, Kabeer and Noponen (2005) studied the social and economic impact of SHG microfinance in Jarkhand, India and found that access to financial services is associated with less vulnerability in terms of higher savings, less onerous debt and less crises related to borrowing and more investment in productive activities.

In addition, the study also sought to know among members who were accessing loans, the reasons for their inaccessibility. Findings on this question indicated that majority, 40% of the respondents could not be able to repay their loans-the reason why they were denied subsequent loans, 28% did not access the loans because they did not have enough savings in the group, while the remaining 32% percentage thought that by taking loans from the groups, their household assets will be taken away should they fail to repay it back.

### *Effects of credit on the income of SHG members*

The researcher sought to establish the effect of credit advanced to the SHG members increase their income levels. The respondents were asked to indicate yes or no on whether the loans they borrow from their groups had affected their levels of income. The findings on this question are summarized in Table 9

**Table 9: Effects of credit on SHG member's income**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	200	76.92
No	60	23.08
<b>Total</b>	<b>260</b>	<b>100</b>

**Source: Research data (2016)**

Table 9 shows that 76.92% of SHG members sampled in the study agreed with the above stated statement, while 23.08 % of the members did not agree to the above statement. The interpretation of this is that for members who borrow money from the groups to invest, see their income grow as opposed to the members who do not get loans from SHGs. McGregor et al. (2000) found similar results that credit from SHGs enables poor households to raise their incomes and assets through borrowing and investment.

### *Benefits enjoyed by SHGs as a result of credit access*

The researcher sought to find out the benefits enjoyed by the SHGs and their membership. Table 10 presents a summary of the findings.

**Table 10: Benefits of SHGs to their members**

<b>Benefits of SHGs</b>	<b>Frequency</b>	<b>Percentage</b>
Paying of school fees	56	21.54
Buying of assets	28	10.77
Business capital	69	26.53
Trainings	20	7.69
Financial management	25	9.62
Basic needs	62	23.85
<b>Total</b>	<b>260</b>	<b>100</b>

**Source: Research data (2016)**

The findings reveal that SHG have many benefits to their members. According to Table 10, 21% of the SHG members, educate their children by paying school fees courtesy of belonging to the group, while majority of the members, 69(26.53%) obtain capital for their businesses from the groups. Other benefits mentioned by the respondents included taking care of the basic needs (23.85%), acquisition of skills through trainings (7.69) organized by the groups, acquisition of financial management skills (9.62%) and the purchase of assets (10.77). These results reveal that there are many benefits enjoyed by SHG due to easy access to cheap credit from the group. An in-depth interview with the project officer, African Inland Child and Community Agency for Development (AICCAD) reveal that SHGs have greatly improved the living standards of the members and enhanced their quality of life. The officer stated that members borrow and invest money and thereby increasing their income levels. On his part, the director, Caritas for Machakos region, argued that apart from economic gain, these groups have also enhanced self-esteem of the members through active participation in group activities. He noted that women who could not been seen or heard, are now visible and recognized in the community just because of their participation in the groups. This observation can therefore be interpreted to mean that this particular model of SHGs, have a strong force to turn around both social and economic fortunes of their members.

## **1.6 Conclusion and Recommendations**

### ***Conclusion***

The aim of this study was to assess the contributins of Caritas supported SHGs towards poverty reduction in Machakos County. Based on the results and their subsequent interpretation, the study draws a number of conclusions. First, we conclude that income generating activities initiated by both groups and members increased the income levels as well as the asset base of their members. The groups were also found to have inculted the culture of savings among their members which boosts the capital base of the groups. More capital base would imply more investment and hence more incomes which eventually leads to poverty reduction. Secondly, the study concludes that Caritas Machakos supported self-help group's practices encourage accessibility of credit to their members. In addition, members were found to channel loans obtained from groups in income generating projects to boost their welfare which is synonymous to poverty reduction.

## Recommendations

Based on the findings and conclusions, we make two recommendations:

- a) Training to SHG members must be prioritized so as to equip them with both technical and managerial competencies. This will bring in professionalism in the running of the groups which will make them more effective as poverty reduction strategies. Through trainings, group members will also benefit with skills on how to run their enterprises.
- b) This concept of Self-help groups should be extended to all marginalised areas/poor communities because it has shown that it can be a good strategy for poverty reduction in Kenya.

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