

**INFLUENCE OF SOCIAL CAPITAL ON PERFORMANCE OF
SELF HELP GROUPS IN NAMBALE SUB-COUNTY OF BUSIA COUNTY,
KENYA.**

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**A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF
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DECLARATION

This research project is my original work and has not been presented for a degree in any other university or any other award.

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This research project has been submitted for review with my approval as a University Supervisor.

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DEDICATION

I dedicate this research project to my husband Joshua, sons Bradley, Braeton and Bravin, and dad Wilber for their understanding, support and love during the many long hours I juggled between family, work and studies.

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LIST OF ABBREVIATIONS AND ACRONYMS

CD:	Community Development
FGD(s):	Focus Group Discussion(s)
IGA(s):	Income Generating Activity (ies)
KIHBS:	Kenya Integrated Household Budget Survey
KII(s):	Key Informant Interview(s)
NACOSTI:	National Commission for Science, Technology and Innovation.
SHG(s):	Self Help Group(s)
SPSS:	Statistical Packages for Social Scientists

OPERATIONAL DEFINITION OF TERMS

Self-Help Group	A small team of at least fifteen people who come together to keep small amounts of money on a regular basis and to contribute mutually to a common fund for their own benefit.
SHG performance	It is used in the context of this study to denote individual members' commitment to the group's agenda, participation in its activities and pursuits, as well as economic and social benefits that accrue to these members as a measure of success or failure of that particular group.
Social Capital	Social capital is the network of relationships among individuals in a given community or a group that makes it function effectively. It was measured based on three main elements: social cohesion, trust, and mutual reciprocity.
Social cohesion	A phenomenon where people willingly work and cooperate despite the existing differences in their demeanor, culture, and beliefs. It points to members within an SHG cooperating and working together toward achievement of the group's goals and objectives, as well as different SHGs coming together for a specific agenda.
Social trust	The level of confidence a person has when they think of a relationship. It is however subjective. Therefore, emotional trust, general trust, reliability and dependability were measured in the study.
Mutual reciprocity	It is when two or more people have an agreement/understanding and payback for each party is expected when something gets done.

ABSTRACT

Self Help Groups (SHGs) are informal groups formed to allow its members to get financial benefits by helping one another. Their objective is to build savings as well as credit for their members. Social capital (SC) is viewed as a combination of a SHG's characteristics of bonding, bridging, and linking forms. The main aim of this study was to explore the influence of social capital on the performance of self-help groups (SHGs) in Nambale Sub-County of Busia County, Kenya. The study was guided by four objectives: 1) to examine the relationship between social capital and performance of self-help groups; 2) to examine the relationship between trust and performance of self-help groups; 3) to examine the relationship between social cohesion and performance of self-help groups; and 4) to establish the challenges facing self-help groups in Nambale Sub-County and recommend solutions. This study was anchored on two theories: the Social Capital Theory and the Group Development Theory by Bruce Tuckman which explains the link between social capital and the performance of self-help groups. The study used a mixed-method approach and adopted a descriptive survey research design. The study targeted all Self-Help Groups (SHGs) in Nambale Sub-County. The researcher purposively selected twelve (12) SHGs in three sub-locations of Nambale Township Location from a sample size of 96 respondents who were randomly selected. Questionnaires, focused group discussions (FGDs), and key informant interviews (KIIs) were used to collect primary data. The researcher administered 96 questionnaires with a response rate of 95%; 9 FGDs, and 12 KIIs. Quantitative data was analysed quantitatively using Statistical Package for Social Sciences (SPSS) software version 23 while qualitative data was analysed qualitatively through content analysis. The study observed all ethical considerations throughout the research process. The study found that 58% of the respondents indicated that their group members were trustworthy and had grown very close over the last five years while 42% per cent felt that their group members were somehow trustworthy and had grown somehow close. Overall, the respondents indicated that they agreed that there was strong group cohesion within their SHGs. Eighty-three percent (83%) indicated that they would be willing to give their support in terms of time, money, and labour toward a community project that would not be of direct benefit to them. It is therefore clear from the findings that trust levels, mutual reciprocity, and social cohesion play a pivotal role in determining the performance of SHGs. Study concludes that performance of SHGs in Nambale Sub-County was a function of different factors such as effective leadership, cohesiveness of members, effective communication, sharing of benefits and liabilities, effective participation in projects and activities of the group, proper record-keeping, and proper conflict resolution framework. It recommends proper regulations on registrations, financial and non-financial support to SHGs, homogenous membership, and training for members for efficiency and enhanced performance.

CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

Self Help Groups (SHGs) are informal groups formed to allow its members to get financial benefits by helping one another (Khasnabis, Motsch, Achu, Al Jubah, Brodtkorb, Chervin, & Lander, 2010). Their objective is to build savings as well as credit for their members. They are also concerned with the social empowerment of members who are mostly women (Desai & Joshi, 2013). According to Fafchamps & La Ferrara (2012), SHGs provides a foundation for mutual economic help. SHGs are different from traditional microfinance groups because they do not depend on external finances as members pool their savings together and loan themselves according to established guidelines. Some studies have established that the fundamental engine of SHGs is to facilitate asset accumulation and benefit consumption (Deininger & Liu, 2013). In these groups, precautionary savings are increased through peer-pressure instrument and some commitment rules.

Brody, Hoop, Vojtkova, Warnock, Dunbar, Murthy, & Dworkin (2017) define self-help groups (SHGs) as groups of 8–20 members engaged in saving and lending activities. Characteristics of self-help groups include having few numbers of people in a group and homogeneity in their composition, brings about cohesiveness and most importantly an active participation of the team members in the functioning of the group the group as a whole (Anderson, Alistair, & Sarah, 2014). Oxfam America worked together with Strømme Foundation and Freedom from Hunger in 2005 to develop Savings for Change (SfC).

The program reached over tens of thousands of groups spread across the world such as Guatemala, El Salvador, Cambodia, Senegal, and Mali. It had touched over 650,000 members of groups by 2014 (Ashe & Neilan). Most of the target groups in this program are illiterate women from rural communities whose main form of retaining information is through memorization and not record-keeping. They, therefore, sit in circles in groups in the same order so as not confuse their balance and that of their neighbors' at the end of the meeting. However, in communities with higher literacy levels, members use notebooks and have standard savings procedures. Some of these groups have since matured and contributing to community projects such as health, education, and economic empowerment (*Ibid*).

In Nepal, SHGs have been found to run empowerment programs for their members and their communities. Members are first trained on numeracy and literacy skills using WORTH model continuously. WORTH is an all-female members group in Nepal that pool resources together and help their members to gain economic freedom, advance their education, and train members on health and other topics that affect their families (Swain, 2009).

SHGs became popular in India in short span and attracted the attention of the government as an important platform of empowering marginalized women in the rural areas. According to Ifad.org. (2010) the Indian government mandated National Bank for Agriculture and Rural Development (NABARD) to promote activities of SHGs between 1986 and 1987. NABARD worked together with the International Fund for Agricultural Development (IFAD) to encourage the formation of SHGs to pool resources and develop economically by saving and borrowing loans among themselves.

SHG activities in Africa are mostly concentrated in Southern and Eastern Africa countries. However, Biscaye, True, Clark, Harris, Anderson & Gugerty (2014) note that West African countries are also catching up. According to Anyiro, Ajuka, Emerole & Orji (2014), SHGs have improved women's status in Nigeria. Similarly, Gombe Sunadi, Ismail, & Omar (2016) supplement these findings by stating that the lives of so many women are mostly the members of SHGs have significantly transformed. Other scholars have documented that women have undergone economic and social empowerment by taking part in the activities of SHGs in Ghana (Blay, 2011). According to Biscaye, (ibid) the phenomenon of SHG is significantly growing in Tanzania, Uganda, Malawi, Zambia, and South Africa where women are pooling resources together for economic growth savings, taking loans, and financing small business within SHGs.

Social capital (SC) is viewed as a combination of a SHG's characteristics of bonding, bridging, and linking forms (Nichols, 2021; Kawamoto & Kim, 2019). Bonding SC connotes greater intergroup cohesion, bridging forms refer to social ties outside of one's social group, while linking forms consist of ties to individuals who wield positions of power such as political leaders, or potential funders (Europe PMC, 2021; Kawamoto & Kim, 2019). The idea of social capital is crucial for the purposes of social inclusion initiatives because it is conceptualized as a way of creating empowerment, ensuring improved life standards, and development of a community toward a better society (Skinner, Zakus, & Cowell, 2013). However, it is important to note that "social capital is dependent on social inclusion: it cannot therefore develop if the people are not willing (or not able) to participate" (Shortall, 2013).

Dominant views of social capital argue that SHGs harness strong social ties between members based on shared ethnic identities (such as bonding SC) as a form of collateral to leverage financial loans (such as physical capital), build broader networks with other SHGs (such as bridging SC), and take collective action to negotiate with more powerful government, private sector, or NGO functionaries (such as linking SC) (Nichols, 2021; Kawamoto & Kim, 2019). Kumar & Roy (2018) echo this concept to hypothesize that bonding forms of SC, defined as norms of trust and reciprocity, may be harnessed and strengthened through group activities and rituals that translate social ties into SHG best practice. These ties develop into other types of capital formation and collective action to secure public goods (Joshi & Rao, 2018; Mitra, Kande, & Rani, 2020).

Some scholars have analysed the benefits of SHGs and established that members save together as a group, there are credit facilities, and there is fulfilment of the group's commercial activities. SHGs enable members reap financial improvement out of joint responsibility, mutual help, and solidarity (Joshi & Rao, (2018); Mitra, Kande, & Rani, (2020). The benefits include but are not limited to credit facilities, mobilization of savings and fulfilment of the group's business ideas. The group-based approach is practical because it allows the poor to accrue capital by way of savings and it also enables them to have access to credit from formal facilities.

Self-help groups have combined savings and credit which have enabled the members to gain financially by fully monetizing the contributions. In the process the team gets empowered to change the society as a whole. A close dimension is that SHGs facilitate the development/formation of social capital, where the team members learn to work together for a group's/organisation's purpose (Joshi & Rao, 2018).

Claridge (2018) looks into one approach which is straight forward then divides it into three major categories. The first of the three is the link created by the bond shared with people who have the same identity: family members, or other relatives. The second is the link shared by people who have a bond that go beyond having the same identity. This can be people like distant friends, associates or colleagues. The last link is the one that comes much lower on the ladder and it is the link between people who are on the same social ladder.

The presence and prevalence of trust within SHGs is imperative for social capital growth. Trust, as stated by Meer & Tolsma (2014), forms social cohesion and increases the meaning of a group and sustains it. Dasgupta (2015) says that “trust is the key to togetherness” with Fukuyama (2015) stating that “Trust acts like the oil which makes a group or an organisation effectively run”. Trust increases the commitment of people and creates a closer bond between the people in a group or in an association thereby improving performance. Social interactions develop due to growth in trust.

Mutual reciprocity can simply be defined as a social criterion whereby a person responds to an action that is considered positive with another positive action. As a universal assumption, reciprocity therefore means that in responding to friendly actions, people are frequently much nicer and much more cooperative than predicted by the self-interest model; and conversely, in response to hostile actions they are frequently much nastier and even brutal (Fehr & Gächter, 2000). The most widely used and accepted frame of reference for social capital is attributed to Nahapiet & Ghoshal (2012), who came up with three distinct dimensions of social capital which include relational, structural and cognitive.

A number of studies have suggested that these three dimensions of social capital and their different aspects are highly interconnected (Bond III, Houston, & Tang, 2008; Tsai & Ghoshal, 1998). A look into the relationship between the three dimensions is important for the purposes of understanding social capital as a whole together with the effects that it can have in a given context (Claridge, 2018). Structural social capital can be defined as a network of people known by a person from whom they can derive benefits including assistance and information (*Ibid*). It is usually considered to be the density, hierarchy, connectivity and relevance derived from the network of relationships in any given scenario such as within a group, community or organization (Davenport & Daellenbach 2011). According to Claridge (2018), the important facets of this dimension of social capital are the number of ties that a person has, how strong those ties are, and who a person is tied to.

Cognitive social capital associates resources that have representations and responsibilities that are shared and systems of meaning among members (*Ibid*). Gooderham (2007) describes cognitive social capital in terms of shared language and codes that provide the foundation for communication. According to Davenport & Daellenbach *op cit*), cognitive social capital refers to cognitive schemes and systems of meaning as exhibited in common vocabulary and narratives. Whereas the structural dimension is tangible and can be witnessed in relationships, roles, rules, and procedures the cognitive dimension of social capital is intangible as it is particular to how shared reality is interpreted (Claridge, 2018). Social capital in this study was used to depict trust levels, mutual reciprocity, and social cohesion in SHGs as elaborated in the operational definition of terms, and how these aspects influenced the performance of SHGs in Nambale Sub-County.

1.2 Overview of Social Capital and Performance of Self-help Groups

Over time, SHGs have been seen as one of the most vital strategies when it comes to the merging of activities and services with an aim of empowerment. In south Asia, SHGs engage in saving and lending activities and this has contributed immensely in development (Brody et al., 2017). Gugerty, Biscaye, & Leigh (2019) studies of SHGs in India established that the reason they are majorly formed is for members to access larger pools of capital and empower communities. India is a perfect example of how SHGs have flourished. The central government through the National Rural Livelihood Mission (NRLM) have contributed in the spread of SHGs (GOI, 2019). According to Nichols (2021), the Indian government is working with other funding agencies including the non-governmental organizations (NGOs) to deliver development using SHGs. This aspect is achieved by layering interventions onto the fundamental element of saving and lending that is at the center of SHGs.

Many of the SHGs recently established in India are self-reliant and constantly developing and even though their membership is derived mostly from the disadvantaged members of the society. These SHGs have proven without any doubt that they are better savers, reliable borrowers, and aggressive investors (GOI, 2019). SHGs put together their savings, convert them into loans for the members and put back the interest income into an equity. Studies such as that of Fernandez (2014), Carey (2011), and Villena, Revilla, & Choi (2016) show that there are major elements that are critical and very crucial for the SHGs to be formed and have successful development.

The most basic elements of a SHG include how ready the group members are to help one another; size of the group; oneness of the members; transparency; and participation of all the members while decisions are made (Fernandez, 2014). These pointers border the rules of social capital as stated by Nahapiet (1998). Scholars like (Carey, 2011) contends that social capital is composed of three elements namely the structural, the relational and the cognitive elements. Structural social capital is a subsection of social capital, which refers to the properties of a social system and the co-relations within it as a whole. This term is used to describe configurations of links between people or units.

In Africa, there were traditional or indigenous groups before the NGO-led initiatives. However, recent years have seen standardized models of SHGs that build on indigenous foundations. Several NGOs such as World Vision, the Aga Khan Foundation, Oxfam, Plan International, and Catholic Relief Services have launched promotions for saving groups across Africa. The fundamental objective of such programs is to make sure that members of these groups who are mostly women have access to credit not only for investing in income-generating activity but also meet their subsistence needs. In countries like Zimbabwe, South Sudan, and Kenya among others, SHGs in conjunction with NGOs have integrated activities aimed at boosting their social capital. Their activities are now integrated in other components besides loans and savings to business development, and improving of farming practices and health of group members (Gugerty et al., 2019).

By 2011, there were approximately 200,000 SHGs across 35 countries in Africa with a population of over 4 million people (Anderson, Biscaye, & Gugerty, 2014). This number has now increased significantly owing to the benefits of SHGs stated in the previous section. However, unlike in India, most African countries' governments have no policy frameworks that link SHGs to public institution or financial institutions (Ibid).

SHGs in Kenya initially started as the Harambee movements which had a tremendous growth with over 820,000 registered groups currently in the country (Ministry of Social Services, Kenya, 2018). SHGs have been highlighted as having empowered individuals to maintain and develop their resources by encouraging a savings' culture and making available lump sums of money and resources which would have otherwise been used for small scale investment or household needs such as payment of school fees. In this manner, SHGs make finances and other resources work for them because small amounts can be contributed and made available to everyone to use for welfare or investment needs (Anderson et al., 2014).

It is through this process that the funds become a collective asset rather than an individual one and thus enabling growth, development and empowerment of individual members and the community as a whole. While it is a big likelihood that a considerable number of SHGs dysfunction or collapse altogether before making any substantial gains, others grow to become financial organizations characterized by influence, money, and power (Ibid). Despite these achievements and development of SHGs, most of them, especially in Africa are faced with a lot of challenges such as insufficient trust among members, lack of mutual reciprocity, and weak social cohesion.

Others are characterised by ignorance of members, lack of training, inadequate financial assistance, exploitation by strong members, and lack of financial management (Biscaye et al., 2014; Anderson et al., 2014). These challenges contribute to either low performance or collapse of SHGs altogether.

This study looked into which levels the SHGs were making use of available networks, sharing information to achieve set goals like improved access to markets, and more people taking part in the group's activities. By so doing, this study aimed to bridge the common assumption that people who register in groups have the desire and capability to exercise and use the elements of social capital to affect the groups' performance (Bicaye et al., 2014). The study looked into the influence of the three sub categories of social capital and the influence that they have on the performance of a group. These sub categories are: trust levels, mutual reciprocity and social cohesion within a SHG.

In Busia County, SHGs were considered a women's affair from their inception but this has evolved over time as now more men are seen engaging in them. The SHGs have been able to spur the participation and empowerment of different classes of community members which is significant in building their social capital. SHGs have been vital in empowering people by allowing the members to work together in mutual agreement. Members' networks are not privileged to obtain business/political favours as they do not influence a lot of economic resources. Studies have posited that SHGs enable individuals from varying income brackets to face difficulties and opportunities as a group as opposed to individuals (Nichols, 2021). It is in the backdrop of this knowledge that this study sought to establish the influence of social capital on the performance of SHGs in Nambale Sub-County of Busia County, Kenya.

1.3 Statement of the Problem

Most SHGs have not been effective in delivering economic, social and overall empowerment to its members because the groups' social capital do not match their performance. Even when existing and growing social capital spurs effective participation of the members in group activities and also stimulates the smooth functioning of the group and its ultimate performance, most SHGs seems to be lagging behind in achieving their objectives. They have failed to help their members accrue social capital to mobilize more resources towards their SHGs, encourage more active participation of members and therefore perform poorly. The financial growth of SHGs and other parameters of social organization are significantly low. Several challenges faced by self-help groups have been highlighted including lack of sustaining capacity for poor collective action, mistrust among members, lack of cohesion, and poor knowledge transfer which comprise the dimensions of social capital. There is inadequate knowledge on the relationship between social capital and performance of SHGs. Therefore, this study sought to examine how social capital influences the performance of SHGs in Nambale Sub-County, Busia County.

1.4 Purpose of the Study

The study sought to explore the influence of social capital on performance of SHGs in Nambale Sub-County, Busia-Kenya. Putman's dimensions of social capital was employed in the study to give more insight on how trust levels, mutual reciprocity and social cohesion all work to help in the development of these groups.

1.5 Objectives of the Study

The study's main objective was to examine the influence of social capital on the performance of SHGs in Nambale Sub-County of Busia County, Kenya.

1.5.1 Specific Objectives

1. To explore the relationship between social capital and performance of self-help groups in Nambale Sub-County.
2. To examine the relationship between trust and performance of self-help groups in Nambale Sub-County.
3. To examine the relationship between social cohesion and performance of self-help groups in Nambale Sub-County.
4. To establish the challenges facing self-help groups in Nambale Sub-County and recommend solutions.

1.6 Research Questions

- i. What is the relationship between social capital and performance of self-help groups in Nambale Sub-County?
- ii. What is the relationship between trust and performance of self-help groups in Nambale Sub-County?
- iii. What is the relationship between social cohesion and performance of self-help groups in Nambale Sub-County?
- iv. What are the challenges facing self-help groups in Nambale Sub-County and solutions to address them?

1.7 Significance of the Study

The findings of this study may guide and inform policy and decision making on the formation and management of social capital and how it affects the development of SHGs in Nambale Sub-County and Kenya at large. It may help the Ministry of Labour and Social Protection in the County Government of Busia to develop structures that support formation of community networks. The findings of this study may also add to the body of knowledge on the relationship between social capital and performance of SHGs. Besides, it may benefit researchers and academicians by developing and sharing insights and experiences when it comes to conducting research on social capital and performance of self-help groups.

1.8 Assumptions of the Study

The study was guided by the assumption that respondents would give accurate information on the study topic which would enable generalization of the entire population of SHGs in Nambale Sub-County of Busia County, Kenya.

1.9 Scope of the Study

The research was conducted in three (3) sub-locations of Nambale Sub-County in Busia County; namely, Nambale, Kisoko and Siekunya whereby four (4) self-help groups from each sub-location were purposively sampled and utilized for the study.

1.10 Limitations of the Study

The study was limited to three (3) sub-locations of Nambale Sub-County in Busia County; namely, Nambale, Kisoko and Siekunya. Further, it was a challenge meeting all the members of a SHG. To navigate this challenge, the researcher collected enough data for generalization and also mobilized the members before a meeting then interviewed only those present at the groups' monthly meeting. Similarly, the study

was limited to information provided by members of the four self-help groups from the above-named sub-locations and to one Sub-county Social Development Officer. To navigate this limitation, the researcher ensured that she got sufficient data whose conclusion can be cautiously generalised to the entire Busia County.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter reviewed literature related to how social capital influences the performance of SHGs. The literature review was conducted in line with the objectives of the study namely; the relationship between social capital and performance of self-help groups; the relationship between trust and performance of self-help groups; the relationship between social cohesion and performance of self-help groups; and the challenges facing self-help groups. The chapter also presents the theoretical framework and the conceptual framework that were applied to the study. Similarly, it shows the gap in the literature review that the study is attempting to fill and the general characteristics of SHGs and social capital in SHGs are put into context.

2.2 General Characteristics of a Self-Help Groups in Context

SHGs have been vital in empowering people by allowing the members to work together in mutual agreement. Members' networks are not privileged to obtain business/political favours as they do not influence a lot of economic resources. They also rely on time/labour exchange which does not have a monetary value. One of the main advantages of self-help groups is that saving as a group gives the poor a platform where they can accumulate capital by saving whatever they get which eventually enables them to access credit facilities (Shylendra, 2013). Distinctive features of SHGs like their small and intimate sizes and homogeneity in their structure, bring about togetherness, a sense of belonging and active participation of members in group activities (Fernandez, 2014).

When SHGs are formed on the basis of the principles stated above, they become more efficient and reach the disadvantaged people in a community like the women thereby helping them to get easy access to saving and credit facilities therefore greatly empowering them (National Bank of Kenya, 2014). The specific characteristics of a SHG that were studied by the researcher were: the duration the SHG had been in existence, the amount of money raised by a SHG and, inter-relations within a SHG.

2.3 Social Capital and Performance of Self-Help Groups

Social capital (SC) is viewed as a combination of a SHG's characteristics of bonding, bridging, and linking forms (Nichols, 2021; Kawamoto & Kim, 2019). Bonding SC connotes greater intergroup cohesion, bridging forms refer to social ties outside of one's social group, while linking forms consist of ties to individuals who wield positions of power such as political leaders, or potential funders (Europe PMC, 2021; Kawamoto & Kim, 2019).

2.3.1 Social Capital and Performance of Self-Help Groups

The quality of social networks in the performance of a team is measured by the amount of cohesiveness, connectedness, coordination, and integration of team members. This aspect as are summated into social capital. According to Burin and Vu (2021), social capital is not only productive but also makes the group achieve its objectives successfully. It significantly and directly influences three fundamental areas namely cohesion, coordination, and communication.

In a study conducted by Mostafa & Bottomley (2020) on the relationship between social capital and organizational performance found out that social capital is important in addressing numerous problems in an organization such as vertical and horizontal information communication, high transportation costs, and coordination. Quality social networks among members of the team result in these outcomes. As observed by Nahapiet & Ghoshal (2018), the collective consciousness of a team creates a group identity based on similar experiences and thus maximum results.

Najeeb & Siddiqui (2020) conducted a study to establish the role of organizational social capital on the performance of the organization. The study found that social capital in an organization makes members of the group carry out their roles and jobs effectively and efficiently. The number of structural holes, the frequency of interaction, and the indirect and direct ties are all positively and directly connected to the overall group performance. Nahapiet & Ghoshal (2018) note that social capital can be categorized in different elements such as social cohesion, trust levels, and mutual reciprocity.

Reciprocity can simply be defined as a social criterion whereby a person responds to an action that is considered positive with another positive action. As a universal assumption, reciprocity therefore means that in responding to friendly actions, people are frequently much nicer and much more cooperative than predicted by the self-interest model; and conversely, in response to hostile actions they are frequently much nastier and even brutal (Fehr & Gächter, 2000).

Reciprocity enables the building up of continuing relationships and exchanges and is one of the major features of social networks and life. Exchange theorists have however taken it for granted. Reciprocity is structured and varies across many types of exchanges. These variants have profound effects on the reciprocity structure and causes an emergence of integration between the links of solidarity and trust. These effects are mediated and explained by a set of risk- and conflict-based procedures (Rezvani, Barret & Khosraviet, 2018). Reciprocation in social interaction is mainly increased when emotional reactions perceive good and favourable intentions. In real life interactions, this simple mechanism is also useful in various forms of deceptions and manipulation like giving back to the person who helped you or to the community through corporate social responsibility (Jamshed & Majeed, 2018).

SHGs depict an outlook of mutual reciprocity build around enhancing resilience of not just members and households but also the larger community. This objective is achieved through empowerment and capacity-building from the bottom to the top (Tearfund, 2015). Some scholars have linked the component of mutual reciprocity in SHGs to resilience that strengthens the assets of the groups and their members as defined in the sustainable livelihoods (SL) framework. For instance, Frankenberger, Langworthy, Spangler, & Nelson (2012) observe that political, social, human, physical, natural, and financial capitals are at the center of mutual reciprocity in SHGs. Building on this aspect, this study assumes that mutual reciprocity in SHGs contributes significantly in development. Hammil, Mathew, & McCarter (2008) conducted a study on the Self-Employed Women's Association (SEWA) of India. The study found that members of this SHG were offered loans to rebuild houses, reinforce walls, replace roofing, and even buy houses from members' pool of contributions.

This aspect results in a shift in one's attitude as well as action with the knowledge that they exist in a group to benefit from each other and develop. Some scholars have observed that establishing strong social networks leads to the realization of mutual reciprocity. Haworth, Frandon-Martinez, Fayolle, & Wilkinson (2016) opine that groups that have weak or no mutual reciprocity tend to perform dismally or even collapse. Similarly, Bowen, Cochrane, & Fankhauser (2012) add that most SHGs offer their members – from their pooled resources – social funds which acts as a safety net in times of crises.

In Kenya, loans and savings is another aspect of mutual reciprocity in SHGs. According to Haworth et al. (po cit) observe that loans and savings in SHGs helps members to not only plan and adapt to life changes but also life shocks when and if they happen. The culture of regularly saving and accessing loans in the SHGs underscores the aspect of mutual reciprocity in SHGs which helps members reduce their vulnerabilities, maintain their livelihoods, and strengthen their resilience (Sebstad & Cohen, 2000).

2.3.2 Trust Levels and Performance of Self-Help Groups

The presence and prevalence of trust within SHGs is imperative for social capital growth. Trust, as stated by Meer & Tolsma (2014), forms social cohesion and increases the meaning of a group and sustains it. Dasgupta (2015) says that “trust is the key to togetherness” with Fukuyama (2015) stating that “Trust acts like the oil which makes a group or an organisation effectively run”.

Trust increases the commitment of people and creates a closer bond between the people in a group or in an association thereby improving performance. Social interactions develop due to growth in trust. Due to this growth, social capital shows as a relational dimension in all personal association/relationships (Dasgupta, 2015; Morris, Woodworth, & Hiatt, 2016; Szreter & Woolcock, 2008). Gooderham (2007) observes that relational social capital is associated with the characteristics and qualities of exhibited in personal relationships. Such qualities include trust, obligations, respect and even friendship. According to Meng, Cluasen, & Borg (2018), the key to relational dimension of social capital is trust and trustworthiness, norms and sanctions, identity and identification and obligations and expectations.

Relational social capital therefore refers to the nature and quality of the relationships that have evolved through a history of interaction (Calridge, 2018) and is exhibited in behavioral attributes which include trustworthiness, shared group norms, obligations and identity (Davenport & Daellenbach, 2011). Most scholars have examined the different levels of trust. The first level of trust is shared values. Fulmer & Gelfand (2012) note that this is the place that individuals must start if they want to build the foundation of trust. Values are beliefs that individuals hold dearly as they interact with each other such as loyalty, kindness, peace, and love among others.

Trust happens when individuals have similar values. Other studies have demonstrated that some causes of divisions emerge when individuals believe that they do not share similar values (Jensen, Palangkaraya, & Webster, 2015). Others levels of trust do not matter without individuals first believing in shared values (Svenson, 2012). The other level of trust is integrity.

It is almost at the same level and with equal intensity with shared values. This level of trust is about an individual's identity in terms of character. It is concerned with the ethics and honesty of individuals in teams (Röder & Mühlau, 2012). For instance, can people count on you? Are your actions in line with your belief system? Are you the kind of a person who always make excuses? Any person who does not score higher on these questions cannot be trusted and his presence in a team may compromise the solidarity and the performance of a team. Concern for others, competence, and accountability are the third, fourth, and fifth levels of trust respectively. People need to believe that one is concerned with their wellbeing and not just benefiting as an individual.

According to Svenson (2012), when individuals believe that someone they are interacting with genuinely cares for them they tend to become vulnerable and open their hearts to trust each other. Similarly, Röder & Mühlau (2012) observe that individuals need to believe that the person they are interacting with does not just know what she is doing but also has the capacity to do it especially when she agrees to take on responsibility. This aspect builds trust. Lastly, competence is useless if one cannot be accountable. For effective relationship and trust, people must be able to depend on all of them and be reliable (Fulmer & Gelfand, 2012).

In her article on the calamity of trusts, Basu (2019) talks about how crucial trust is in relation to social capital and adds that it is key to risk reduction and preparedness. She states that "We are a society of decreased social trust." The pivotal foundation of social capital shows that social networks have a great value. In the case of social capital and any other relationship for that matter, trust is key.

The feeling of working in a team or a group cannot be equated with that of working in a hierarchical settings or relationships. Jamshed & Majeed (2018) observe that members of a groups or team must not just discover and adopt but also adapt the best methods of creating and recreating team spirit of trust where deep, continual, and mutual relationship can flourish and success attained. This aspect leads to cooperative behaviours despite the situation at hand. Some scholars have observed that if such an atmosphere is maintained in a group, the performance levels will supersede the greater sum of its parts (Hughes et al., 2019). Other scholars argue that just by looking at the abilities, skills, and competencies of a group, many predictions on whether the groups will foster trust and succeed or ignore and perish (Ratasuk & Charoensukmongkol, 2019).

As the group members interact and cooperate, they develop values and norms. This is the only way of imposing effective group dynamics. Many scholars have examined the relationship between teams and performance. Some have established that trust accelerates effective interaction levels which are directly linked to the performance of the team (Jamshed & Majeed, 2018). Others have stated that it is more likely to have cooperative behaviours in teams where relationship is based on trust (Hughes et al., 2018). The performance of a team can be measured by improvement in productivity, wastage and error rates, sustainable improved quality of outputs, and continuous search for alternative solutions, and continuous problem-solving when faced with difficult situations (Rezvani et al., 2018).

According to Gorondutse & Hilman (2018), these high levels and continuous goals necessitates intensive cooperation which is as a result of trust. Therefore, trust is the 'hygiene' behind the performance of a team. Studies have shown that increase of trust between team members in a self-help groups enable the creation of potential partnerships and a readiness to work together in the group's activities for the mutual good of the community (Jamshed & Majeed, 2018; Rezvani et al., 2018). The approach in Nigeria showed the levels of trust between family members, groups and among people in a community.

2.3.3 Social Cohesion and Performance of Self Help Groups

The World Bank (2009) states that, "social cohesion is vital for the development of societies. Social capital is therefore not only the number of the organizations which underpin a community but the glue which keeps them together." Trust is fundamental in the development of social capital. It is the component between people with a common mind and intention which reinforces homogeneity and similarity.

This concept creates strong bonds between people but it has the disadvantage of excluding people who have different views and opinions. This concerns the characteristics of social systems and the relationship networks as a whole (Nahapiet & Ghoshal, 2012). A study conducted in Abia State, Nigeria by Anyiro et al. (2014) found that the most significant aspect that holds the SHGs together are democratic practices, particularly those principles like regular rotation of leadership and open participation of members. Members in SHGs are expected not just to bring the regular contributions but also play other roles or activities of the group.

The study also found that there were material contributions especially when it comes to farming groups that are located in the rural areas. The groups also have levies such as development fees, membership, wedding, and burial among others. Members of SHGs were also expected to help the group recruit new members, accept leadership positions, and join executive committees when necessary. Participation of members was directly linked to effective dissemination of information. The study also found that the larger the group become, the more women recruited new members, and the reluctant the members were in taking part in the activities of the group including taking up leadership positions.

In a study conducted in Ghana by Blay (2011) wanted to find out how SHGs empower women. The study found that that SHGs characterized by poor meeting attendance had low empowerment for their members and thus low cohesiveness. Absenteeism was found to be an indicator of lack of cohesion in a group.

Another study conducted in Rongai Kenya by Lambisa, Ngahu & Wagoki (2016) sought to find out how table banking influenced economic empowerment of SHG members. Economic empowerment was revealed as one of the positive aspects that influence social cohesion in a group. Additionally, groups with strong social bonds offered more mutual assistance to its members as compared to the ones that had weak social cohesion. Sharing of common goals, values, and activities communicating constantly, and performing group tasks together were drivers of cohesiveness. It is also important to note that group meetings was the epitome of cohesiveness. Hence this study addressed the role of social cohesion as a component of social capital in performance of SHGs in Nambale Sub County, Busia County.

2.3.4 Challenges facing SHGs in Kenya

A study conducted on women entrepreneurs in Malaysia by Ahmad et al. (2011) contend that members of SHGs are overburdened with family and business responsibilities and have limited time joining and taking part in group activities and projects. As a consequence, this is an automatic limitation to the wings of exploration for those wishing to be entrepreneurs. Similarly, Zororo (2011) conducted a comparative study on women entrepreneurs in Botswana which revealed that members of SHGs join such association at older age when they already have families and children.

For instance, in rural Africa, African cultures did not give a woman an equal chance to education like men and this has limited the training and education of women (who are mostly the majority is SHGs) and this in turn affects their performance later in their lives. Apart from these challenges, SHGs also face other problems such as socioeconomic constraints of members, low need low need of achievement, social attitude, high cost of production, shortage of power, and inadequate infrastructural facilities as well as poor coordination (Kiprop, 2015).

Another study conducted by Mukherjee & Purkayastha, (2011) on internal factors that affects the performance of SHGs in Kenya found that technical and management skills were the most common challenges. Technical skills entail poor financial planning skills, accounting skills, and marketing skills. Management skills entail poor monitoring and evaluation tools, and lack of the constitution, financial management policy, strategic plan, and governance structure.

The study also adds that most of the SHGs produce excellent products of high quality but they suffer from huge inventories because they have poor marketing strategies. These SHGs do not have a brand identity of their products as well. Similarly, they have a poor network of distribution. It was therefore, important to assess the type of challenges faced by SHGs in Nambale Sub County and offer appropriate solution when it comes to increasing performance.

In a study conducted in Murera Sub Location in Kiambu County (Kenya) by Gathuni (2015) established that members of SHGs reported to have faced opposition from their spouses and the community when joining these groups. Bad rumors about people and being not well understood formed the opposition from the community. Women not sharing money with spouses and a lot of time being spent in meetings formed part of opposition from spouses. However, these challenges were solved through involving spouses in decision-making and open discussion with members to avoid rumors.

Therefore, this study sought to examine the influence of Social Capital on performance of SHGs in Nambale Sub County. A report by International Labour Organization (2008) revealed that members of SHGs do not have sufficient education as well as training necessary for effective performance and success of their groups in Busia County, Kenya.

2.4 Theoretical Framework

This study was guided by two theories; the first one is the Social Capital theory and the second one is the Bruce Tuckman's theory of Group Development. The reason for this is because their findings explain the link between the performance of SHGs and the different dimensions of social capital.

2.4.1 The Social Capital Theory

The three main proponents of the social capital theory were Pierre Bourdieu who wrote from a Marxist point of view (1983), and James Coleman (1988). Pierre Bourdieu differentiated the three types of capital: social, economic, and cultural (Bourdieu, 1983). Coleman (1988) contributed to the performance of the social capital. This was to make it more understandable in a way that showed the processes and/or experiences of groups from the non-elite community. He felt that people from both the marginalized communities and working class community could benefit from this possession. He saw social capital as part of a more intense exploration of the characteristics of social structures and stated that its use defined social capital.

Bourdieu's theory is linked to the philosophical ideas he had on class. He identified three categories of resources each of them linked to class: cultural, social and economic class. These three main sources of capital get socially productive, and their ownership is made legitimate through the use of symbolic capital. Bourdieu's theory on social capital emphasizes the importance of conflicts and the class functions. Social followings/positions combined with the division of cultural, economic, and social resources get legitimized with the use of symbolic capital (Gemar, 2021).

Taking it from Bourdieu's argument, social capital is mainly used as a resource in the social exertions which are available in common areas or domains. In this theory, problems like that of trust (which he does not put emphasis on) can be taken as a symbolic struggle in a community. Symbolic exchange and power can be used to take advantage of trust when it is seen as part of symbolic capital in any team.

This study began with an examination of the three main parts of Putnam's theory of social capital which are obligations and norms, social and trust networks with an emphasis put on voluntary associations (Luoma-aho, 2018). The second part of the paper looked at the three major parts of Putnam's social capital theory from Bourdieu's perspective. The outlook of the study had its foundation on Putnam's theory and its crucial tone on Bourdieu's theory of struggle. The theory of social capital put emphasis on sociological structure of collective strength.

According to the World Bank, social capital is seen as institution relationships as well as norms that influence the quantity and quality of social interaction in society. It picked up this aspect and made it a useful idea in organizing (Albertson & Hall, 2019). The World Bank report argues that there is significant information which demonstrate the critical importance of social cohesion when it comes to sustainable development and economic prosperity of societies (Palanisamy, Gopichandran, & Kosalram, 2018). Putnam (2000) made significant contribution to this theory by stating that physical capital is the physical objects while human capital are properties of individuals. He also observes that social capital are connections or social networks that individuals have which are influenced by trust and reciprocity (Louma-aho, 2018).

The main assumption of the social capital theory is that relationship matter. Its major argument is that social networks are essential assets. Interaction allows individuals knit social fabric (trust), commit to each other (social cohesion), and build communities (mutual reciprocity) (Albertson & Hall, 2019). Social cohesion, trust, and mutual reciprocity benefit people significantly.

The social capital concept is that face-to-face encounter is essential in rebuilding or rather building trust and communities. This theory was relevant to the present study as it addresses a solution to the problem of standard action and opportunism which always are at the centre of development of spontaneous cooperative effort (Hauberer, 2011). The theory also links these aspects to the obtained social capital in a community (Nichols, 2021). As demonstrated in the literature review in previous sections, different dimensions of social capital are a collective moral resource to a community which can be divided into three main categories. The first is trust and being positive about values which concern development. The second, is the social values and duties; and the last one is, social networks and citizens' participation, most especially voluntary associations (Hauberer, 2011).

Therefore, social capital theory turns out to be an integral aspect in community development, especially when it comes to encouraging association for mutual concerns (Nichols, 2021). Understanding social capital is essential in policy formulation and implementation whose objective addresses the gap between structure and agency and reducing social exclusions. Social capital theory was applied in this study because of its emphasis on the relational aspect of communities (Hauberer, 2011). It was significant for the study as it holds informal and formal participation in organizations builds trust not just among individuals but also in institutions. It also forms an interaction habit as members of SHGs meet on a regular basis.

This study also utilized the social capital theory majorly by looking into the trust problems and voluntary associations. The considerations here was that network locations be treated as exogenous rather than endogenous variables of the social capital. Therefore, the study established that social capital is much more than just social relations and networks; it brings about resources accessed and embedded.

In Nambale Sub-County, it was imperative that measures for the embedded resources and network locations used for verification of SHGs registration be incorporated by a Social Development Officer. This theory however focused on aspects regarding operations and performance of SHGs and thus the need to consider a second theory on the concept of growth hence the need for the Bruce Tuckman's theory.

2.4.2 Bruce Tuckman's Concept of Growth in a Group Setup

Group formation theory was developed by Dr Bruce Tuckman in 1965 (King & Lawley, 2016). It was initially a four-stage model of group formation namely; forming, storming, norming, and performing. He added adjourning as the fifth and last stage in 1970. In the forming stage, group members rely on leaders for guidance and direction because it is not very clear what one is expected to do. Only the people who formed the group such as the SHG leaders understand the objective of the group.

Storming is the second stage. It is not easy to reach mutual agreement here as some of the members aspire to be leaders, or even challenge existing leadership. Members begin to understand their roles here and a lot of explanation needs to be done. Some members withdraw at this stage as well, especially those that cannot withstand conflict or don't see any future in the group (O'Connell & Cuthbertson, 2009).

The group enters norming stage after storm subsides as demonstrated by Egolf & Chester (2013). Members begin to accommodate the opinions of each other and allow leaders to mediate the processes of the group. Members understand what is expected of them at this stage and decision-making is easy and group cohesiveness is stronger. Members are more committed, responsible, and demonstrate care for their colleagues. Indeed, this stage manifests the participatory development as seen in SHGs. The SHGs write their by-laws and constitution at this stage.

Performance is the fourth stage where the group is seen to be thinking, acting strategically and roles become more flexible and functional. According to Pike (2017), there is also a great stability in the relationships at this point. After all the four stages, the group now aims to achieve its development plan and be successful. The group members have a shared vision and they commit to the values and ideals of the group. There is little argument among members and disagreements are handled amicably (King & Lawley, 2016). As far as the SHGs are concerned, this is the stage where every member brings their savings to the group, takes loans and repays on time. Group attendance is high, and absentees are penalized. Group members feel empowered and connected to each other and thus strong cohesiveness. It is also at this stage that SHGs start exploring other investments.

In 1977, Mary Ann Jensen & Tuckman proposed the addition of a fifth stage. They called it the adjourning stage. Self-help groups can go through all of the five stages. However, the fifth stage, known as the adjourning, is not very desirable (Black, Gardner, Pierce, & Steers, 2019).

Looking at it from the above statements, it is noted that the SHGs go through a forming stage where the members are brought together to form a self-help group. Since the group comprises of members from different backgrounds, SHGs will have to face the storming stage for them to learn how to cope with each other.

For the group to successfully go through this stage they have to create rules which will govern all activities in the group. When they do this, the group will have succeeded in the norming stage where they meet regularly. One of the rules can be like members who fail to attend meetings are given a certain amount of fine. The fourth stage is the icing on top of the cake because the group is performing well and members now can meet their objectives effectively (Misra & Tyagi, 2021). SHGs which do not go through all the four stages successfully usually separate within a short time thereby making the reason for the group's formation unachievable.

This theory therefore suited the study as it looked into the influence of social capital on the performance/development of SHGs by ensuring that they successfully go through all the stages from the formation to the performance stage where they can be regarded as successful. Social capital (trust levels, reciprocity, and social cohesion) are considered important parameters in the study through the various stages as stated above to examine the performance of SHGs. This theory was important to establish why some SHGs in Nambale Sub County perform better than others and suggest solutions for effective and efficient operations.

2.5 Conceptual Framework

The conceptual framework for this study is presented in Figure 2.1 below:

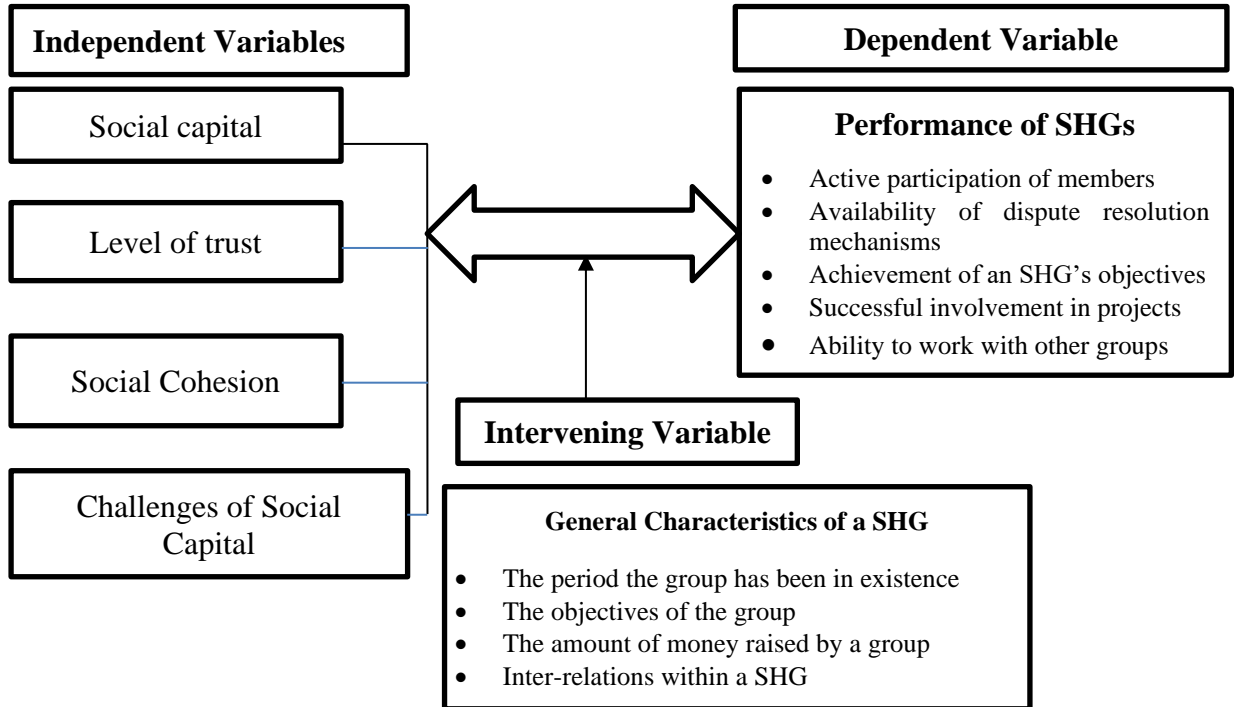


Figure 2.1: Conceptual Framework

Source: Adopted from Putman, 2010.

Various factors are seen to be linked to social capital development and performance of SHGs. The Independent Variables (IV) in this study are trust, social cohesion, mutual reciprocity within the SHGs and the challenges they face. These IVs influence the performance of SHGs which is the Dependent Variable (DV) in this study. Any slight change in these variables by the intervening variables affect the performance of any group/association. Social capital such as trust, social cohesion, and mutual reciprocity are important in holding the group or team together and thus contribute to its performance.

2.6 Research Gap and Summary

SHGs have essentially been the pillar in organizing groups to change living conditions, transform lives and improve situations. The power of SHGs is based on the fact that the people who are facing problems are the ones who might have a total commitment in solving their problems. Social capital in SHGs in diverse parts of the country underscores generation of awareness, development of skills, and the members being able to access credit from financial institutions mainly for small enterprises commercial projects and saving for their own socio-economic development. Most studies reviewed address the effectiveness and success of SHGs, however, they lack comprehensive analysis of the influence of social capital on performance of self-help groups and inadequately addressed the challenges faced by SHGs. Therefore, this study seeks to fill this gap by examining social capital in SHGs and how it is related to their performance in Nambale Sub-County.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This section presents the research design used in the study, the study site, sampling design, data collection instruments, piloting, reliability and validity of research instruments, data management and analysis, and ethical considerations.

3.2 Research Design

The study adopted a mixed-method research method which is used for collecting and analyzing both qualitative and quantitative data in a single study to understand the research problem in question (Morse, 2016). The study employed a descriptive survey design which entailed the use of questionnaires, key informant interviews, and focused group discussion in data collection. Descriptive research is used to describe characteristics of a population or phenomenon being studied but does not answer questions about how, when, or why the characteristics occurred (Sreejesh & Mohapatra, 2014). Passively, it addresses the "what" question. "What are the characteristics of the population being studied?"

The researcher selected this design because it was easier to visit because the members of the SHGs in their natural set up without influencing their behavior in any way. This design helped provide answers to the question of how social capital is linked with the performance of self-help groups. It was also used to get information on the current status of the phenomenon and to define "what exists" concerning variables in different situations (*Ibid*). The design utilized both qualitative and quantitative data sources.

3.3 Location and Site Description

The study was carried out in three sub-locations of Nambale Sub-County namely: Kisoko, Nambale, and Siekunya. The researcher purposively selected the three sub-locations because they contained the highest number of registered SHGs in Busia County, 97, as at November, 2019 and the researcher is very familiar with the site.

3.4 Population and Unit of Analysis

The target population of the study were all registered SHGs in Nambale Sub County in Busia County. In this category, the researcher sought to get feedback from members of the SHGs, the leaders of the selected SHGs, and the Sub-county Social Development Officer. The unit of analysis in this study was a SHG. The researcher assumed that the group was better placed to provide an understanding on social capital that is, the relationship between trust, social cohesion, and mutual reciprocity of members and the performance of a SHG.

3.5 Sampling Design

The three sub locations namely: Kisoko, Nambale, and Siekunya in Nambale Sub County were purposively selected by the researcher. Thereafter, the researcher used cluster sampling technique to get a sampling frame in the area as it is not very big and it is scattered over large geographical areas. According to Kothari (2004), researchers using the cluster sampling design divide population into small groups, referred to as the clusters.

In this case, the clusters were Kisoko, Nambale and Siekunya sub-locations. Random sampling technique was then employed to select four (4) SHGs from each sub-location through the help of a Social Development Officer. The total sample of SHGs for the study was therefore twelve (12).

Table 3.1: Sample Size

Sub-Location (Cluster)	Population	Sample Size (SHG)	Sample Size (participants)
Nambale	34	4	32
Kisoko	31	4	32
Siekunya	32	4	32
Totals	97	12	96

Source: Nambale Sub-County Social Development Officer, 2019

Each of the SHGs purposively selected for the study had registered membership of at least 16 consistent members. The 12 SHGs also held meetings within the period that data was collected by the researcher and were thus able to provide the required information regarding the study objectives.

3.6 Research Instruments

The study collected both primary and secondary data. Primary data was collected using questionnaires, Key Informants Interviews (KII), and Focus Group Discussions (FGDs). Secondary data was collected through content analysis where data was sourced from journals, annual reports, books, and publications done by research institutions.

The respondents in the KIIs included one (1) Nambale Sub-County Social Development Officer and one Chief (Nambale Township Location), three (3) assistant chiefs within the three sub-locations, and four (4) leaders of SHGs. They were selected because it was believed that they are more knowledgeable on issues surrounding SHGs and were better placed to help the researcher achieve the objectives of the study in Nambale Sub-county.

The respondents were purposively selected by the help of the Sub-County Social Development Officer. Interviews were conducted for a period of two days at the SCSDO'S office. In total, the researcher conducted eight (8) KIIs which were qualitative in nature and were used to carry out detailed interviews with individuals who are well versed with the topic under study.

The researcher conducted twelve (12) Focus Group Discussions (FGDs) for the sampled SHGs for the study which had been randomly selected in the three sub-locations by the help of the Sub-County Social Development Officer. The composition of these FGD groups were mixed in nature as it had between 6 and 8 participants comprising of the youth, women, and men who were randomly selected across the sampled SHGs. The discussions were carried out at the usual meeting places for the SHGs for a period of one week. It was important to understand the opinions, views, and perception of SHG members in regards to the relationship between trust, social cohesion, mutual reciprocity of members and challenges SHGs face that result in the performance of a SHG. The FGDs were also were used to gather data on the influence of social capital on the performance of SHGs in Nambale Sub-County, Busia County through the help of a FGD guide.

Ninety six (96) questionnaires were administered to twelve (12) members of the selected SHGs randomly. Five (5) research assistants had been trained and each administered questionnaires to one SHG for a period of one week. This was the most preferred mode of data collection as they collect large amounts of information within a short period of time and in a cost-effective way, and can be administered by the researcher on any number of people with limited effect to validity and reliability of the instrument.

A 5-point Likert-type scale ranging from 1 (strongly agree) to 5 (strongly disagree) was used for both the dependent and independent variables. Combination of questions (from Carey et al. 2011) was used in the study to look into shared interpretation and meaning, and shared norms and values to represent self-help groups' cognitive social capital. The questions used to measure self-help group's cohesion were adopted from Turner (2011), Mercy (2013), and Rochelle (2011), and for the density of the cohesion, every measure was adopted from Elly (2010).

The levels of trust being a sensitive issue were measured by how deep personal relationships had been built among individuals and the intensity of their interactions. Quality of business relationships were adopted from Turner (2011), while trust among members was adopted from Koh (2010) and Turner (2011). Lastly, the performance of self-help groups was measured by looking into the performance indicators with all measures taken from Elly (2010) and Turner (2011).

3.7 Piloting

An investigation to assess how adequate the research instruments were to meet the objectives of the study was conducted. During the pilot testing, one SHG from each sub-location of Nambale Sub-county namely Abeingo, Baraka, and Neema Yatosha were randomly selected to help in the testing. These three SHGs were not included in the study as they had served their purpose of piloting. The researcher reviewed the data collection tools accordingly so as to adequately achieve the objectives of the study.

3.8 Reliability and Validity of the Research Instruments

3.8.1 Reliability

Reliability can be defined as how an assessment tool gives consistent and stable results. To measure reliability, test-retest method was employed whereby the research instruments were administered to the same respondents sampled for the pilot twice. The instruments yielded similar results after the repeat trial.

3.8.2 Validity

This technique entails the employment of more than one approach to the investigation of a research question to raise confidence in the research findings; the researcher used triangulation which entails applying more than one data collection tool. For this study, the researcher collected data using questionnaires, KIIs and FGDs as primary sampling tools and literature review that is available as a secondary data collecting tool.

3.9 Data Collection Procedures

The Key Informants in the study (SCSDO, area chief, 3 assistant chiefs and 4 SHGs leaders) were invited by the SCSDO and interviewed by the researcher for a period of two days at the SCSDO'S office between 5th and 6th December 2019.

Twelve (12) Focus Group Discussions (FGDs) for the sampled SHGs had been randomly selected in the three sub-locations by the help of the Sub-County Social Development Officer.

The researcher moderated the discussions at the usual meeting places for the SHGs for a period of one week between 9th and 13th December 2019. The questionnaires were administered by the trained research assistants between 16th and 21st December 2019 to randomly selected members of SHGs who had been invited for a meeting by the SCSDO at the group's respective meeting point.

3.9 Management and Analysis of Data

The researcher analyzed data qualitatively and quantitatively. Quantitative data from the questionnaires was analyzed quantitatively using the Statistical Package for Social Sciences (SPSS) version 23 where descriptive data was presented in form of percentage and pie charts. Notes from FGDs and KIIs was analyzed qualitatively through content analysis. Content analysis focused on key themes of the study and presented in prose form to complement primary data. The results were presented as per the objectives of the study for ease of understanding.

3.10 Ethical Considerations

Several ethical considerations were taken into account during the study. The research proposal was approved by the Department of Sociology, the Graduate School, and the Ethical Review Committee of Kenyatta University to ensure that it was in line with the approved research standards and practices. The research proposal was then forwarded to the National Commission for Science Technology and Innovation (NACOSTI) for authorization before the researcher proceeded to the field.

Before the study participants were involved in the study, the researcher sought and obtained informed consent from the participants. Their choice of participation in the study was purely voluntary. Those who wished to withdraw from the study at any point in their participation were allowed to withdraw. Gun (2007) argued that respondents in a study should not be coerced to participate. The participants were assured of anonymity and confidentiality. To actualize this and protect the identities of the respondents, the collected data did not include any identifier of the respondents. Numbers were used to identify the respondents as recommended by Punch (2003). In the reporting of findings too, the researcher did not include any identifier that would help reveal respondents identity. The researcher acknowledged sources used in the study as appropriate.

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND DISCUSSION

4.1 Introduction

This chapter presents the analysis and discussion of research findings in line with the objectives of the study. Qualitative data was analyzed thematically and presented in prose while quantitative data was analyzed using the SPSS version 23 and the findings presented in tabular form and pie charts.

4.2 Response Rate

The participants of the study (96 members of the target SHGs) adequately represented their groups during the SHGs monthly meeting. The response rate regarding the questionnaires administered by the researcher was 98 percent. Nulty (2011) noted that a response rate of 75 percent is adequate for analysis, for making conclusions and making inferences about a population. In addition, Fincham (2010) observe that a rate of response of 60 percent and above is acceptable in analysis. This implies that this study's response rate of 98 per cent was adequate for analysis, drawing conclusions and reporting.

4.3 Demographic Characteristics of Respondents

Background information of participants, also known as participant demographics or research participant characteristics, is useful in providing data regarding research participants and is necessary for the determination of whether the individuals in a particular study are a representative sample of the target population for generalization purposes. Background information of the respondents for this study comprised of their age, gender, highest level of education, marital status, occupation, and monthly income. The results were presented as shown below.

4.3.1 Age of the Respondents

Majority of the respondents, 77 percent, indicated that they were aged 35 years and below while the least number, 4 percent, indicated that they were above the age of 40 years as shown in table 4.1 below. The results indicate that membership to SHGs in Nambale Sub-County was mainly by the vibrant and opportunity-seeking youth. Age was an important variable for the study as it shows how individuals in different age brackets view the relationship between social capital (trust, cohesion, and mutual reciprocity) and performance of SHGs. It is also important to note that interaction – which is at the center of social capital – occurs differently among people of different age brackets. Therefore, understanding the age of respondents was important aspect that influence how they interact within groups and how that translate to effective social capital and performance of SHGs.

Table 4.1: Age of the Respondents (Years)

Age Bracket (Years)	18-25	26-35	36-40	Above 40
Frequency (Percent)	26	51	19	4

Source: Researcher, 2019

4.3.1 Gender of the Respondents

Only 30 percent of all the respondents indicated that they were male. The rest of the respondents, 70 per cent were female showing that membership to SHGs in Nambale Sub-County was mostly by the women. This could be an indication of the importance women place on SHGs. The fact that there was a significant membership to SHGs by men could be an indication that men too acknowledged that SHGs played an important role in their livelihoods.

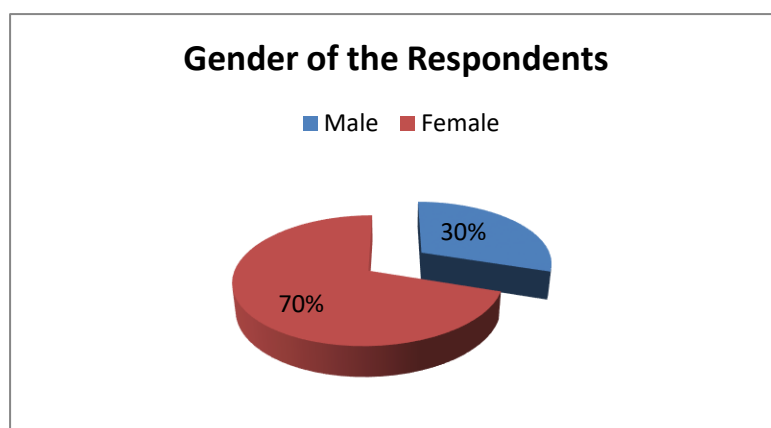


Figure 4.1: Gender of the Respondents

Source: Researcher, 2019

4.3.2 Education Level

The study also sought to find out the level of education of participants. Only 1 percent of the respondents with membership in the sampled SHGs in Nambale Sub-County indicated that they had acquired a bachelor's degree as shown in the Table 4.2 below.

Table 4.2: Education Level

Education Level	None	Primary	Secondary	Tertiary	Degree
Frequency (per cent)	2	20	49	28	1

Source: Researcher, 2019

From Table 4.1 above, half of the respondents, who were the majority at 49 percent, indicated that they had attained a secondary education, followed by 28 percent a tertiary one, 20 percent a primary one, and 2 percent indicated that they had not acquired any formal education. This is indicative of an educated membership to the SHGs. It was important that the researcher understands the level of education of participants because this plays a significant role in informing decision-making process, navigating challenges, and coming up with objectives and completing team projects (Nichols, 2021).

4.3.3 Marital Status

The marital status of the respondents was also determined and recorded and analyzed. The study found that the majority of the respondents, 55 percent, indicated that they were married as shown in figure 4.2 below.

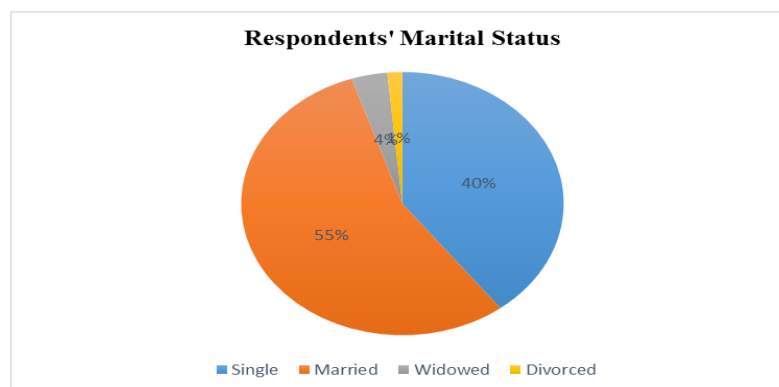


Figure 4.2: Respondents' Marital Status

Source: Researcher, 2019

Figure 4.2 above demonstrates that the fact that 55 percent of the respondents were married shows that most of the members of the SHGs, and who most probably reaped benefits of being part of them, were married. It is also important to note that members of FGDs stated that they join SHGs for the sake of the family. For instance, one respondent stated;

“We join these groups because of the financial benefits they provide that help us raise and provide for our families” (FGD 1, 2019).

That notwithstanding, a significant portion of the respondents, indicated that they were single which could be indicative of their recognition of the importance of SHG membership and the benefits thereof. Only 2 percent of all the respondents were divorced while 4 percent indicated that they were widowed.

4.3.4 Occupation

The study also sought to establish the occupation of the respondents. The respondents indicated that their occupations were diverse and included: casual laborers (57%), skilled (8%) and 35% semi-skilled.

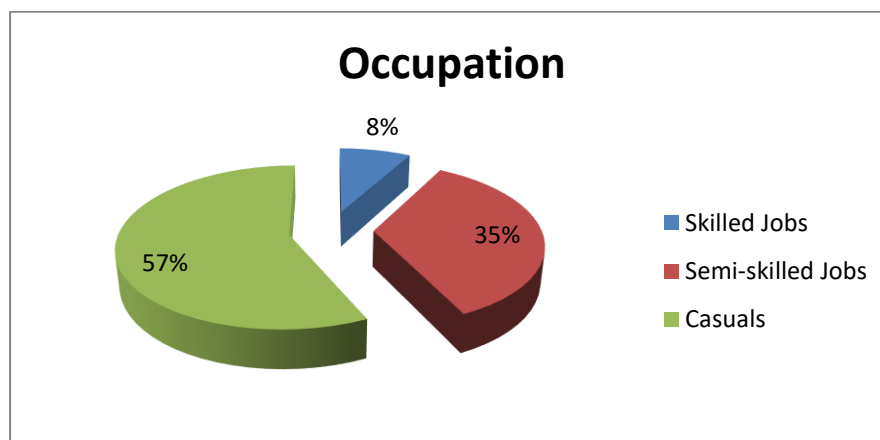


Figure 4.3: Occupation of the Respondents

Source: Researcher, 2019

Understanding the occupation of respondents was important since this variable influences whether a member will be financially committed to the group and its objectives in terms of monthly contributions and savings to the SHG. This is an important aspect in building trust, enhancing social cohesion, and facilitating mutual reciprocity in line with social capital and Bruce Tuckman’s theory of growth and development.

4.3.5 Monthly Income

Just like in 4.3.5 above, the study sought to establish the monthly income or earnings of the participants. The findings of the study found that a total of 46 per cent of all the respondents indicated their monthly income ranged between Kshs. 10,001 and 30,000 as demonstrated in Table 4.3 below.

Table 4.3: Monthly Income

Monthly Income	Below 10,000	10,001- 30,000	30,001- 50,000	50,001- 10,0000
Frequency (per cent)	36	46	17	1

Source: Researcher, 2019

From Table 4.3 above, a significant proportion of the respondents, 36% indicated that their monthly income averaged below Kshs. 10,000. Membership to SHGs for this target population could most likely have been an honest need so as to be able to gain benefits that came with it. A considerable number however, 17%, indicated that their monthly income ranged between Kshs. 30,001 and 50,000.

This could mean that their membership into an SHG could have been multifaceted in that they looked to cultivate a culture of saving, earn interest on their savings, access credit facilities when need be, and/or benefit from opportunities that come with SHG membership such as Government funding to execute projects and inter-SHG benefits. Only 1%, of the respondents had their monthly income ranging between Kshs. 50,001 and 100,000.

Similarly, just like in understanding occupation, this it was important to understand monthly income of respondents since it is a significant variable that influence whether a member will be financially committed to the group and its objectives in terms of monthly contributions and repaying loans. This is an important aspect in building trust, enhancing social cohesion, and facilitating mutual reciprocity in line with social capital theory and growth development theory.

4.4 Group Organization

4.4.1 Membership and Minimum Contributions

The study sought to find out the SHGs that the respondents had membership as well as the total membership of those SHGs and the findings are shown in the table 4.4 below. All the respondents in the study belonged to at least one SHG and their key membership details were indicated as shown in table 4.4 below.

Table 4.4: SHG Membership per Sample Sub-Location

Sub-Location	Name of SHG	Members (no.)	Minimum Annual Savings per Member (Kshs.)
Nambale	Abeingo Great Visioners	16	14,400
	Answer	31	5,200
	Wesi Temakho	32	8,400
	Imarika Women	25	12,000
Kisoko	Nambale Khukhanyane	19	15,000
	Ayefwe	36	12,000
	Baraka	34	10,000
	Isiro Joint	29	6,000
Siekunya	Obwambani	23	12,000
	Busidibu	37	15,000
	Neema Yatosha	22	13,500
	Eshimuli Siekunya	21	7,200

Source: Researcher, 2019

As shown in Table 4.3 above, respondents indicated that they were required to make monthly or bi-monthly meetings without fail. They added that in the last 12 months, they had also spent some amount or given in terms of goods toward their group members' welfare in the occurrence of a misfortune such as hospitalization or death of a member or their immediate family members. The respondents noted that membership to these SHGs was either by invite only or by request to join with the

majority indicating that it was by request to join. They added that in this case, the applications were thoroughly vetted and membership granted or denied based on the group's decision.

The respondents indicated that some of them belonged to as many as four SHGs and that some of their family members belonged to one or a number of these SHGs. One of the respondents in an FGD stated that;

“We all join these groups voluntarily and no one is forced to join any SHG. People join groups with members of similar characteristics such as doing the same business, family members, or friends. For instance, I joined by groups because it has people we do business with in the market” (FGD 5, 2019).

These findings are in line with of a study conducted by Kast, Meier, and Pomeranz (2012) which found that joining SHGs is majorly on voluntary basis and also that monthly meetings and savings is a device meant to increase or boost the savings of a member.

4.4.2 Membership Characteristics

The study also sought to assess the similarity of characteristics in a SHG in terms of age, village, religion, gender, tribe/race, income level, occupation, political party, and the level of education. The membership characteristics for the groups sampled were as indicated in table 4.5 below.

Table 4.5: SHG Membership Characteristics

Similarity of Characteristics in a SHG	Yes (percent)	No (percent)
Age	-	100
Village	65	35
Religion	94	6
Gender	-	100
Tribe/ race	70	30
Income level	-	100
Occupation	-	100
Education level	-	100
Political party	-	100

Source: Researcher, 2019

As shown in the Table 4.5 above, the responses are indicative of a diverse membership to the SHGs who were most likely drawn together not only by their proximity to each other and probable likelihood of being of the same religion and thus attending same congregations, but by the need to come together for mutual benefits such as access to affordable and flexible credit facilities, and meeting of group objectives such as undertaking group projects. According to the responses, it was only by village, religion, and tribe/ race that the respondents indicated commonality with religion having the highest proportion, 94 percent, further strengthening the argument of the members having come together as SHGs for a common good.

4.4.3 Interdependence of SHGs

Only 15% of all the respondents noted that they worked frequently with SHGs in their neighborhood that had similar goals. This is indicative that each SHG in the study mainly focused on meeting their objectives but occasionally worked with neighboring SHGs for purposes such as synergy or achievement of common goals at a larger scale.

On the other hand, almost all the respondents, 96%, indicated that they rarely worked with SHGs with different goals. Some of them indicated that when this was the case, it was mostly when that particular SHG intended to venture into a new project and needed to benchmark or gain technical or other form of expertise from the said group so as to be able to successfully implement that particular project. For instance, one of the key informant noted that;

“Being in a SGH had a lot of benefits as it was significantly beneficial since it saved them time, resources, but more so money. Even though there usually some financial implications, the overall benefits and gain to the SHG exceeded these costs by far” (KII 1, 2019).

This is the social cohesion and mutual reciprocity documented in the literature review. They are the engine onto which the group performs amidst turbulence.

4.4.4 Benefits of Joining a SHG

The respondents in an FGD noted that the greatest benefit of joining a SHG was access to affordable and flexible credit facilities (FGD 1, 2019) through table banking. They noted that the mainstream financial institutions such as banks were as far as 22km away either in Busia or Mumias. They echoed that the financial platforms were not very friendly to most of them who indicated that most of the time they were not in a position to provide the kind of security that the institutions and platforms required. The terms of credit, both in duration of repayment and interest accrued were not friendly to them given their livelihoods and sources of income.

This finding is in line with the findings of a study conducted by Datta (2015) in India which found that members of SHGs are able to repeatedly small loans and borrow within a flexible schedule and payment modes. Secondly, the respondents cited the savings culture as a significant benefit. They observed that through membership in SHGs, one had to frequently save and as a result, developed a savings culture. In addition to being able to save money into the SHGs that increased their equity in the groups, they earned periodic interest on their savings and as such they were able to enjoy a return on their investment.

This information agree with Kast et al. (2012) who found that SHGs have monthly savings which serve as a device meant to increase or boost the savings of a member. Thirdly, respondents in an FGD noted that the SHGs were able to implement considerably large projects that they would have otherwise not been able to implement due to their scale but more so the capital requirements (FGD 2, 2019).

They indicated that in this way, they were able to reap huge benefits from such projects in addition to access to funding by financiers including financial institutions such as banks, as well as by Non-Governmental Organizations. This finding complements the findings of a study conducted by Onwo and Ezeah (2019) in Nigeria which found that members of SHGs come together and pool their resources together to launch and sustain big community and individual projects that would not have been possible for one person to pursue.

Fourthly, the respondents indicated that SHGs stood chances of gaining non-financial assistance by both Governmental and Non-Governmental organizations including the Agricultural Finance Corporation, the United States Agency for International Development (USAID), Food Agricultural Organization (FAO) of the United Nations, and the World Bank. The respondents in an FGD added that access to training services, health services, as well sanitation services were some of the benefits of their membership (FGD 3, 2019). This finding is in line with the findings of a study conducted by Datta (2015) which also noted that despite the challenges that SHGs face, they can benefit their members by providing platform for opportunities such training on financial management among others.

4.4.5 Restrictions in a SHG

The respondents were asked to indicate some of the restrictions that had been put in place within their groups. The findings of the study revealed that there are strict attendance of meetings with penalties when a member failed to attend without notice or good reason. It was also established that there was a limit when it comes to how much credit each member could access depending on their repayment history, equity, and security provided for the facility. Similarly, there was minimum savings amount per member per period and the processing of new members had to be in line with the group's constitution.

4.5 Social Capital and Group Performance

The first objective of this study was to establish the relationship between social capital and performance of SHGs in Nambale Sub County, Busia County. All the respondents indicated that members in their SHGs were always willing to support a community project that would not yield any benefit to them. Further, majority of them, 83%, indicated that they would be willing to give their support in terms of time, money, and labor toward a community project that would not be of direct benefit to them. Only 17% of them indicated that they would not be willing to give their time. In this study, majority of the respondents (83%) are willing to give their support in terms of time, money, and labor toward a community project that would not be of direct benefit to them.

The findings of this study seems to suggest that there are potential implications for it contributing to overall understanding of the role of social capital in group dynamics as well as group performance. The results from this study show that social capital has salient effect on the performance of SHGs as far as effectiveness and achieving of objectives are concerned. Loyalty to the group and initiatives that the group undertakes increases mutual reciprocity and hence improved performance. Similarly, behaviors of members and coordination of the groups led to effectiveness of groups. Those groups whose members are not loyal to the group; did not initiate and complete projects and activities; with nonconformist behaviors to set rules; and poorly coordinated performed poorly or collapsed in the process.

These findings complement the findings of other scholars who have linked the component of mutual reciprocity in SHGs to resilience that strengthens the assets of the groups and their members as defined in the sustainable livelihoods (SL) framework. For instance, Frankenberger et al. (2012) observe that political, social, human, physical, natural, and financial capitals are at the center of mutual reciprocity in SHGs.

4.5.1 Aspects of Social Capital in SHGs

Respondents rated various aspects regarding mutual reciprocity in SHGs within Nambale Sub-County. Overall, all the respondents aside from those who were neutral indicated that there existed strong mutual reciprocity within their SHGs. Existence of creation of mutual help and strong partnerships in a friendly environment across the SHGs stood out among the responses having being strongly agreed to by 67 percent of the respondents, and somewhat agreed to by 33 percent of them as outlined in Table 4.6 below.

Table 4.6 Mutual Reciprocity in SHGs

	Strongly agree	Somehow agree	Nor agree nor disagree	Strongly disagree	Somehow disagree
Mutual help and partnerships are greatly promoted by the group	58	42	-	-	-
There is a competitive advantage between the members of the group	42	42	16	-	-
Each member of the group is identified by their contribution	50	33	17	-	-
The group environment is stimulating	42	58	-	-	-
Mutual help and strong partnerships are created in a friendly environment	67	33	-	-	-
Information is provided in a professional way	42	50	8	-	-

Source: Researcher, 2019

From Table 4.6 above, almost all the respondents, 92 percent, indicated that members in their SHGs gave back to their groups in various ways. For instance, the

respondents, KIIs, and FGDs all noted that some members of SHGs participate in group projects; others visit group members in times of illness or bereavement; and others contribute finances as well labor to group members in times of illness or bereavement.

KIIs and FGDs also revealed that some members of SHGs take part in community projects collectively as a group especially without expectation of pay. These findings are in line with that of Onwo and Ezeah (2019) who found that members of SHGs come together and pool their resources together to launch and sustain big community and individual projects that would not have been possible for one person to pursue.

The respondents indicated that most of their funding, at least 97 percent, was members' equity in savings over the years with only 2 percent indicating that it was both members' equity and funding from either the Government and/ or Non-Governmental organizations. Further, 70 percent representing a majority noted that their group's leadership was very effective. Only 4 percent of all the respondents noted that their group's leadership was not effective at all. Noteworthy, when this was the case, there were measures put in place to remedy the situation under their groups' constitutions. Another 26 percent of the respondents noted that they felt that their group leadership was somewhat effective. According to the findings from an FGD, one of the participants stated;

“When the leadership of the group is ineffective, it may be considered to be at the storming stage. This is the stage where conflicts and polarizations start”
(FGD 4, 2019).

In most groups this is the stage where rebellion against leaders begin. This is one of the most difficult and unhappy times for a group, however, it is a vital stage in the growth of group (Misra & Tyagi, 2021). Members of the group may started to hold onto some values and free with each other and they feel more at ease to share their personal and intimate thoughts on the group’s agenda including leadership.

4.6 Groups’ Trust and Solidarity

The second objective of the study was to determine the relationship between the trust among SGH members and its performance. The study found that most of the respondents, 58%, noted that the members of their group were trustworthy while the rest, 42%, noted that the members of their group were somehow trustworthy as demonstrated in the Table 4.7 below.

Table 4.7: Group Members Trustworthiness

	Percent (%)
Very trustworthy	58
Somehow trustworthy	42
Total	100

Source: Researcher, 2019

Generally, as shown in Table 4.7 above, respondents felt that group members were trustworthy. With trust comes solidarity and oneness in achieving group goals which is indicative of thriving groups. On a Likert-point scale, the respondents rated various aspects regarding their group members’ level of trust toward each other and solidarity with each other and the findings are shown in Table 4.8 below.

Table 4.8: Aspects of Group's Trust and Solidarity

	Strongly agree	Somehow agree	Nor agree nor disagree	Strongly disagree	Somehow disagree
People in the group are trustworthy	58	42	-	-	-
It is easy for someone to be taken for granted in the group	8	33	35	33	-
People in the group are always ready to help	42	33	25	-	-
People don't trust each other in this group	17	25	42	17	-
Trust in the group encourages safe environment for working	50	42	8	-	-

Source: Researcher, 2019

From Table 4.8 above, at least 42% of the respondents observed that it was likely for someone to be taken for granted in the group, 33% strongly disagreed with this, and 35% indicated that they had been keen to observe this aspect of the group. A significant proportion of the respondents, 75%, noted that people in the group were always ready to help. These specified that it was mostly in terms of loans approval, or in times when a member experienced hospitalization or grief. Nonetheless, 25% did not agree or disagree with this statement. Most of the respondents, 92%, indicated that trust in the group encouraged a safe environment for working together. 8% of them neither agreed nor disagreed with this.

These findings complement the findings of other studies which observe that the presence and prevalence of trust within SHGs is imperative for social capital growth. Trust, as stated by Khan (2009) forms social cohesion and increases the meaning of a group and sustains it. Dasgupta (2015) says that “trust is the key to togetherness” with Fukuyama (2015) stating that “Trust acts like the oil which makes a group or an organisation effectively run”. It was also important to examine the growth of trust levels in SHGs. The findings are demonstrated in the Table 4.9 below.

Table 4.9: Growth of Trust Levels in a SHG

	Percent (%)
Never changed	17
Gotten better	83
Total	100

Source: Researcher, 2019

From the Table 4.9 above, a larger percentage of respondents, 83%, noted that the level of trust in their groups and amongst members had gotten better over the last five years as presented in table 4.10 below. These findings indicate that trust is an essential element when it comes to the performance of a group. It can be concluded that lack of trust impedes the performance of a group and thus failure to achieve its objectives. This is the disadvantages of mistrust, something being faced by SHGs in Nambale Sub-County of Busia County. In case of a disaster, they lacked a proper network to lean on and therefore some gradually fell off which was disastrous for other people living in the Sub-County.

4.7 SHGs Social Cohesion

The third objective of the study was to establish the influence of social cohesion among members of SHGs on the performance of the group. The study found that the majority of the respondents, 58 percent, indicated that group members had grown very close over the last five years and 42 percent indicated they had grown somehow close as demonstrated in Table 4.10 below.

Table 4.10: Group Members' Closeness

	Percentage (%)
Very close	58
Somehow close	42
Total	100

Source: Researcher, 2019

4.7.1 Group Cohesion

The respondents indicated that they agreed that there was strong group cohesion within their SHGs as shown in table 4.11 below.

Table 4.11: Group's Social Cohesion

	Strongly agree	Somewhat agree
Your SHG encourages the establishment of networks with stable partnerships	83.3	16.7
A common terminology that helps in the facilitation of group tasks is present	50.0	50.0

Source: Researcher, 2019

From Table 4.11 above, a larger proportion of the respondents, 83%, noted that they strongly agreed that their SHG encouraged the establishment of networks with stable partnerships and only 17% indicated that it was somewhat true. 50% of the respondents indicated that there was presence of a common terminology that helped in facilitation of their group tasks while 50% somewhat agreed with this statement. This could imply that they had a sort of a motto or mantra that spurred them to pushing harder at group tasks to ensure their accomplishment and completion.

In this study, it was noted that SHG characteristics in and of themselves could hardly generate social capital; instead, they facilitated social capital only when they worked in togetherness with both the relational and cognitive characteristics. Structural relationships on their own do not have the capacity to bridge separate information flow efficiently, for, as Burt (2010) puts it, more than just structural ties is needed for an effective closure between two or more networks. Trust, shared interpretations and collaborative alignment is required for effective bridging. It was noted that self-help groups use both local and non-local social capital to develop economic outcomes (Cook, 2011). Much more growth of resources like financial resources was seen in SHGs with formal social capital unlike those with informal social capital (Kickul, Gundry, & Sampson, 2007).

4.7.2 Social Class Differences

It was also important to understand the social class differences among group members and how it influences social cohesion. For this case, a total of 58% noted that group members drawn from different social classes interacted to a great extent as shown in Table 4.12 below.

Table 4.12: Interactions among Members of Different Social Classes

	Percentage (%)
A small extent	25
Neither small nor great extent	17
Great extent	58
Total	100

Source: Researcher, 2019

From Table 4.12 above, it is evident that a significant proportion, 25%, indicated that group members belonging to different social classes interacted to a small extent while 17% of them did not indicate the extent. However, the Social Development Officer noted that social class of group members in SHGs do not influence their interaction so much because they come together because of common concern and it that objective that influences how members interact regardless of their social class. However, this does not mean that there are differences within SHGs. These differences are covered in the subsequent section.

4.8 Challenges facing SHGs in Nambale Sub County

The fourth objective of the study was to determine the challenges facing SHGs and suggest solutions. There are always challenges in social groups. The study wanted to establish the origin of these challenges and their role in the performance of the group. Therefore, respondents recorded a number of causes of challenges amongst members in their groups. It was noted that differences in leadership styles causes grievances to some members and also limited finances made it difficult for some members to access the amount required as a credit facility.

Similarly, some members face late repayment of loans or the entire lack of repayment of loans advanced to them by the group. Other causes of differences observed in the study include poor project implementation, leadership wrangles, and lack of or poor communication skills. Similarly, findings from FGDs revealed that some members do not take part in group activities or projects leading to other members feeling misused. All these challenges have implication on social cohesion of SHGs and it may be the beginning of poor performance and collapsed if not addressed at the initial stages.

It was also important to find out how SHGs solve the above-stated challenges. The respondents noted that the outcomes of the differences experienced within their SHGs as listed above were as follows. First, if it is about leadership wrangle, the leadership is changed and if it is about a member delaying or failing to pay the loan her items are auctioned to act as security for credit facilities. Participants from FGDs also noted that sometimes when it is not possible to solve the challenges, respondents note that there is exchange of vulgar words, physical violence, and destruction of property. These findings were very common with the SHGs on the failing trajectory.

4.9 SHGs Performance in Nambale Sub-County

The study also wanted to examine the performance of SHGs in Nambale Sub County. Overall performance of SHGs in Nambale Sub-County was summarized through 19 aspects. All the respondents indicated that they agreed that financial records were well maintained in their SHGs though 42% of them indicated that they only somewhat agreed with this. This is indicative that there could have existed hitches in keeping financial records.

Though 17% of the respondents did not indicate their thoughts on this and 58% of them only somewhat agreed, 25% of them were confident that their SHGs funds revolved in loans. All the respondents indicated that members in their SHG agreed upon financial transactions before they were executed though the majority of them, 67% only somewhat agreed with this. Only 8% of the respondents indicated being unsure on whether or not the decisions regarding funds management were passed in the group. Most of them, 92%, indicated that this was the case though a significant proportion, 42%, indicated that they only somewhat agreed with this as demonstrated in Table 4.13 below.

Table 4. 13: SHGs Performance in Nambale Sub-County

	Strongly agree	Somehow agree	Nor agree nor disagree	Strongly disagree	Somehow disagree
Financial records are well maintained in the group	58	42	-	-	-
Funds are revolved in loans	25	58.	17	-	-
Financial transactions are agreed upon by all the members	33	67	-	-	-
Decisions regarding management of funds are passed in the group	50	42	8	-	-
Members save on a regular basis	67	33	-	-	-
The group minimizes unnecessary spending	25	67	8	-	-
Variation in saving amounts is encouraged	33	42	17	8	-
Members who exit are reimbursed what they have contributed	50	33	17	-	-
Members are encouraged to save for private purposes	33	42	25	-	-
Interest is distributed equally among the members	33	25	8	34	-
Election of office bearers is done on a regular basis	25	75	-	-	-
Meetings are held on a regular basis	50	50	-	-	-

Item	Strongly agree	Somehow agree	Nor agree nor disagree	Strongly disagree	Somehow disagree
Group objectives are strictly adhered to	50	50	-	-	-
All members benefit equally from the group	17	58	8	17	-
Performance targets are set by members	42	58	-	-	-
Audits are done regularly	8	67	17	8	-
Members are present during audits	8	58	25	9	-
Disposal of group assets are subject to members approval	17	58	25	-	-
A language understood by all is used during audit	33	67	-	-	-

Source: Researcher, 2019

All the respondents indicated that members in their SHGs saved regular notwithstanding the 33% who sparingly agreed with this. At least 92% of the respondents who participated noted that they felt that their SHGs minimized unnecessary spending. 8% of them did not indicate their thoughts on this. A significant proportion of the respondents, 75%, indicated that variations in member savings in their SHGs was encouraged while 8% indicated that it was discouraged. 17% of them were not sure about this. Another 83% of the respondents noted that members who exited their SHGs were reimbursed the amounts they had contributed. Only 17% of them indicated that they were not sure. This could be because they were probably not aware of the actual proceedings when a member exited their SHG. Another 75% of the respondents noted that they were encouraged to save for private purposes within their SHGs.

A significant proportion, 25%, did not indicate whether they agreed with this or not. 33% of the respondents indicated that interest was distributed equally among members of the SHG but based on their savings. A total of 58%, noted that interest was distributed equally among members. 8% of them did not indicate their thoughts on this. However, all the respondents indicated that election of office bearers in their SHGs was done on a regular basis with 75% somewhat agreeing with this. Similarly, all respondents indicated that meetings in their SHGs were held regularly.

Further, they all agreed that group objectives were strictly adhered to. Only 17% of the respondents felt that members did not benefit equally in their SHGs. While 8% of the respondents did not indicate their response on this, 75% of them indicated that all members in their SHGs benefited equally. All the respondents indicated that performance targets for their SHGs were set by the members.

Similarly, majority of the respondents, 75%, indicated that audits were done regularly in their SHGs with 8% of them disagreeing with this. 17% of them indicated that they were not sure whether audits were regularly done in their SHGs. It is possible that during the undertaking of these audits, these members thought that the procedure just normal bookkeeping. Further, 67% of them indicated that members were present during these audits while 75% of the respondents indicated that disposal of group assets was subject to members' approval. However, 25% indicated that they were not sure whether or not this was the case. All the respondents indicated that a language they all understood was used during audits. From the FGDs, KIIs and questionnaires used for data collection, it is evident that there are various parameters to measure performance of SHGs as brought out in table 4.13 above.

This, indicates that group members are always people who share similar characteristics including but not limited to language. It also shows that the guidelines and rules guiding the groups are formulated and enforced by members starting from membership, contribution, and sharing profits as well as identifying and engaging in activities. It is such aspects that strengthens the social capital of groups and thus better performance.

CHAPTER FIVE: SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

The chapter presents the summary of the findings of the study, conclusions, and recommendations.

5.2 Summary of Main Findings

The study sought to examine how social capital influences the performance of SHGs in Nambale Sub-County in Busia County. It sought to assess the relationship between social capital, level of trust and social cohesion and performance of self-help groups in Nambale Sub-County. Examination of indicators like funds management, methods of saving, standard loan practices, and audit practices were the main ways through which performance of SHGs was measured.

5.2.1 Social capital and performance of SHGs in Nambale Sub-County

All the respondents indicated that members in their SHGs were always willing to support a community project that would not yield any benefit to them. Also, majority of them, 83%, indicated that they would be willing to give their support in terms of time, money, and labor toward a community project that would not be of direct benefit to them. It is therefore clear from the findings that trust levels, mutual reciprocity, and social cohesion play a pivotal role in determining the performance of SHGs.

5.2.2 Levels of Trust and Performance of SHGs in Nambale Sub-County

Majority of the respondents, 58%, noted that the members of their groups were trustworthy while the rest, 42%, noted that the members of their group were somehow trustworthy. In general, respondents felt that group members were trustworthy. Further, majority of the respondents, 58%, noted that the members of the group had grown very close over the last five years and 42% indicated they had grown somehow close. Overall, the respondents indicated that they agreed that there was strong group cohesion within their SHGs.

5.2.3 Social Cohesion and Performance of SHGs in Nambale Sub County

The majority of the respondents, 58% indicated that group members had grown very close over the last five years. It was also established that there was strong group cohesion within their SHGs. Similarly it was noted that there was presence of a common terminology that helped in facilitation of their group tasks. There was also much more growth of resources like financial resources was seen in SHGs with formal social capital unlike those with informal social capital. Over 58% noted that group members drawn from different social classes interacted to a great extent and that social class of group members in SHGs do not influence their interaction so much because they come together because of common concern.

5.2.4 Challenges Facing SHGs in Nambale Sub County

Respondents recorded a number of causes of challenges amongst members in their groups. For instance, differences in leadership styles cause grievances to some members and also limited finances made it difficult for some members to access the amount required as a credit facility.

Similarly, late repayment of loans poor project implementation, leadership wrangles, and lack of or poor communication skills as well as lack of some members to take part in group activities or projects were some of the challenges identified in the study. All these challenges have implication on social capital of SHGs and it may be the beginning of poor performance and collapsed of not addressed at the initial stages.

5.3 Conclusions

The study concluded that SHGs had played a key role in allowing members access to affordable and flexible credit facilities. The mainstream financial institutions and platforms may not be very friendly to most people seeking financial development, especially those with low levels of income. Most of these people are often not in a position to produce the kind of security that financial institutions and platforms require. Besides, the terms of credit, both in duration of repayment and interest accrued of these institutions are not friendly and thus the significance role of SHGs.

The findings of the study reveal that SHGs offer members a lot of benefits including cultivation of a savings culture and a reward for the same through interest on their savings. As a consequence, these members can initiate large and significantly beneficial projects that they would have otherwise not implemented by themselves because of limitations such as the large capital amounts required. Because of their trust in each other, mutual reciprocity, and social cohesion, they also create a platform for non-financial benefits from both governmental and NGOs such as access to training services, health services, as well sanitation services.

Furthermore, the researcher noted that performance of SHGs in Nambale Sub-County was a function of different factors such as effective leadership, cohesiveness of members, effective communication, sharing of benefits and liabilities, effective participation in projects and activities of the group, proper record-keeping, proper conflict resolution framework, and compliance to the rules and regulations of the group.

5.4 Recommendations

The study recommends that:

- SHGs leaders to explore and enhance groups' social networks, trust and mutual reciprocity to promote social interactions and deliver competitive advantage necessary for effective and efficient performance of roles and meeting set objectives.
- The Ministry of Labour and Social Protection continues to give its support to SHGs through regulation of their registration, support through funding of various viable projects.
- SHGs be supported through financial and non-financial forms such as training and in-kind participation in projects to improve the livelihoods.
- SHGs should consider drawing their membership from the same class/group such as religion, village, and economic background so that trust can be built easily and cohesion enhanced leading to better performance.
- SHGs officials should be trained on record keeping, transparency and accountability as these elements enhances and sustains trust which in turn increases performance of the SHG(s).

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APPENDICES

Appendix I: Research Approval from the Graduate School



**KENYATTA UNIVERSITY
GRADUATE SCHOOL**

E-mail: dean-graduate@ku.ac.ke

P.O. Box 43844, 00100

NAIROBI, KENYA

Tel. 810901 Ext. 4150

Website: www.ku.ac.ke

Internal Memo

FROM: Dean, Graduate School

DATE: 10th September, 2019

TO: Wasirimba N. Joy
C/o Sociology Dept.

REF: C50/CTY/PT/26693/2013

SUBJECT: APPROVAL OF RESEARCH PROPOSAL

We acknowledge receipt of your revised Research Proposal as per our recommendations raised by the Graduate School Board of 7th August, 2019 entitled "**Influence of social capital on performance of self help groups in Busia County, Kenya**".

You may now proceed with your Data Collection, Subject to Clearance with Director General, National Commission for Science, Technology and Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking Forms per semester. The form has been developed to replace the Progress Report Forms. The Supervision Tracking Forms are available at the University's Website under Graduate School webpage downloads.

Thank you

**HARRIET ISABOKE
FOR: DEAN, GRADUATE SCHOOL**






C.c. Chairman, Department of Sociology

Supervisors:

1. Dr. Dickson M. Ombaka
C/o Department of Sociology
Kenyatta University

HI/AK

Appendix II: Approval from NACOSTI

 REPUBLIC OF KENYA	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
Ref No: 728767	Date of Issue: 25/September/2019
RESEARCH LICENSE	
	
This is to Certify that Ms.. JOY WASIRIMBA of Kenyatta University, has been licensed to conduct research in Busia on the topic: INFLUENCE OF SOCIAL CAPITAL ON PERFORMANCE OF SELF HELP GROUPS IN BUSIA COUNTY, KENYA for the period ending : 25/September/2020.	
License No: NACOSTI/P/19/1720	
728767	
Applicant Identification Number	Director General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
Verification QR Code	
	
NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.	

Appendix III: Letter of Introduction

Wasirimba N. Joy,
P.O Box 04-50409,
NAMBALE.
1st December 2019.

Dear Sir/Madam,

RE: DATA COLLECTION

I am *Wasirimba N. Joy*, a student of Kenyatta University (KU) pursuing a Master of Arts degree in Community Development. One of my academic outputs before graduating is a project and for this reason, I have chosen the research topic “Influence of Social Capital on Performance of Self-Help Groups in Nambale Sub-County, Busia County, Kenya”.

I would like to kindly request you to assist me assist me collect data by responding to the questionnaire (copy attached). The information you provide will be used strictly for academic purposes and will be treated with utmost confidentiality. A copy of the final report will also be available to you upon request.

Your assistance will be highly appreciated.

Yours sincerely,

.....

Wasirimba N. Joy
C50/CTY/PT/26693/2013

Appendix IV: Questionnaire

1. Background Information

S/ N	Item	1 st Response	2 nd Response	3 rd Response	4 th Response	5 th response
1	Age	18-25	26-35	36-40	Above 40	
2	Gender	Male	Female			
3	Education Level	None	Primar y	Secondar y	Tertiary	Degree
4	Marital Status	Single	Marrie d	Widowed	Separated	
5	Occupatio n					
6	Monthly Income	Below 10,000	10,001- 30,000	30,001- 50,000	50,001- 100,000	Above 100,00 0

2. Group Organization

2.1 Do you belong to a self help group? Yes No

2.2 If yes, what is the name of the group?.....

2.3 Within the last five (5) years, how many members of your family have joined a SHG?.....

2.4 Among the groups your family members are in, which one is the most important and why?

.....

2.5 What is the procedure of becoming a member of this group?

Born into the group Request to join By invite only

Other ways specify below

.....
.....

2.6 How much resources in terms of money, time and goods did your family contribute to those groups in the last 12 months?

.....
.....

2.7 What are some of the main benefits of joining the group?

.....
.....

2.8 Does your household access the following services from the group?

- | | | |
|-------------------------|------------------------------|-----------------------------|
| Training | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Health services | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Sanitation/water supply | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

2.9 Do members of the group share the following?:

	Yes	No
Same age		
Come from same village		
Same religion		
Same gender		
Tribe/race		
Income level		
Occupation		
Education level		
Political Party		

2.10 Has the membership of the group changed within the last five years?

Increased Declined Constant

2.11 How is the group's leadership?

Very effective somehow effective Not effective

2.12 Does the group interact or work closely with other groups that have similar goals?

	Occasionally	Frequently	No interaction
In the neighbourhood			
Outside the neighbourhood			

2.13 Does the group interact or work closely with other groups that have different goals?

	Occasionally	Frequently	No interaction
In the neighbourhood			
Outside the neighbourhood			

2.14 What is the source of funding for the group? (Tick all that apply)

Members dues From community members Outside the community

3. Trust and Solidarity

3.1 How trustworthy are your group members?

Very trustworthy Somehow trustworthy Not trustworthy

How much do you agree with the following statements? 1-Strongly agree, 2-Somehow agree, 3-Neutral, 4- Strongly disagree and 5-Disagree.

	1	2	3	4	5
People in the group are trustworthy					
It is easy for someone to be taken for granted in the group					
The people in the group are always ready to help					
The people in this group do not trust each other					
Availability of trust in the group encourages safe environment for working					

3.2 How has the level of trust been affected in the group for the last 5 years?

Never changed Gotten better Gotten worse

4. Social Networks and Cohesion

4.1 How close are the members of the group? Very close Somehow Close

Neither close/distant Not close

4.2 To what extent do members from different classes interact (rich and poor)?

To a very small extent Small extent Neither small nor great

extent Great extent To a very great extent

4.3 Are there interactions in the group? Yes No

4.4 Which two problems cause differences in the group?

.....

.....

.....

4.5 Has violence been an outcome of the above problem? Yes No

4.6 If yes how?

.....

.....

4.7 Are there any restrictions in your group? Yes No

4.8 If yes which ones?

.....

How much do you agree with the following statements? 1-Strongly agree, 2-Somehow agree, 3-Neutral, 4- Strongly disagree and 5-Disagree.

	1	2	3	4	5
Your SHG encourages the establishment of networks with stable partnerships					
A common terminology that helps in the facilitation of group tasks is present					

5. Mutual Reciprocity

5.1 Would you be willing to support a community project that does not help you?

Yes No

5.2 If yes, how? Time Money Labour

Both

How much do you agree with the following statements? 1-Strongly agree, 2-Somehow agree, 3-Neutral, 4- Strongly disagree and 5-Disagree.

	1	2	3	4	5
Mutual help and partnerships are greatly promoted by the group					
There is a competitive advantage between group members					
Each group member is identified by his or her contribution					
The group environment is stimulating					
Mutual help and strong partnerships are created in a friendly environment					
Information is provided in a professional way					

5.3 Do group members give back to the group? Yes No

5.4 If yes, how?

.....

6. Group Performance

The questions below examine the group’s performance. Kindly as follows: 1-Strongly agree, 2- Somehow agree, 3-Neutral, 4- Strongly disagree and 5-Disagree.

Fund Management Practices	1	2	3	4	5
Financial records are well maintained in the group					
Funds are revolved in loans					
Financial transactions are agreed upon by all the members					
Decisions regarding management of funds are passed in the group					
Savings Related Practices					
Members save on a regular basis					
The group minimizes unnecessary spending					
Variation in saving amounts is encouraged					
Members who exit are reimbursed what they have contributed					
Members are encouraged to save for private purposes					
Interest is distributed equally among the members					
Group Management					
Election of office bearers is done regularly					
Meetings are held on a regularly					
Group objectives are strictly adhered to					

All members benefit equally from the group					
Performance targets are set by members					
Audit Related Practices					
Audits are done regularly					
Members are present during audits					
Disposal of group assets are subject to members approval					
A language understood by all is used during audit					

THANK YOU

Appendix V: Key Informant Interview

1. What position do you hold in the community?
2. For how long have you been dealing with social development issues?
3. Are you yourself a member of any SHG? If yes, what has been your experiences?
4. Why do you think that some SHGs perform better than others?
5. What is your take on the relationship between trust among members of SHGs and the groups' performance?
6. What is your take on the relationship between social cohesion among members of SHGs and the groups' performance?
7. What is your take on the relationship between mutual reciprocity among members of SHGs and the groups' performance?
8. What do you think are the benefits of belonging in SHG?
9. What do you think are the challenges facing SGHs in this region?
10. In your understanding, what do you think keeps the successful SHGs together?
11. At what point do you say a SHG is performing better? Are the SGHs in Nambale Sub County performing better?
12. What do you recommend to be done for the SGHs in Nambale Sub County to perform better?

Appendix VI: Focus Group Discussion

1. Are you yourself a member of any SHG? If yes, what has been your experiences?
2. Why do you think that some SHGs perform better than others?
3. What is your take on the relationship between trust among members of SHGs and the groups' performance?
4. What is your take on the relationship between social cohesion among members of SHGs and the groups' performance?
5. What is your take on the relationship between mutual reciprocity among members of SHGs and the groups' performance?
6. What do you think are the benefits of belonging in SHG?
7. What do you think are the challenges facing SGHs in this region?
8. In your understanding, what do you think keeps the successful SHGs together?
9. At what point do you say a SHG is performing better? Are the SGHs in Nambale Sub County performing better?
10. What do you recommend to be done for the SGHs in Nambale Sub County to perform better?

Appendix VII: Work Plan (Months)

ACTIVITY	TIME IN MONTHS 2019						2020				2021	2022
	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	OCT	NOV		
Proposal Writing												
Proposal Defense												
Graduate School Review												
NACOSTI Review												
Data Collection												
Data Analysis												
Reviewing the Report by the Supervisor												
Project Defense												
Graduate School Review												
Report Submission												

Appendix VIII: Budget

S/N	Item	Quantity	Unit Cost	Amount (Kshs)
1.	Stationery			
	Pencils/Pens	1 Packet	400/=	500/=
	White Out	2 bottles	200/=	400/=
	Note Books	2	100/=	200/=
	Sub-total			<u>1,100/=</u>
2.	Data Collection			
	Training of Enumerators	5 staffs for one day	1,500/=	6,000/=
	Enumeration Allowances	4 staffs for 4 days	3,000/=	48,000/=
	Transportation	5 persons for 10 days	500/=	25,000/=
	Meals	5 persons for 10 days	500/=	25,000/=
	Sub-total			<u>104,000/=</u>
3.	Typing Charges			
	a) Proposal			
	Type setting	60 pages	30/=	1,800/=
	Photocopying	60 pages x 5	5/=	1,500/=
	Printing	60 pages x 5	10/=	3,000/=
	Sub-total			<u>6,300/=</u>
Research Project				
	Type setting	110 pages	30/=	3,300/=
	Photocopying	110 pages x 5	5/=	2,750/=
	Printing	110 pages x 5	10/=	5,500/=
	Sub-total			<u>11,550/=</u>
4.	Data Analysis			25,000/=
5.	Contingencies			
	Communication			2,000/=
	Binding	10 documents	600/=	6,000/=
	Unforeseen expenses			3,000/=
	Sub-total			<u>11,000/=</u>
	Grand Total			<u>170,500/=</u>

