



IMPACT OF SACCOS IN POVERTY ERADICATION AMONG FARMERS IN MURANGA COUNTY, KENYA

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Abstract

The main objective of this study was to find out the role of SACCOs in the eradication of poverty of the members' among farmers in Muranga County. To successfully achieve the study objective the research was guided by the following specific objectives:- To determine the extent to which deposits/share capital help in eradication of poverty among farmers; To find out how the loans issued by the SACCOs help in eradication of poverty among farmers, and to establish the extent to which training of farmers help in eradication of poverty among farmers. The study findings reveal that there was a significant relationship between share capital/deposit and poverty eradication ($p=0.000$), between loan issued and poverty eradication ($p=0.003$), but there was no significant relationship between training and poverty eradication ($p=0.711$). The study concluded that growth in SACCO loans facilitates members in wealth creation. This implies that the size of the loan that a member qualifies will determine the economic status of such a member. The study recommended that the SACCO should continuously encourage members to increase their share capital and also to increase their borrowings so as to increase their economic strength.

Keywords: SACCO, share capital

1. BACKGROUND OF THE STUDY

According to the World Bank report, (2012) around 15 percent (987 million people) of the world's population are living on US \$1 a day. In addition a further 2 billion people still live on US \$2 dollars a day. That combined together equate to 45 percent of the world's population. According to the Kenya National Bureau of Statistics, (2012) more than 40% of the Kenyan population in rural areas is still living in poverty where a family survives with less than one United States dollar a day which makes it difficult for them to participate in the national building.

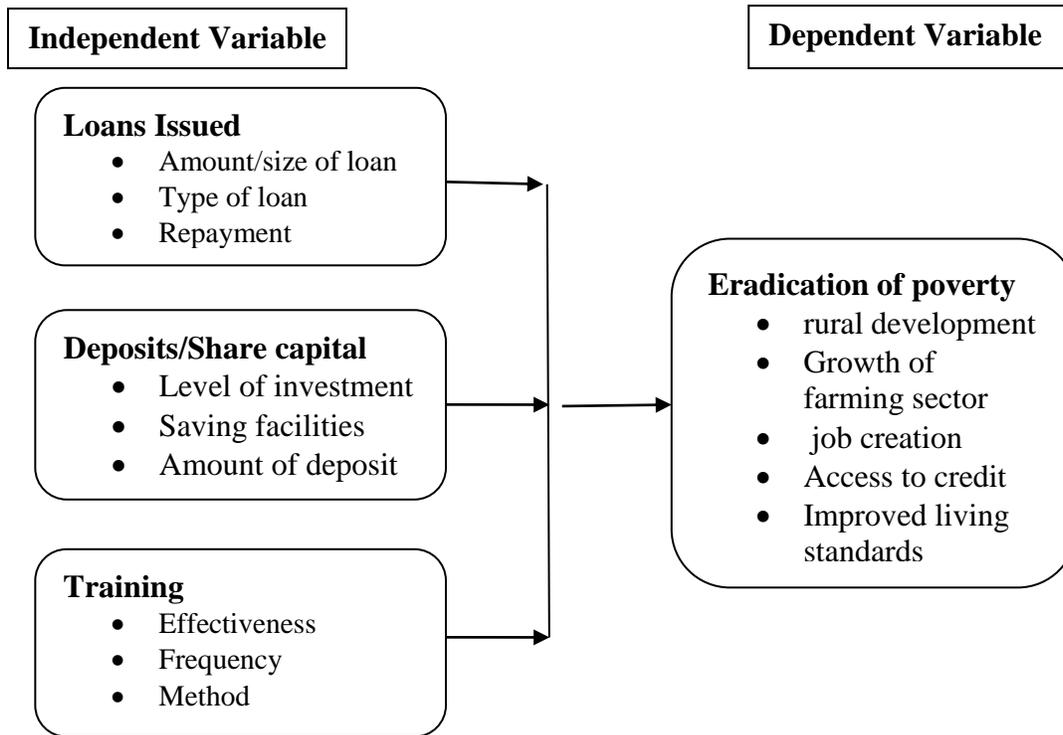
According to Central Bank of Nigeria (2011) presentation of a paper on "Integrating financial services into poverty reduction strategies" during the west Africa sub regional workshop in 2005, 60% of Africa's rural population, consisting chiefly of smallholder farmers, nomads, artisans, fishermen, and indigenous people, are said to fall below the poverty line. Therefore, solutions to poverty require a comprehensive set of well-coordinated measures and cannot be based exclusively on economic policies only (World Bank report, 2011). This is thus the foundation for the rationale underlying comprehensive poverty reduction strategies being employed by different countries around the world including setting out a poverty eradication funds kitty as an integral strategy (Republic of Kenya, 2009). Despite an increase in the average Gross Domestic Product (GDP) per capita in Sub-Saharan Africa in the 1980s, poverty levels actually remained relatively unchanged (World Bank report, 2012). The study seeks to establish the role of SACCOs in the eradication of poverty of the members' among farmers in Muranga County.

In Kenya Poverty Eradication Commission (PEC) was established through a Gazette Notice No. 2295 of 30th April, 1999 with a wide range of mandates including: to promote policies and pilot strategies for eradicating poverty in Kenya; to coordinate poverty eradication activities undertaken by various actors, both governmental and non-governmental agencies throughout Kenya; to Identify and demonstrate poverty eradication initiatives on a pilot basis; to mobilize and manage resources for direct poverty reduction activities with a strong focus on the poorest section of the population and to monitor and evaluate poverty eradication programmes nationally (Poverty Eradication Commission Report, 2009). According to Kenya Welfare Monitoring Surveys (1999), poverty in Kenya is largely a rural and informal-urban problem except in areas where rapid provision of infrastructural development and/or expansion of existing ones in arable-lands and also where commercial/cash crop farming takes place.

Murang'a County has forty three SACCOS. The SACCOs which have satisfied the requirements for licensing as stipulated by the SACCO societies regulatory agency (SASRA) are only three. They are Mentor Sacco, Unaitas Sacco and Murata Sacco. This shows the stark reality as regards fulfilment of the corporate governance standards in the region. It gave credence to the study which sought to find out the relationship between corporate governance and financial performance in Sacco's in Murang'a County.

2. CONCEPTUAL FRAMEWORK

The dependent variable in this study is the eradication of poverty the independent variables of this study will be Information flow; Deposits/share capital and; Loans issued. Independent Variables are changes that occur in an experiment that are directly caused by the experimenter. The relationships are presented in a hypothetical framework as shown below.



3. RESEARCH METHODOLOGY

The study employed a descriptive survey research design to find out the role of SACCOs in the eradication of poverty of the members' among farmers in Muranga County. The target population of this study consisted of 94,592 SACCO members in all five (5) SACCOs in Murang'a County licensed by the regulator and under the regulation of the ministry of co-operatives. The study used stratified random sampling to select 10% of the target population. A questionnaire was used as primary data collection instrument.

4. RESULTS AND FINDINGS

4.1 Loans Issued and Poverty Eradication

The study sought to find out whether the respondents had taken loan from the SACCO, how much was the first loan, the purpose of the loan and how the loan helped them in eradication of poverty. The study results were as analyzed and presented below;

Study findings on the amount of the first loan were as shown in the next page;

Table 1: Amount of the First Loan

Amount of loan	Frequency	Percentage
Less than 5000	7	5.6
5001-10000	32	25.8
10001-15000	36	29.0
15001-20000	41	33.1
Above 20000	8	6.5
Total	124	100.0

Source: Research Data (2015)

The study findings in the amount of loan revealed that 5.6% of the respondents had taken loan of less than 5000, 25.8% of the respondents had taken loan of between 5001 -10000, 29.0% had taken between 10001-15000, 33.1% had taken loan of between 15001 -20000 whereas 6.5% had taken loan of over 20, 000 shillings. These findings imply that majority of the respondents had taken of between 15001 and 20000 shillings and this could be because of the shares or the deposits they had with SACCO. The first loan by a member is usually smaller than the subsequent loans. This is because of the SACCOs initiatives of encouraging members to increase their savings/ investments so as to borrow more.

As regards the purpose of the loan issued, majority of the respondents were of the opinion that they borrowed the loan for consumption purposes like buying food or paying school fees but in most cases large loans were invested in businesses or farming which in return may eradicate poverty for such a member. Loans that are invested in businesses or farming enables the member to repay them promptly and apply for more loans which will eradicate more power to the member and to the community at large.

Table 2: Loans issued and Eradication of Poverty

Statements		SD	D	U	A	SA	TOT AL	MEA N	%M ean	SD
Growth in SACCO loans facilitates members in wealth creation	F	0	2	24	41	65	124	4.3	86.0	0.79
	%	0	1.9	17.2	31.4	49.5	100			
My loans from the SACCO has increased during the last 5 years	F	3	5	28	37	56	124	4.06	81.2	1.03
	%	2.7	4.1	20.9	28.6	43.6	100			
The SACCOs facilitate growth in loans for members	F	3	2	30	39	57	124	4.08	81.6	0.99
	%	2.7	1.8	23.2	29.1	43.2	100			

The first loan by a member from a SACCO is smaller than the subsequent loans	F	0	4	24	53	51	124	4.15	83	0.83
	%	0	3.2	18.2	39.5	39.1	100			

Source: Research Data (2015)

The study findings revealed that 86.0% of the respondents were of the opinion that growth in SACCO loans facilitates members in wealth creation, 81.2% of the respondents were of the opinion that their loans from the SACCO has increased during the last 5 years , 86.0% of the respondents were of the opinion that Growth in SACCO loans facilitates members in wealth creation, 81.6% of the respondents were of the opinion that the SACCOs facilitate growth in loans for members while 83.0% of the respondents were of the opinion that the first loan by a member from a SACCO is smaller than the subsequent loans.

The study findings revealed that majority of the respondents were of the opinion that growth in SACCO loans facilitates members in wealth creation. This implies that the size of the loan that a member qualifies will determine the economic status of such a member. Small loans for example of less than ten thousand shillings are mostly used for consumption purposes like buying food or paying school fees but in most cases large loans will be invested in businesses or farming which in return may eradicate poverty for such a member. Loans that are invested in businesses or farming enables the member to repay them promptly and apply for more loans which will eradicate more power to the member and to the community at large since such wealth will trickle down to the other residents through a multipliers effect.

Study findings by Durban *et al* (2003) are in line with these findings that growth in SACCO loans facilitates members in wealth creation. The study found out that for a member to be able to borrow a bigger loan, he or she must increase his/ her investment in the SACCO. The investment includes shares and deposits which are usually multiplied by a factor which may either be two or three or even one and a half so as to arrive at the maximum loan qualified. This ensures eradication of poverty for the member since shares and deposits are refundable in a situation where a member is leaving the Cooperative. In most cases, the increase in loan borrowing ability grows proportionately during the life of a member in the Cooperative. The first loan by a member is usually smaller than the subsequent loans. This is because of the SACCOs initiatives of encouraging members to increase their savings/ investments so as to borrow more.

Study findings on whether the loan issued help in the eradication of poverty revealed that 87.1% agreed that loans issued help in the eradication of poverty while 12.9% did not agree with the fact that loans issued help in the eradication of poverty. This implies that member borrows a bigger loan to increase his or her investment in the SACCO. The investment includes shares and deposits which are usually multiplied by a factor which may either be two or three or even one and a half so as to arrive at the maximum loan qualified. This ensures eradication of poverty for

the member since shares and deposits are refundable in a situation where a member is leaving the SACCO.

As regards the extent to which loans issued by the SACCOs help in the eradication of poverty among the farmers, the study results were as shown below;

Table 3: Extent of loans issued by the SACCOs on the eradication of poverty

Extent	Frequency	Percentage
Very Great Extent	20	18.5
Great Extent	48	38.7
Moderate Extent	19	15.3
Low Extent	11	8.9
Not at all	10	8.1
Total	108	100

Source: Research Data (2015)

The study results revealed that 18.5% were of the view of the very great extent, 38.7% were of the view of the great extent, 15.3% were of the view of moderate extent, 8.9% were of the view of the low extent while 8.1% were of the view of not at all. These findings implies that majority of the respondents were of the opinion that loan issued had helped them eradication of poverty at a great extent. Where a surplus remains after the end of the financial year, the SACCO distributes such surplus back to members in form of dividends and bonuses. Therefore a SACCO will encourage members to borrow loans so as to charge more interest and hence retain higher surpluses to distribute back to members. This in the long run eradicates poverty for the members through earning dividends and bonuses and also encouraging them to increase shares and deposits which are refundable.

4.2 Deposits/Share Capital

The study sought to determine the extent to which deposits/share capital help in eradication of poverty among farmers. The study sought to find out the amount of share capital, their initial capital and the influence of deposits on eradication of poverty among farmers. The study results were analyzed and presented as below;

Table 4: Current Share Capital/Deposits

Share Capital/Deposits	Frequency	Percentage
Less than 5000	22	17.7
5001-10000	32	25.8
10001-15000	36	29.0

15001-20000	31	25.0
Above 20000	21	16.9
Total	124	100.0

Source: Research Data (2015)

The study result on the current share capital/deposit indicated that 17.7% had less than 5000 share capital, 25.8% had between 5001 -10000, 29.0% had between 10001 -15000, 25.0% had 15001 -20000 while 16.9% had over 20000 share capital. These findings implies that majority of the members had share capital/deposit of between10001-150000. This gives the implication that majority of them could borrow more loan in that the level of investment for each member determines the size of loan which such a member will qualify for. In many SACCOs, the maximum amount of loan will be the total shares plus the deposits multiplied by a factor. This then means that a member who has invested more in the SACCO will get a bigger loan which in return will eradicate more poverty to him/her.

Table 5: Initial Share Capital/Deposits

Initial Share Capital/Deposits	Frequency	Percentage
Less than 5000	17	13.7
5001-10000	29	23.4
10001-15000	34	27.4
15001-20000	29	23.4
Above 20000	19	15.3
Total	124	100.0

Source: Research Data (2015)

The study findings revealed that 13.7% of the respondents had initial share capital of less than 5000, 23.4% had between 5001-10000, 27.4% had between 10001-15000, 23.4% had between 15001-20000 while 15.3% had share capital of over 20000. This implies that members begun their investment in the SACCO with a considerable high investment. This means that a member who has invested more in the SACCO will get a bigger loan which in return will eradicate more poverty to him/her. If the average level of investment in the SACCOs is high in a certain region, then the poverty level will be low as compared with an area where the average investment level is high.

Table 6 Influence of Share Capital/Deposits on Eradication of Poverty

Statements		SD	D	U	A	SA	TO TA L	ME AN	%M EAN	SD

Financial cooperatives provide safe facilities for savings, enabling savers to smooth consumption	F	0	2	1	101	29	124	4.14	82.8	0.566
	%	0	2.9	1.1	74.6	21.4	100			
SACCO members usually invest in shares and also deposits in the SACCO.	F	0	2	1	87	41	124	4.26	85.2	0.577
	%	0	2.2	1.4	65.3	31.2	100			
The larger the share capital of each member in a SACCO, the stronger the member economically	F	0	2	1	90	35	124	4.22	84.4	0.564
	%	0	2.2	1.7	68.9	27.2	100			
If the average level of investment in the SACCOs is high in a certain region, then the poverty level will be low	F	0	2	1	91	35	124	4.21	84.2	0.578
	%	0	2.2	1.8	68.8	27.2	100			
The level of investment for each member determines the size of loan which such a member will qualify for	F	0	0	1	87	44	124	4.3	86.0	0.526
	%	0	0	1.1	66.7	32.2	100			

Source: Research Data (2015)

The study findings revealed that 82.8% of the respondents were of the opinion that Financial cooperatives provide safe facilities for savings, enabling savers to smooth consumption, 85.2% of the respondents were of the opinion that SACCO members usually invest in shares and also deposits in the SACCO, 84.4% of the respondents were of the opinion that The larger the share capital of each member in a SACCO, the stronger the member economically, 84.2% of the respondents were of the opinion that If the average level of investment in the SACCOs is high in a certain region, then the poverty level will be low, 86.0% of the respondents were of the opinion that the level of investment for each member determines the size of loan which such a member will qualify for.

The study findings revealed that majority of the respondents were of the opinion that the level of investment for each member determines the size of loan which such a member will qualify for. This implies that in many SACCOs, the maximum amount of loan will be the total shares plus the deposits multiplied by a factor. This then means that a member who has invested more in the SACCO will get a bigger loan which in return will eradicate more poverty to him/her. If the average level of investment in the SACCOs is high in a certain region, then the poverty level will be low as compared with an area where the average investment level is high.

Study findings by Porkodi and Aravazhi (2013) are in consonance with these findings that the level of investment for each member determines the size of loan which such a member will qualify for. The study indicated that SACCO members usually invest in shares and also deposits

in the SACCO. The level of investment for each member determines the size of loan which such a member will qualify for. In many SACCOs, the maximum amount of loan will be the total shares plus the deposits multiplied by a factor. In SACCOs, the economic strength of members is determined by the share capital of each one of them and also the amount of loans they borrow. The larger the share capital of each member in a SACCO, the stronger the member economically; therefore the SACCO should continuously encourage members to increase their share capital and also to increase their borrowings so as to increase their economic strength. This is done through regular education meetings where members are educated on the products and services offered by the SACCO. They are also educated about the benefits of the SACCO loans as compared with those from banks and other financial institutions since SACCO loans are always cheaper.

4.3 Training of Farmers

The study sought to establish the extent to which training of farmers help in eradication of poverty among farmers. The study sought to determine the methods of training used, the time period of training, effectiveness of training methods in eradicating poverty among farmers, effect of entrepreneurial training methods in eradicating poverty and the effect of training frequency in eradicating poverty. The study results were as presented below;

Table7: Methods of Training

Training	Frequency	Percentage
Basic Training	40	32.3
Field Training	50	40.3
Others	34	27.4
Total	124	100

Source: Research Data (2015)

The study findings on the type of training revealed that 32.3% of the respondents noted basic training, 40.3% noted field training while 27.4% noted other types of training. The study findings revealed majority of the respondents were of the opinion that field training was the main method of training farmers. This gives the implication that training in is to develop and strengthen the capacities of farmers to propagate enterprise development. Training is as well aimed at providing the farmers in addition to normal technical skills also the attitude the capacity for engaging in responsible entrepreneurial activities for self employment and contribute in the long-term arresting the present trend of growing unemployment.

Table 8: Time Period of Training

Time Period	Frequency	Percentage
Weekly	24	19.4
Monthly	43	34.7

Annually	40	32.3
Others	7	5.6
Total	124	100.0

Source: Research Data

The study findings revealed that 19.4% noted weekly training, 34.7% noted monthly training, 32.3% noted annual training while 5.6% noted other periods. These findings reveals that majority of the farmers were trained on monthly basis.

Table 9: Effectiveness of Training Methods in Eradicating Poverty among Farmers

Statements		I	LI	MI	E	VE	TO TA L	MEA N	%M ean	SD
Basic Training	F	0	2	42	38	31	124	3.88	77.6	0.84
	%	0	1.9	38.5	30.5	29.1	100			
Field Training	F	4	1	61	30	34	124	3.67	73.4	1.00
	%	3.6	1.4	45.5	23.2	26.4	100			
Other Training	F	2	4	52	32	40	124	3.79	75.8	0.98
	%	1.8	3.6	39.1	24.5	30.9	100			

Source: Research Data (2015)

The study findings revealed that 77.6% were of the view that basic training was effective, 73.4% were of the view that basic training was effective while 75.8% were of the view that basic training was effective.

The study findings revealed that majority of the respondents were of the view that basic training was effective in eradicating poverty among the farmers. Training is as well aimed at providing the farmers in addition to normal technical skills also the attitude the capacity for engaging in responsible entrepreneurial activities for self employment and contribute in the long-term arresting the present trend of growing unemployment.

Table 10: Effect of Entrepreneurial Training Methods in Eradicating Poverty

Effect of Entrepreneurial Training Methods		SD	D	U	A	SA	TOTA L	ME AN	%M EA N	SD
Use of appropriate training methods increases effectiveness of farmers	F	0	0	0	56	75	124	4.57	91.4	0.496
	%	0	0	0	43.1	56.9	100			
Use of appropriate training	F	0	0	0	60	71	124	4.54	90.8	0.499

methods increases efficiency of farmers.	%	0	0	0	46.0	54.0	100			
Enterprise education and training methods are the major means to promote farming.	F	0	0	0	59	72	124	4.55	91	0.498
	%	0	0	0	44.9	55.1	100			
When properly used, training methods increases efficiency of farmers	F	0	0	0	55	75	124	4.58	91.6	0.495
	%	0	0	0	42.0	56.9	100			

Source; Research Data (2015)

The study findings revealed that 91.4% were of the opinion that use of appropriate training methods increases effectiveness of farmers, 90.8% were of the opinion that Use of appropriate training methods increases efficiency of farmers, 91.0% were of the opinion that Enterprise education and training methods are the major means to promote farming while 91.6% were of the opinion that when properly used, training methods increases efficiency of farmers.

The study findings revealed that majority of the respondents were of the opinion that when properly used, training methods increases efficiency of farmers. This gives the implication that training is as well aimed at providing the farmers in addition to normal technical skills also the attitude the capacity for engaging in responsible entrepreneurial activities for self employment and contribute in the long-term arresting the present trend of growing unemployment.

Table 11: Effect of Training Frequency in Eradicating Poverty

Statements		SD	D	U	A	SA	TOTAL	MEAN	%MEAN	SD
Frequency in training allows better use to be made of opportunities	F	0	2	1	101	29	124	4.14	82.8	0.566
	%	0	2.9	1.1	74.6	21.4	100			
Training farmers frequently helps them to advance their entrepreneurial skills	F	0	2	1	87	41	124	4.26	85.2	0.577
	%	0	2.2	1.4	65.3	31.2	100			
Training farmers frequently gives farmers a mastery over their work leading to improved performance	F	0	2	1	90	24	124	4.22	84.4	0.564
	%	0	2.2	1.7	68.9	27.2	100			
Frequent training of farmers is necessary to equip farmers with the skills to encounter the changes	F	0	2	1	91	35	124	4.21	84.2	0.578
	%	0	2.2	1.8	68.8	27.2	100			
Frequent training builds	F	0	0	1	87	44	124	4.3	86.0	0.526

competence among the enterprise	%	0	0	1.1	66.7	32.2	100			
With frequent training, farmers become experienced on their venture over time due to acquisition of skills and knowledge.	F	1	22	40	21	45	124	3.89	77.8	0.810
	%	1.4	17.0	30.7	16.4	34.5	100			

Source: Research Data (2015)

The study findings revealed that 82.8% of the respondents were of the opinion that Frequency in training allows better use to be made of opportunities, 85.2% of the respondents were of the opinion that Training farmers frequently helps them to advance their entrepreneurial skills, 84.4% of the respondents were of the opinion that Training farmers frequently gives farmers a mastery over their work leading to improved performance, 84.2% of the respondents were of the opinion that frequent training of farmers is necessary to equip farmers with the skills to encounter the changes, 86.0% of the respondents were of the opinion that Frequent training builds competence among the enterprise while 77.8% of the respondents were of the opinion that with frequent training, farmers become experienced on their venture over time due to acquisition of skills and knowledge.

The study findings revealed that majority of the respondents were of the opinion that training builds competence among the enterprise. This gives the implication that Frequency in training allows better use to be made of opportunities and further gives farmers a mastery over their work, leading to improved performance. The study observed that training farmers frequently helps them to advance their entrepreneurial skills as acquire better understanding of enterprise operations. The study argued that training and education farmers takes years of development. The study further noted that due to changes in the operating environment, frequent training is necessary to equip farmers with the skills to encounter the changes. Training must be relevant on many levels example, promote the mission and culture increase customer relationship management, teach communication skill instruct in use of technology, and encourage creative thinking, develop potential managers.

Study findings by Henry, Hill and Leitch (2003) are in line with these findings that that training builds competence among the enterprise. Frequency in training allows better use to be made of opportunities and further gives farmers a mastery over their work, leading to improved performance. They observed that training farmers frequently helps them to advance their entrepreneurial skills as acquire better understanding of enterprise operations. Entrepreneurial training is not mandatory for new venture creation; it does provide one with the skills, contacts and opportunities vital for most successful businesses. Training can complement the early stage awareness-raising function of education, as it provides the more practical skills that farmers require when they are ready to set up their business. Furthermore, the study added that the transfer of the requisite knowledge and skills is the easiest part of training and is incorporated in most training programmes. Few farmers have the requisite skills, knowledge, abilities and

competencies skills needed to operate there enterprises. As a result, they argued frequent training of these farmers can gradually increase their skills, knowledge and abilities which as a result could lead to better management and performance of the enterprises. Frequent training leads to acquisition of the necessary skills to be able to make substantive contribution towards the organization’s growth. When properly used, training increases both effectiveness and efficiency of farmers.

5. INFERENCE STATISTICS

Inferential statistics such non parametric test which include analysis of variance (ANOVA) were used to test the significance of the overall model at 95% level of significance. According to Mugenda (2008) analysis of variance is used because it makes use of the F – test in terms of sums of squares residual.

Regression analysis

The study sought to compute the regression model for the study in an effort to understand the role of SACCOs in eradication of poverty. The study findings were presented in the table below;

Table 1: Regression model on Role of SACCOs

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	0.977	0.955	0.953	0.143	4.702	0.000'
Coefficients						
Model	Unstandardized Coefficients		Standardized Coefficients			
			Std. Error	Beta		
1	(Constant)	0.080	0.114		0.706	0.483
	Share capital/deposit	0.679	0.082	0.711	8.254	0.000
	Loan issued	0.330	0.106	0.315	3.124	0.003
	Training	-0.037	0.100	-0.037	-0.373	0.711
Dependent Variable: Poverty Eradication						

The study findings indicated that 95.5% of the data that was used in the regression model could be accounted for in the regression model (R Square = 0.955) while the comparison of the model was significant to imply that the model had been correctly computed (p=0.000)

The coefficients in the regression equation were used to compute the regression equation as follows;

$$Y (\text{Poverty Eradication}) = 0.801 + 0.711 (\text{Share capital/Deposit}) + 0.315 (\text{Loan issued}) - 0.037 (\text{Training}) + 0.114 (\text{Error Rate}) \dots\dots\dots (ii)$$

These results were interpreted to mean share capital was the most important variable in poverty eradication contributing about 71.1% on the poverty eradication. Loan issued were also important in poverty eradication contributing 31.5% with training contributing 3.7% to the poverty eradication of the farmers.

The study findings revealed that there was a significant relationship between share capital/deposit and poverty eradication ($p=0.711$), there was a significant relationship between loan issued and poverty eradication ($p=-0.037$), but there was no significant relationship between training and poverty eradication ($p=0.711$). These findings could be interpreted to mean that share capital/deposits and loan issuing by SACCOs are important roles in poverty eradication of the members. Many developing countries Kenya alike, have devised strategies of reducing poverty among their population. There has been an upsurge of SACCOs that are now playing an important role in enhancing economic growth and development as well as poverty eradication. Since the formalities involved in the formation of the SACCOs are simple, and due to their popularity, the government has continued to register more of these forms of organizations. Although Cooperatives have been there for a long time, poverty is still prevalent amongst the farmers. The population here still struggle to pay school fees for their children and some cannot afford the basic facilities like school fees and foodstuff.

6. SUMMARY OF FINDINGS

As regards the purpose of the loan issued, majority of the respondents were of the opinion that they borrowed the loan for consumption purposes like buying food or paying school fees but in most cases large loans were invested in businesses or farming which in return may eradicate poverty for such a member. Loans that are invested in businesses or farming enables the member to repay them promptly and apply for more loans which will eradicate more power to the member and to the community at large.

The study findings revealed that majority of the respondents were of the opinion that growth in SACCO loans facilitates members in wealth creation. This implies that the size of the loan that a member qualifies will determine the economic status of such a member. Small loans for example of less than ten thousand shillings are mostly used for consumption purposes like buying food or paying school fees but in most cases large loans will be invested in businesses or farming which in return may eradicate poverty for such a member. Loans that are invested in businesses or farming enables the member to repay them promptly and apply for more loans which will eradicate more power to the member and to the community at large since such wealth will trickle down to the other residents through a multipliers effect.

The study findings revealed that majority of the respondents were of the opinion that the level of investment for each member determines the size of loan which such a member will qualify for. This implies that in many SACCOs, the maximum amount of loan will be the total shares plus

the deposits multiplied by a factor. This then means that a member who has invested more in the SACCO will get a bigger loan which in return will eradicate more poverty to him/her. If the average level of investment in the SACCOs is high in a certain region, then the poverty level will be low as compared with an area where the average investment level is high.

The study findings revealed that majority of the respondents were of the view that basic training was effective in eradicating poverty among the farmers. Training is as well aimed at providing the farmers in addition to normal technical skills also the attitude the capacity for engaging in responsible entrepreneurial activities for self employment and contribute in the long-term arresting the present trend of growing unemployment. The study findings revealed that majority of the respondents were of the opinion that training builds competence among the enterprise. This gives the implication that Frequency in training allows better use to be made of opportunities and further gives farmers a mastery over their work, leading to improved performance. The study observed that training farmers frequently helps them to advance their entrepreneurial skills as acquire better understanding of enterprise operations. The study argued that training and education farmers takes years of development. The study further noted that due to changes in the operating environment, frequent training is necessary to equip farmers with the skills to encounter the changes. Training must be relevant on many levels example, promote the mission and culture increase customer relationship management, teach communication skill instruct in use of technology, and encourage creative thinking, develop potential managers.

The study findings revealed that there was a significant relationship between share capital/deposit and poverty eradication ($p=0.000$), between loan issued and poverty eradication ($p=0.003$), but there was no significant relationship between training and poverty eradication ($p=0.711$).

7. CONCLUSION BASED ON FINDINGS

The study concluded that growth in SACCO loans facilitates members in wealth creation. Small loans for example of less than ten thousand shillings are mostly used for consumption purposes like buying food or paying school fees but in most cases large loans will be invested in businesses or farming which in return may eradicate poverty for such a member. Loans that are invested in businesses or farming enables the member to repay them promptly and apply for more loans which will eradicate more power to the member and to the community at large since such wealth will trickle down to the other residents through a multipliers effect.

The study concluded that the level of investment for each member determines the size of loan which such a member will qualify. This then means that a member who has invested more in the SACCO will get a bigger loan which in return will eradicate more poverty to him/her. If the average level of investment in the SACCOs is high in a certain region, then the poverty level will be low as compared with an area where the average investment level is high.

The study concluded that when properly used, training methods increases efficiency of farmers. This gives the implication that training is as well aimed at providing the farmers in addition to

normal technical skills also the attitude the capacity for engaging in responsible entrepreneurial activities for self employment and contribute in the long-term arresting the present trend of growing unemployment.

8. RECOMMENDATIONS

Based on the findings of the study, the study made the following recommendations;

The study recommended that the SACCO should continuously encourage members to increase their share capital and also to increase their borrowings for first loan by a member from a SACCO is smaller than the subsequent loans and also so as to increase their economic strength through regular education meetings where members are educated on the products and services offered by the SACCO. They are also educated about the benefits of the SACCO loans as compared with those from banks and other financial institutions since SACCO loans are always cheaper.

SACCO should encourage members to borrow loans so as to charge more interest and hence retain higher surpluses to distribute back to members. The management of a SACCO should ensure that loans and services are continually reviewed and refined so as to provide the best benefits to the members and compete effectively with products from other financial institutions like banks and micro finance institutions. This in the long run eradicates poverty for the members through earning dividends and bonuses and also encouraging them to increase shares and deposits which are refundable.

The study further concluded that training in terms of creativity and innovation should be provided. It aims to equip farmers with skills, knowledge and dispositions that can help them develop or implement innovative social or business plans. Training and education is one of the key drivers of sustained social development and economic recovery. The main objective of training in is to develop and strengthen the capacities to propagate enterprise development.

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