

THE CATHOLIC UNIVERSITY OF EASTERN AFRICA

FACULTY OF ARTS AND SOCIAL SCIENCE

DEPARTMENT OF SOCIAL SCIENCE AND DEVELOPMENT STUDIES

**EFFECTIVENESS OF *BODABODA* SACCOs ON MEMBERS' ECONOMIC GROWTH IN
MAKUENI COUNTY, KENYA**

BY

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OCTOBER, 2016

DECLARATION

I, the undersigned, declare that this is my original work achieved through my personal reading and scientific research. It has never been submitted to any other university or college for an academic credit. The information from any other relevant sources has been duly acknowledged.

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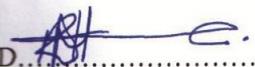
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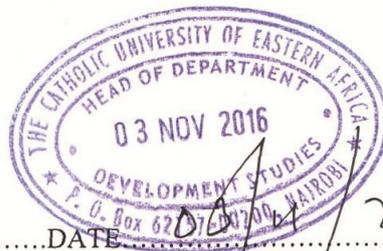
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ABSTRACT

The aim of the study was to investigate the effectiveness of Bodaboda Savings and Co-operative Societies on members' economic growth in Makueni County, Kenya. The main objectives were to investigate the role of Bodaboda Saccos in influencing members economic growth, to establish the economic opportunities available to the members in Bodaboda Saccos, to determine the economic challenges facing Bodaboda Saccos and lastly to establish the ways of enhancing the effectiveness of Bodaboda Saccos in improving the members' economic growth. The Study made the use of cross-sectional survey research design with qualitative and quantitative methodologies for collecting data. A sample size of 3 Saccos was chosen from a target population of 30 Bodaboda Saccos. The Data was sourced through the use of in-depth interview guides and questionnaires administered to respondents such as Sacco chairpersons and County Cooperate Chief Executive Officer (CEO). Data was analyzed through Statistical Package for Social Science (SPSS) software to generate frequency distributing tables. Study findings were presented in tables, pie charts and bar graphs. The study revealed that members had embraced the culture of saving. Also, they did charitable works. It was revealed that through the loans given some members were operating shops while others had bought their motorcycles. Members had challenges like lack of sufficient capital and police harassment. Members proposed exchange visits to other Saccos and training on cooperative entrepreneurship skills as the solutions to their challenges. As a recommendation, based on the study findings, the government should come up with programmes and regulations for Bodaboda Saccos. For a further area of study, this research covered how Bodaboda Saccos influence economic growth of members. However, it did not dwell so much on how Bodaboda Saccos influence the social and cultural growth of members. These gaps need to be filled by academicians and researchers.

ACRONYMS AND ABBREVIATIONS

SACCOs- Savings and Credit Cooperative Societies

MOYA- Ministry of Youth Affairs

GDP- Gross Domestic Product

FOSA- Front Office Service Authority

NTSA- National Transport and Safety Authority

YEDF- Youth Enterprise Development Fund

C-YES- Constituency Youth Enterprise Scheme

WBCSD- World Business Council for Sustainable Development

SASRA- Sacco Societies Regulatory Authority

MFIs- Micro Finance Institutions

NGOs- Non-Governmental Organizations

KNBS- Kenya National Bureau of Statistics

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

According to World Council of Credit Unions (WOCCU), credit unions are member-owned non-profit cooperatives, and their major role is to provide savings, credit and other financial services to members. The membership of credit union is based on a common bond shared by savers and borrowers. The Credit unions provide members with more than financial services. They seek to enable them to own homes, educate their children and finance small businesses (WOCCU, 2014). Economic prosperity is guaranteed in people coming together and forming credit unions. According to Langat, 2010 Savings and Credit Co-operatives first appeared in Germany in the 1870's. The idea moved to North America in 1900 with European immigration. Canada, the United States, Australia, and Ireland have the most established movements. In many regions of these countries, Saccos are much larger than the commercial banks. In Africa, there are 28 countries which have set up credit unions. Saccos introduced in Kenya in the year 1964.

According to the WOCCU Statistical Report (2012), in the world, there are 101 countries with credit unions, 56,000 total credit unions, and 200 million members. The savings and shares stood at USD 1.2 trillion, loans at USD 1 trillion, while assets and reserves were USD1.6 trillion and 0.1 trillion respectively. The top five African countries with high penetration of Saccos are Togo, Senegal, Benin, Kenya, and Seychelles. Kenya tops in shares, loans, and Savings. In Kenya, Saccos have provided the chance for pooling of resources together for investment in homes, healthcare, benevolence and education (Gweyji and Karanja, 2014). The cooperative enterprise has provided an important model for majority of world's disadvantaged and poor subject to social exclusion and lack access to opportunities. Globalization has resulted in the rise of an unregulated informal economy;

people in the informal sector have formed cooperatives to aid them in self-employment. Thus in rural areas Saccos are the means of accessing banking services which are lacking in many local areas and too many classes of people. Saccos have been able to reach the poor and marginalized by offering them banking services and helping them form small and micro businesses (Makori, Minene, and Muturi, 2013).

In Kenya bicycle taxis started being used in the 1960's for transportation of people and smuggled goods across Kenya-Uganda border (border to border), hence the name "bodaboda" (Odera, 2009). The government of Kenya waiver of tax on imported motorcycles in 2008 resulted to a Bodaboda business upsurge. The number of motorbikes leaped from 3,757 units in 2005 to 91,151 in 2009 (Economic survey, 2010). According to Kalua (2015), the number of motorbikes in Kenya currently is over 500,000 with 99% of these being Bodabodas. According to Graeff (2009), lack of vision for the Bodaboda industry has allowed the Bodaboda business to grow and operate in a way which does not benefit all the stakeholders in the sector. The National Transport and Safety Authority (NTSA) in June 2014 ordered all Bodaboda operators to form Saccos for the sake of good regulation.

During the 1st June 2011 Madaraka Day Speech, President Mwai Kibaki praised the role of Bodaboda operators in uplifting the livelihood of Kenyans and job creation to the youth (Kibaki, 2011). The Kenya National Assembly has tried to discuss benefits and challenges of Bodaboda sector and come up with policies, which aim at streamlining the sector for the benefit of all stakeholders. The proposal to form Bodaboda Saccos for self-regulation came out very strongly from the national assembly (Motions tracker, 2014).

The cooperative movement in Kenya is a major player in the social, economic development of this country. With a membership of over eight million in 13,000 registered cooperative societies, the Sacco sub-sector, in particular, has mobilized more than Kshs 230

billion (the Republic of Kenya, Ministry of Cooperative Development and Marketing, 2011). The International Cooperative Alliance (ICA), ranked Kenya, number seven in the world and number one in Africa, regarding the number, size, and contribution of cooperatives to development (International Cooperative Alliance, 2008). The contribution of co-operatives to GDP is estimated to be forty-five percent, while to the national savings and deposits, the contribution is thirty-one per cent (Chambo, 2008). The share of the Bodaboda sector in the GDP is seven per cent with road transport sub-sector accounting for two point nine per cent of the GDP (IPAR, 2004).

During 2014 Madaraka day Speech by H.E Prof. Kivutha Kibwana it was clear that the County government believes in the people and more so organized groups and it is to this end that the county government is revitalizing 16 dormant cooperatives. The Capacity Enhancement is ongoing with sensitization of Sacco members in all 70 cooperatives in aspects of good governance, accountability, value chain addition and sustainability of Sacco societies. In capacity building and support to youth, Makueni County is sponsoring the training of more than 2,100 Bodaboda riders across the County to acquire motorcycle driving licenses as well as the formation of Sacco societies to boost their investment capacity (Kibwana, 2014).

Makueni County has six constituencies and 30 wards. The county government has encouraged the formation of Bodaboda Saccos in each ward bringing a total of 30 registered Saccos as on 31st July 2015. Each Sacco has a Management Committee which plays a supervisory role and links the Sacco and the County Cooperate office (Esther Kivindy, the Chief Executive Officer of County Corporate Management-31st July 2015).

1.2 Statement of the problem

Bodaboda operators in Kenya earn an average of four million (4,000,000) shillings daily which translates to 146 billion shillings per annum (Kalua, 2015). It is possible for Bodaboda operators to pull this money together through Saccos. If Saccos are formed and guided properly, they can foster Sacco members' economic growth.

Former Minister for Co-operatives, Joseph Nyaga, made a directive to all Bodaboda operators across the country to form Saccos by the end of the year 2010 for purposes of facilitating savings and investment attitude into the operators, (Nyaga, 2010). The NTSA in June 2014 ordered all Bodaboda operators to form Saccos for the sake of good regulation and enhancement of their economic growth. According to media reports by Nation Media Group (July 2015), car-jacking and robbery with violence by Bodaboda operators had increased in the country. Various factors could trigger criminal acts by Bodaboda operators for instance lack of adequate financial resources.

According to Esther Kivindy (2015), the CEO of Corporate management in Makueni County, non-Sacco Bodaboda operators find it difficult to pay a medical insurance cover and hospital bills in case of an accident and take part in small and medium enterprises. This study, therefore, seeks to investigate the effectiveness of Bodaboda Saccos in influencing members' economic growth in Makueni County.

1.3 General objective

To determine the effect of Bodaboda Sacco's on members' economic growth in Makueni County, Kenya.

1.3.1 Specific objectives

- i) To investigate how saving culture in Bodaboda Saccos influence members economic growth in Makueni County.
- ii) To establish the economic opportunities available to the members in Bodaboda Saccos in Makueni County.
- iii) To determine the economic challenges facing members' in Bodaboda Saccos in Makueni County.
- iv) To establish the ways of enhancing the effectiveness of Bodaboda Saccos in Makueni County.

1.3.2 Research questions

- i) How does the saving culture in Bodaboda Saccos influencing members' economic growth in Makueni County?
- ii) What are the economic opportunities available to the members in Bodaboda Saccos in Makueni County?
- iii) Which are the economic challenges facing members in Bodaboda Saccos in Makueni County?
- iv) What are the ways of enhancing the effectiveness of Bodaboda Saccos in Makueni County?

1.4 Significance of the Study

The study findings of this research may help the Bodaboda operators know clearly the importance of joining Saccos. In this case, they would have learned how they stand a chance of getting economic empowerment from The Ministry of Cooperatives, The financial institutions, The Makueni County government as well as from their Saccos. The Bodaboda operators may also learn more effective and efficient ways of managing their resources,

savings, and business. The information from this study about the use of Bodaboda Saccos' resources and their influence on members' economic empowerment may be useful in encouraging prudent investment. This may lead to members' satisfaction and trust in the Saccos and increase of Sacco membership.

The government may be able to make suitable policies to empower the Sacco members within Makueni County, having known the problems that they face through meetings with their representatives. It may be easier for the County government to organize meetings with the Sacco members and its representatives thus advise them on new policies that impact on them and any such plans it has on its members. The County government may make revenue through parking fees and such other levies it may apply to the Saccos and Bodaboda operators. The study may also help the County government, through the Saccos, to regulate the operators and their conduct so as to reduce the rate of accidents and other vices.

The study may help future researchers on how Saccos can contribute in regulating a seemingly messy and disorganized business to regain its glory. In Nigeria for example, it is said that more than half of those killed in accidents involving all vehicles are motorcycle riders and passengers. In Lagos State alone, the FRSC reported that 10,471 motorcycle accidents were recorded in the last ten years. The high rate of accidents is attributable to lack of training and traffic education among motorcycle operators, impatience on the part of the bike riders, flagrant disregard for traffic rules and regulations, among other factors (Federal Road Safety Corps Report, 2011).

The researcher may have in-depth information on the establishment and implementation of Bodaboda Saccos in Makueni and the possibility of application of the same in any part of the world. The study findings may be useful to the micro-financing institutions, and insurance organizations in and outside Makueni County in designing appropriate programmes and policies for Bodaboda Saccos for the ultimate benefit of the

Sacco members. Lastly, the study may provide information on the vision 2030 as regards Saccos and the role of Sacco in ensuring achievement of this vision's objectives. For the researcher, the study will help him uncover critical areas in the Bodaboda Sacco societies that researchers were not able to explore.

1.5 Location of the study

The study was done in Makueni County which is one of the 47 counties of Kenya formed by the IEBC. The County is located 188.2km from Nairobi, and it is approximately 3hrs 16min drive from Nairobi via Mombasa road. It lies in the lowlands of South Eastern Kenya. Makueni County covers an area of 8,034.7 square kilometers. Geographically Makueni County borders the following counties; Kajiado County to the West, Taita Taveta to the South, Kitui to the East, and lastly Machakos to the North. The county is in the arid and semi-arid zones of the Eastern region of the country. Makueni County houses a population of 874,323 from the KNBS (2009) Ministry of Housing and Vision 2030.

1.6 Scope and limitations

The study investigated the effectiveness of Bodaboda Saccos on members' economic growth in Makueni County, Kenya and it was limited to 30 Bodaboda Saccos which were registered in Makueni County by the County Cooperative office. The study looked into Bodaboda Saccos-their role, economic opportunities surrounding them and economic challenges the members face in these Saccos.

It was a challenge to gather Bodaboda operators in one place and hold a discussion with them because of the demand of their work. However, to overcome this limitation the researcher planned to utilize the chairpersons of the committees governing the Saccos to mobilize the members.

1.7 Theoretical Framework

Agency theory guided the study of the effectiveness of Bodaboda Saccos on members' economic growth. This theory was developed as a framework for analyzing conflicting interests between stakeholders. Agency theory can be applicable in every situation whereby one party (the principal) delegates work to another (the agent), who performs the work. Agency theory attempts to describe the relationship regarding behavioral characteristics.

Jensen and Meckling (1976), tried to verify that corporations do not operate according to the maximization principle, mainly because of conflicting interests of the large governing parties. Agency theory describes economic exchange relation between principal and agent. The principal-agent relation in which principal delegates work to the agent is described using the metaphor of a contract. The objective of this theory is to determine optimal contract between principal and agent.

According to Abdullah and Valentine (2009), Agency theory explains the relationship between the principals, such as members and agents. In this approach members are the owners or the principals of the Sacco, hires by electing the management committee as their representative. The principal (members of a Sacco) delegate the running of Sacco business to the management committee.

This theory has a weakness in that it reduces the corporation into two participants of managers and the owners. Also, the theory suggests that managers in Saccos can be self-interested. Shareholders expect the agents to act and make decisions in the best interest of the principals. In the Agency theory, an agent can succumb to self-interest, opportunistic behavior, and fall short of the agreement between the benefit of the principal and the agent's pursuits.

This theory prescribes that committee members of a Sacco should constitute a good governance structure since they are held accountable for their duties and responsibilities. This theory helps the researcher to identify and describe the impact of Bodaboda Saccos on economic growth of the members in Makueni County, Kenya. The agency costs that the Saccos incurs details the economic growth of members.

1.8 Conceptual framework

This is a model of presentation where a researcher presents a relationship among variables in a study, and it shows the relationship graphically or diagrammatically (Orodho, 2009).

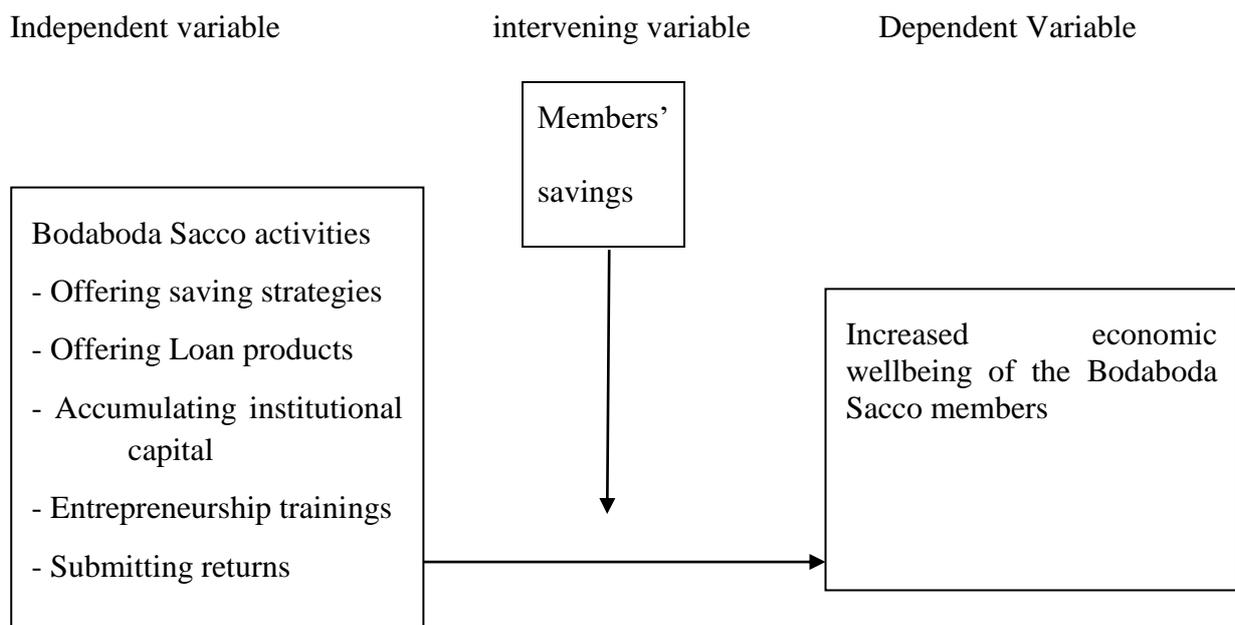


Figure 1 Conceptual Framework of the effectiveness of Bodaboda Saccos on members' economic growth in Makueni County, Kenya.

The study explored the effect of Bodaboda Saccos (independent variables) such as loan products, saving strategies, entrepreneurship training, and accumulation of institutional capital which leads to an improved economic growth of members (dependent variable). The intervening variable (members' savings) has a relationship between the independent and dependent variables because good savings will result in efficient Bodaboda Sacco activities and thus improved the economy while poor savings will lead to poor Bodaboda Sacco activities thus affecting the economy negatively.

1.9 Operational definition of key terms

Motorcycle (Bodaboda) – it is a two-wheeled motor vehicle.

Bodaboda operator – He/she is a person who rides a Bodaboda.

Economic growth – it is the improvement in investment capacity and living standards.

Empowerment – it is the process whereby people gain the ability to make decisions and implement change in their lives.

Micro enterprise – it is a business whose total cost is not more than kshs. 100,000.

Youth group – it is a registered organization of individuals with the age gap of 18-35 years.

Youth Enterprise Development Fund – it is a State Corporation mandated to avail credit finances to the youth.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter focused on the review of the literature on the effect of Bodaboda Saccos on members' economic growth. The chapter as mentioned earlier is divided into four sections: the role of Bodaboda Saccos in influencing members' economic growth; opportunities available to members in Bodaboda Saccos, the economic challenges facing members in Bodaboda Saccos, and strategies for improving Bodaboda Saccos and lastly the conclusion.

2.2 Saving culture influence on members' economic growth

Credit unions currently serve an estimated 120 million members in 87 countries around the world, helping members increase their incomes, build wealth and security and provide homes for their families (Mwakajumilo, 2011). The cooperative sector has a proven to be an economic force in many countries, with agricultural cooperatives being the most dominant. In Canada, agricultural cooperatives handle over 40 percent of farm cash receipts. In Japan, the bank associated with the Japanese cooperatives is one of the largest in the whole Country, and the associated insurance company is the biggest insurance company in Japan. Although not as spread as the agricultural cooperatives other cooperatives also have significant turnovers and many shares of the market in several countries (Brusky, 2006).

In Africa, many countries restructured the legal framework to give complete autonomy to cooperatives as a means of enabling them to fit in emerging competitive market economy. It was envisaged that this would make the management of cooperatives societies democratic and professional, and thereby change them from dependent organizations to self-controlled and independent business associations capable of competing with other private enterprises on the market (Develtere, 2008).

In Kenya, there are over eleven thousand registered cooperative societies, with over 5.7 million registered members and an asset base which exceed Ksh. 105 billion, cutting across all sectors of the economy and spreading in the entire country. The Kenyan government continues to facilitate the formation of SACCOs and also it recognizes the Saccos for their contribution of mobilizing members to make savings (Allen and Staehle, 2007). According to Khandker (2005), in Kenya, there are traders, transport, Jua-Kali and community-based SACCOs. In fact, SACCOs with their several products and services have given a profound meaning to the economic sector in Kenya. Saccos most popular service is that of saving, which has proven to be the surest way to break the repetitive cycle of dependency and is fundamental to sustainable economic development.

Sacco is an autonomous association of persons united voluntarily to meet their common social and economic needs through a jointly owned democratically controlled enterprise or business. A Sacco is a member-owned financial cooperative whose principal aim is to accumulate savings and afford member access to loans on friendly terms as a way of enhancing their socio-economic well-being. It is an organization owned by people living in one area such as farmers or people working together. A Sacco has one common bond namely; community bond and association bond. Community bond exists when members are resident in a particular locality or neighborhood such as farmers, businessmen, and fishermen. The community bond caters for all people within the community. Occupational/association bond is for people employed by the same employer or belonging to the same profession. The common bond that ensures there exists among members a sense of identity, mutual concern, cooperation, loyalty, and trust. The common bond protects the SACCO because the members know each other. This facilitates efficiency and effectiveness in credit management for the growth of business and better access to social services. Members are the core pillars of a Sacco and are the reasons for the Sacco existence (Ahimbisimbe, 2007).

According to Kenya 1991 Cooperative Act and 1992 Cooperative Regulations Saccos are legal institutions registered under the cooperative laws. Saccos belong to the members through payment of share capital and membership fees to the organization. The Saccos are owned and governed by members who have the same common bond. A Sacco membership is open to all that belong to a group, regardless of race, religion, color, and gender or job status. The members agree to pool their money together in the Sacco and to make loans to one another at reasonable rates of interest. According to Ahimbisibwe (2009), Sacco's core business is to encourage thrift and easy access to credit to their members. Savings and Credit Cooperatives play a significant role in the socio-economic development of the people; they provide avenues for members to save regularly and then borrow for productive and welfare purposes. Like any other cooperative organizations, Saccos are guided by the practices, philosophy, fundamental principles, and values of the cooperative movement world over.

2.3 Economic opportunities in Bodaboda Saccos

2.3.1 Cooperative Entrepreneurship

According to Ravensburg (2009), cooperative movements have seen the birth and rise of major enterprises in Western Europe, North America, and Australia; unfortunately the same has not resonated for the rest of the world. Cooperative movements were started in the developed world almost 150 years ago. Thus entrepreneur cooperatives have proven to be highly effective for most neighborhood businesses over the course of over 150 years in several Western European countries, North America and Australia. Although this form of business clustering has not traditionally been widely used in Africa, Asia, Eastern Europe and Latin America, there are signs that its development and entrepreneurship effects are gradually being adopted. Entrepreneur cooperatives are also becoming quite popular in new areas of

business, including fair trade, international marketing for crafts and service industries around the world.

In industrialized countries, Entrepreneur Cooperatives thrive in competitive markets, and although they do not only seek to maximize profits, they have achieved significant market share in sectors where capital-driven enterprises are very strong (such as insurance, food retail, pharmacy and various trades) throughout Europe. Entrepreneur Cooperatives are growing fast in the sectors of healthcare, business services and in education. Even professionals and public bodies in both Northern America and Western Europe are making increasing use of Entrepreneur Cooperatives (CEC, 2004).

According to Mwaura (2010), cooperative entrepreneurship deals with the undertaking and assuming the responsibility to discover, innovate and initiate cooperative effects of the higher growth of cooperative organizations and better socio-economic patterns of entrepreneur members and community by simultaneously applying cooperative values, principles, and practices. Leadership in the cooperative is to ensure that the organization is developed and ventures to become successful and also carry the businesses by the cooperative principles. The application of management principles and practices in cooperative entrepreneurship is highly desirable in this regard.

Gicheru (2011) observed that to strengthen the Bodaboda Saccos management, more capacity building in cooperative management, with emphasis on shared leadership, and making membership meaningful by accredited organizations should be offered to the members, board, and staff. In the areas of capacity building, development partners and stakeholders should come on board to assist, through providing resources. Cooperative enterprises are formed to meet the needs of members. The success of any cooperative depends on the members' participation in its business and management; therefore the entrepreneurial culture among the members is essential. The principle of the self-help and

voluntarism of cooperative is necessary with the entrepreneurial framework of the cooperative organizations. The national policy on the cooperatives should recognize the need for inculcating the spirit of entrepreneurship culture in the cooperative sector.

In Nairobi, the Minister for Cooperative Development and Marketing Hon. Joseph Nyaga observed that the cooperative movement in Kenya continues to contribute enormously towards the socio-economic welfare of Kenyans. The activities of the movement cut across all sectors of our economy and the impact greatly in such areas as finance, Agriculture, Transport, health, education, youth and shelter among others. It continues to grow impressively as an alternative model of doing business. To-date 14,395 cooperative societies have been registered with over 10 million members. This is a great improvement from membership of 7 million and 11,960 registered cooperatives societies in 2008. The youth participation in cooperative activities is minimal. So far, more than 100 youths cooperatives have been registered all over the country. The youth are beginning to understand and embrace the cooperative model of doing business.

2.3.2 Financial and Credit accessibility

According to Wairimu (2009), in Kenya, there are various avenues which youths can assess credit for starting a business. This includes formal financial institutions and microfinance institutions. However, for them to access such credit, they need to show that they are in a position to repay it and offer collateral. Properties, savings and being employed are some of the collateral accepted by financial institutions. These terms and conditions make it very difficult for the youth to access credit finances, especially when starting a business. It is in consideration of these barriers that the government of Kenya through the Ministry of Youth Affairs introduced the Youth Enterprise Development Fund. The YEDF was conceived in June 2006 by the government as a strategic move towards arresting

unemployment which is virtually a youth problem. The loan target all forms of youth enterprises whether belonging to an individual, a company, in groups, in cooperatives or any legal forms of enterprise ownership. In the 2006/2007 budget, the government set aside one billion (Ksh 1 billion) to fast track this noble and timely initiative (YEDF, 2011).

According to YEDF (2009), the fund facilitates youth employment through enterprise development and structured labor export. The YEDF has objectives which include; the provision of loans to existing microfinance Institutions (MFIs), registration of non-governmental organizations (NGOs) involved in micro financing, and Savings and Credit Cooperative Organizations (SACCOs) for lending to the youth enterprises; attract and facilitate investment in micro, small and medium enterprises oriented commercial infrastructures such as business or industrial parks, markets or business incubators that will be beneficial to youth enterprises; support youth micro, small and medium enterprises to develop linkages with large firms; promote marketing of products and services of youth enterprises in all domestic and international markets; and facilitate employment of young people in the global labor market.

Constituency Youth Enterprise Scheme (C-YES) is a component of the YEDF that is meant to fund enterprises of youth groups in all constituencies. This constituency disbursement channel (C-YES)

Was majorly put in place to instill entrepreneurial culture among the youth in all areas of the Country. This channel mostly targeted the poor youths and those with no experience in dealing with the mainstream financial sector, primarily commercial banks. The C-YES targets viable enterprises of youth groups within the constituency. The fund has been able to reach young people in all areas of the Country including those with poor financial infrastructure (YEDF, 2009).

According to MOYA Strategic Plan (2007-2012), the youth can access the YEDF as the individual, or as the group and hence making the collateral requirements to secure the monies borrowed affordable in the sense that it can be in the form of group guarantee, guarantee by parents, relatives or even community leaders. This helps the youth to work towards the realization of their life goals that are hindered by tough regulations that have in the past barred them from accessing credit facilities. According to the YEDF status report (2007-2012), youth can access loan from YEDF through the C-YES, but as an individual, the loan starts with Kshs. 25,000 and graduate to Kshs. 100,000 on the third loan. The groups start with Kshs. 50,000 and graduate upwards to Kshs 400,000. But to borrow as an individual one has to be a member of a group which has repaid its loan.

2.4 The Economic Challenges facing members of Bodaboda Saccos

2.4.1 Accidents

Over the recent years, motorcycles all over the world have increased tremendously. In China, for instance, two-wheeled scooters and motorcycles have played an important role in the developing world, with a current fleet of hundred million (WBSCD, 2002). According to Kumar (2011), countries in the Sub-Saharan Africa, Latin America and Asia, the increase and the use of motorcycles as preferred means of public transport has been majorly attributed to the fact that the transport mode offers certain advantages in the form of easy maneuverability, the ability to travel on bad roads and the demand responsiveness. Commercial motorcycle service growth has also led to an increase in road accidents, traffic management problems, pervasive noise and an increase in local air pollution.

A major challenge for young people is how to overcome the factors hindering the growth of their businesses (Mboniyane and Ladzani, 2011). The road injury epidemic is a

crisis for public health and is a major contributor to poverty (Ward and Billingsley, 2009). According to WBSCD (2001), road crashes kills at least 1.3 million people each year and injure 50 million worldwide. Ninety percent of these casualties are in low and middle-income countries. By 2015 road crashes are predicted by WHO to be the leading cause of premature death and disability for children aged five years and above. According to Edson and Tandoc (2007), young motorcyclists below the age of 18 make up a greater percentage of injuries and fatalities among road users in many countries because of the lack of thorough training, riding while they are under age and not complying with traffic rules. Factors such as over speeding, lack of personal protective equipment, and risk-taking behavior contribute to this trend. Based on the Traffic (Amendment) Act, 2012 one of the ways to cap the traffic menace is stiff penalties.

2.4.2. Lack of Investment Capital

Due to lack of already available capital for initial investment, most of the Bodaboda operators within Makueni County are employed. They have to remit between Kshs 250 and Kshs 500 per day to their employers. This makes it difficult for them to save thus hindering extremely their ability to join Sacco's which can empower them financially. According to Moni (2012), most of the land within Makueni County is not arable due to persistent low rains; this does not help the factor that the youth can engage in farming activities to raise funds to buy motorcycles.

The Saccos, on the other hand, loses potential members because of this challenge. According to the YEDF status report (2007-2012), youth can access loan from YEDF through the C-YES, but as an individual, the loan starts with Kshs. 25,000 and graduate to Kshs. 100,000 on the third loan. The groups start with Kshs. 50,000 and graduate upwards to Kshs

400,000. But to borrow as an individual one has to be a member of a group which has repaid its loan. Therefore one has to be an investor first before accessing any loan. Due to the poverty levels that the youth face with most of them subsisting on less than a dollar per day, raising the initial capital seems remote to them.

2.4.3 Legal Requirements

Regulatory constraints pose serious challenges to small and medium enterprises development (Kauffmann, 2005). Licensing and registration requirements, as well as high cost of settling legal claims, and excessive delays in court proceedings adversely affect small and medium enterprises operations (Wanjohi and Mugure, 2008). According to Manyara (2013), when business is good, a Bodaboda operator makes a net income of close to Kshs. 500-1000 daily. The penalty for over-speeding for any automobile is Kshs. 100,000. Given how much the riders earn these laws are far from the reality of the ordinary citizen's livelihood.

In Kenya, to legally operate a motorcycle, one must be 18 and over, possess a valid driving licensing and wear a helmet and reflective clothing while riding. The key statutory laws associated with the safety of motorcycle operation in Kenya are constituted in the Traffic Act CAP 403 of 2009 and the legal notice No. 33 of 2012.

2.4.3.1 Traffic Act Cap 403

Section 85 of the Act guides against driving on the road or other public places when a person is drunk or when he is incapable of having proper control of the vehicle. Upon conviction, an offender shall be liable to a fine not exceeding 100,000 Kshs or jailed for a period that does not exceed two years or both.

Section 86 provides a person driving at a speed or in a manner dangerous to the safety of the public shall be guilty of an offense and is liable to a fine not exceeding 100,000 Kshs

or an imprisonment for a term not exceeding two years or both. In section 89 (1) of the Act, no more than one person should be carried by a rider while part (2) prohibits carrying an unusual load. The load carried should not pose a danger to the persons using the road. An individual who contravenes the provisions of this Section shall be guilty of an offense and liable to a fine not which does not exceed two thousand shillings.

2.4.3.2 Legal Notice No. 33 of 2012

Part I Section 3 states that the regulation shall apply to all motorcycle operating on public roads in Kenya. While part 2 section 4(1) states no motorcycle shall be registered, sold or transferred by any person without the following protective gear; two helmets and two jackets that have reflectors. Part 3 Section 5 directs that the operator will provide the rider and passenger with helmets, not to carry more than one person at a time and ensure the motorcycle is insured against third party risks. Section 7 of the legal notice states that every passenger riding on a motorcycle shall wear a helmet and reflective jacket, and the passenger should sit astride in the seat behind the driver.

2.5 Ways of enhancing the effectiveness of Bodaboda Saccos

Sacco Societies Act, 2008 which provided for the establishment of SASRA were introduced, and it ushered in prudential regulations to promote and maintain financial soundness of Saccos. SASRA is a semi-autonomous Government Agency and is a creation of the Sacco Societies Act 2008. It was inaugurated in 2009 and was charged with the prime responsibility of licensing and supervising deposit taking Sacco Societies in Kenya.

2.5.1 Prudential standards and reporting requirements by the Act

Saccos are subject to adhering to monthly returns (capital adequacy, liquidity, and deposits), Quarterly returns (risky classification of the assets and loan loss provisioning,

investment returns, financial performance) and other returns requested by the body. The Act requires the Saccos to submit annual returns (audited financial statements). SASRA has the authority to inspect the premises and the records of a Sacco and to prescribe enforcement of actions in case of deficiencies.

Non-compliance with legal requirements carries specified penalties and includes removal from office of directors and other responsible officers. This applies to all licensed Saccos. Once licensed, each member's deposits will be protected in the event of a collapse of a Sacco.

2.5.2 Submitting returns and surveillance-being watched all the time

Saccos are required to send returns on or before the 15th day of every month. SASRA has competent technocrats who go through the reports, and they summon Saccos whenever there are irregularities. Failure to send returns attract penalties thus has made Saccos more vigilant in sending their returns.

SASRA monitors Sacco's operations through on-site and off-site surveillance. Before a Sacco engages in any new operations like admitting a new class of members, opening and closing branches SASRA has to be informed, and they inspect the activities. When a Sacco ignores such requirements, substantial penalties are bound to follow. SASRA licenses Sacco's, and those do not perform as required their licenses are not renewed. The study will enlighten Bodaboda Saccos on the need of embracing SASRA regulations.

2.6 Summary of the Reviewed Literature

The literature reviewed literature discussed four areas about the research question as follows; first, the role of Bodaboda Saccos in influencing members' economic growth. The study highlighted how countries like Canada, Japan among others have managed to encourage Sacco growth and how they serve many people. The African countries have set the

legal framework to ensure cooperatives fit in competitive market economic. In Kenya, Saccos cut across all sectors of the economy and spread over the country. The Sacco's diverse products and services have given a meaning to the financial sector in Kenya. Sacco's core role is to encourage thrift and easy access to credit to their members. Secondly, it reviewed the economic opportunities in Bodaboda Saccos. The study highlighted how cooperative movements have led to birth and rise of enterprises in Western Europe, US, and Australia. The study has shown how cooperative entrepreneurship can lead to the growth of cooperative organizations and better socio-economic patterns of members and community. Also highlighted are the avenues Bodaboda Saccos can access loans like YEDF.

Thirdly, it reviewed economic challenges facing members in Bodaboda Saccos. It highlighted how accidents, the high cost of settling legal claims and lack of enough capital poses difficult times for their financial growth. Fourthly, the study reviewed ways of enhancing the effectiveness of Bodaboda Saccos. Under this objective, the study highlighted how SASRA could offer their services of regulations to promote and maintain financial soundness in Bodaboda Saccos. However, the above literature reviewed does not give an answer to the topic under study.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter presents a description of the methodology that was used in the study. It comprises of various sections namely research design, target population, sample and sampling procedures, description of research instruments, validity, reliability, data collection procedures, data analysis procedures, and ethical considerations.

3.2 Research design

A good research design considers the paradigm that best fits the problems being investigated and the types of needs required (Lokong', 2006). Survey research involves collecting data to test hypotheses or to answer questions about people's opinions on some topic (Gay, 2009). This study used the cross-sectional survey research design. This approach was appropriate because it enabled the researcher to use questionnaires and interview guide to obtain information from County office in Department of corporate societies, Bodaboda Sacco leaders and members concerning the effectiveness of Bodaboda Saccos on members' economic growth.

3.3 Target population

Nsubuga (2000), asserts that target population refers to objects, subjects or events (whole or units) in a group that is under study, while Mugenda (2008), observes that target population is the entire group of individuals, objects, things or elements that share common characteristics and may or may not be found in the same geographical location.

The target population in this study was the total membership of the 30 registered Bodaboda Saccos in Makueni County totaling 2,894 members (CEO of Makueni County

Corporate Management, 2015). The research also targeted the CEO of Makueni County Corporate management and chairpersons of Saccos as key informants.

The CEO of County corporate management gave information regarding achievements of Bodaboda Saccos, economic challenges they encounter and gave suggestions on approaches which could be useful in effectively addressing their needs. Sacco leaders constituted the administration team as such their participation in this study was important. They have a chance of developing positive attitude towards Sacco activities. They gave information about the activities they supervise. Sacco members were the beneficiaries of services rendered by the Saccos and as such their feedback on how they perceived Bodaboda Saccos towards their economic empowerment was important in this study.

3.4 Description of Sample and Sampling Procedures

Since the population was heterogeneous the researcher used Stratified sampling to get a representative sample, in this case, the researcher had two sub-populations; male sub-population/stratum and female sub-population/stratum. Using simple random sampling, the researcher used 5% for each stratum, therefore adding up to 10% of the strata. The researcher also made use of homogenous purposive sampling technique to select three Sacco chairpersons to give information about the activities they supervised, since they constituted the key administration team. The researcher also sought the opinion of the CEO of Makueni County Corporate management.

According to Kothari (2005), random sampling gives each element in the population an equal probability of getting into the sample and all choices are independent of one another. Also, it gives each possible sample combination an equal probability of being chosen. According to Nsubuga (2000), a sample consists of units that are selected from a given population, while sampling is the collection of the information from carefully selected unit

drawn from a population in which the sample represents accurately the characteristics of the population for generalization based on the data obtained. According to Mugenda and Mugenda (2003), a good sample size lies between 10-30 % of entire population. The researcher will use 10% in the calculation of the sample size.

The sample size for the Saccos was 10% of 30 registered Saccos, which was 3 Saccos, with the membership of 994 members (CEO of Makueni County Corporate Management, 2015). The 3 Saccos were chosen randomly. The study also targeted a sample of 3 Sacco chairpersons selected using homogenous purposive sampling from a total of 30 chairpersons, (10% of total population of the 30 chairpersons).

Table 1 Sample Frame

Target groups	Total Population	Sample size (10% of total population)	Sampling technique
Sacco 1	303	30	Simple random
Sacco 2	452	45	Simple random
Sacco 3	209	21	Simple random
Chairpersons	30	3	Purposive
CEO County Corporate department	1	1	Purposive
Total	995	100	

Source: CEO of Makueni County Corporate Management, 2015

The sample size will comprise 100 respondents who include 96 Sacco members, 3 chairpersons and 1 key informant-the CEO of the county corporate management.

3.4.1 Selection of Key Informants

Criterion Purposive sampling was used to select the CEO of corporate management in the County because by his office he had much information about Bodaboda Saccos, their weakness, how they could improve and what the County was doing to improve their economic strength.

3.4.2 Selection of Sacco chairpersons

The study used homogenous purposive sampling in selecting the chairpersons of the three randomly selected Saccos. The Saccos had the committee which linked the Sacco to the County corporate office. The committee performed administrative responsibilities in the Sacco. By being immediate stewards of the Saccos, they were in touch with the needs and problems of Bodaboda Sacco members. The researcher selected one chairperson from 3 Saccos totaling to 3 chairpersons.

3.4.3 Selection of Sacco members

The researcher used stratified random sampling since the target group was heterogeneous. The target group was in strata; male and female. The study used a sample size of 10% of the total population of each of the three randomly selected Saccos members to participate in the study. For gender inclusiveness, the researcher used 5% of sampling for male and 5% for female totaling the 10%.

Using simple random sampling, the researcher wrote the names of the 30 Saccos in pieces of paper, he then put the 30 pieces into a container and shook them. The research

assistant blindfolded picked them with replacement until the sample size was reached. The researcher mixed the pot consecutively after each picking. Having picked the 3 Saccos, through a simple random procedure, the researcher picked 96 respondents of these 3 Saccos.

3.5. Description of Research Instruments

The study made the use of both quantitative and qualitative data collection instruments. The study used questionnaires and interview guide. These instruments captured the information needed by the researcher.

According to Kombo and Tromp (2009), a questionnaire is a written set of questions prepared to generate information on the desired area of study from a pool of participants. The items in the questionnaire were of two types namely; structured and unstructured (open ended) questions. The structured questions enabled the researcher to obtain accurate responses and clarifications from the participants whereas the open-ended questions enriched the structured questions by allowing the participants to express their views and any other information they wished to give on the given items. The interview was used to gather data which was detailed. This involved face to face interaction between the researcher and the key informants.

3.5.1 Questionnaires

The questionnaires were divided into different sections in line with the research questions as follows; Section A solicited demographic information of the Sacco members and their leaders, Section B solicited information on the role of Bodaboda Saccos to members, Section C solicited information on economic opportunities available to the Bodaboda Sacco members, Section D solicited information on economic challenges faced by members in Bodaboda Saccos, and lastly Section E solicited information on ways of enhancing economic growth of Bodaboda Saccos.

3.5.2 Interview Guide

According to Best and Kahn (2001) interview is superior to other data collection tools for it creates rapport between the respondents and researcher, and it can be used in conjunction with other tools. This method is also used due to its advantage of face to face interaction between researcher and participants which yield the greatest cooperation and high-quality responses than issuing questionnaire. The interview guide focused on the Management chairpersons of the Saccos. Also, interview guide was also used to source data from chief executive officer of County corporate societies who was the senior most implementer of Sacco policies at County level. She was in a position to provide valuable data on Bodaboda Saccos that hampers their economic growth, what the County was doing to empower Bodaboda Sacco's and how the County government monitored the Bodaboda Saccos

3.6 Validity and Reliability

3.6.1 Validity

According to Gay, Mills, and Airasian, (2009), validity refers to the degree to which an instrument measures what it is supposed to measure and consequently permits appropriate interpretation of scores. The researcher conducted a pilot study to pre-test the questionnaires in one Bodaboda Sacco in Machakos County but with similar demographic characteristics to the sample.

According to Orodho (2004), the practice of pre-testing the questionnaires is useful for identifying questions that are vague, unclear directions, and insufficient space to write the responses. Irrelevant and baseless items were discarded and replaced with more appropriate, relevant and logical items. The researcher gave the questionnaires to different experts in the Faculty of Arts and Social Sciences at the Catholic University of Eastern Africa who

analyzed them and checked their format, structures of the questions, whether the questions being asked were related to the problem under study and capable of soliciting the information being sought. Afterward, they gave suggestions for their improvements and these were incorporated into the instruments.

3.6.2 Reliability

According to Gay et al. (2009) reliability is the degree to which a test consistently measures whatever it is measuring. The more reliable an instrument is, the more confidence we have that the score obtained are same that would be obtained if the test were re-administered. Reliability is expressed numerically, usually as reliability coefficient, which is obtained by using a correlation. In general, tests that yield scores with a reliability of 0.7 or higher are sufficiently reliable for most research purposes (Garl and Borg, 2007).

To enhance reliability, the pilot study was conducted before the commencement of the main study. Participants were selected from a Bodaboda Sacco in Machakos County which was not in the main study. The researcher administered the instruments personally. The reliability of the questionnaires was tested using the internal consistency method, and a reliability coefficient was reported. The study used SPSS version 20 to run the reliability of the instrument at the pilot testing. The reliability of Bodaboda members' questionnaires was computed using Cronbach's Alpha reliability coefficient method. After calculating with the help of SPSS, Cronbach's Alpha of 0.7 was obtained. According to Kasomo (2007), a questionnaire is deemed reliable if the statistical alpha is greater than 0.5 hence an alpha of 0.7 was sufficient for the study.

3.7 Data collection procedures

Upon obtaining the introduction letter from the Catholic University of Eastern Africa and research permit from National Commission for Science and Technology and Ministry of

Education the researcher visited County Government of Makueni, the department of cooperative societies. During the first visit, the researcher introduced himself and stated his intentions. After that modality for going about the research were discussed and dates for the data collection through interviews and questionnaires were agreed upon.

Questionnaires for Bodaboda members were administered by the researcher and research assistants and likewise collected after being filled on the specified dates. The researcher conducted the interviews personally at the convenience of Sacco chairpersons and the CEO of cooperate department.

3.8 Data Analysis Procedures

According to Bryman (2000), an analysis is a process bringing the order of data into patterns of categorical and descriptive units. The researcher analyzed the collected data using both quantitative and qualitative techniques. Before actual data analysis, the gathered data from the questionnaires was edited then coded. In the editing process, the collected questionnaires were checked for completeness, errors, omissions, illegible responses and out rightly irrelevant responses. Finally, categories of responses were identified and classified on a prepared sheet as per research questions. With all quantitative data at hand, the researcher used the SPSS (SPSS version 20) for analyzing the information in conformity with the research questions. The analyzed data were interpreted into scores and logically presented in various figures, tables, and frequency distribution charts.

Qualitative data was derived from the opened ended questions in the questionnaires and the interview guides. The responses were organized in response to the research questions, and from the information, the researcher wrote descriptive narratives and interpretive report to explain and reflect the situation as it was occurring.

3.9 Ethical Considerations

A researcher has to be responsible at all times and be vigilant, mindful and sensitive to human dignity. According to McMillan and Schumacher (2001), information on participants should be regarded as confidential unless otherwise agreed on through informed consent. In this study, the respondents were guaranteed that all data gathered from them was to be coded to protect their identity and privacy. They were informed that the study was basically for academic purposes but not to make them receive any benefits and that they were entitled to a summary of the outcome of the study if they so wish. They were assured of confidentiality, and they were also told that they were free to decline. The thesis report will be left in the university library, and a copy will be sent to the County Government of Makueni through the university.

CHAPTER FOUR

PRESENTATIONS, INTERPRETATION, AND ANALYSIS OF DATA

4.1 Introduction

This chapter deals with the presentation, discussion, and interpretation of findings. It presents the results of the effect of Bodaboda Saccos on members' economic growth in Makueni County, Kenya. The study involved 30 registered Saccos, 3 chairpersons in charge of the Saccos and 90 Sacco members and County Chief Executive Officer of Cooperative societies.

Data was analyzed using frequencies and percentages and presented in tables and figures. The first section analyses the demographic data of Bodaboda Sacco members. The other sections were presented according to the research questions considering different question items of questionnaire and interview guide that give different data. Summaries of these findings are given in tables of frequency, and percentage distributions and cross tabulations.

4.2 Questionnaire Return Rate

This section presents questionnaire return rate of respondents that were targeted during the study period. Quantitative primary data was obtained through the issuance of questionnaires to the respondents who were the Bodaboda Sacco members. This data was gathered by research assistants who directly administered the questionnaires to the study respondents. The response rate was as shown using table 2 as illustrated below;

Table 2

Respondents	Expected	Responded	Rate of Response %
Bodaboda Sacco members	96	82	85.4
Bodaboda Chairpersons	3	3	100
Cooperatives CEO	1	1	100

Source: Research data, (2016)

Analysis of respondents return rate as depicted in the study reveal that out of 96 Sacco members targeted 85.4% responded to the study questions. This implies that all except 14 respondents took part in the study. From the data above all chairpersons, 3(100%) participated in the study and the Cooperative Chief Executive Officer 1(100%) responded to the study. The quantitative and qualitative data analyzed, presented and discussed depends on these categories of respondents.

4.3 Demographic Information of the Respondents

Demographic information sought by the researcher included sex and Age of the respondents, academic qualification, Name of respondents Sacco, and participants length of time in a Sacco.

4.3.1 Gender of the respondents

The researcher sought information on the sex of the respondents. The gender of the respondents was to assist the researcher to find out whether there is gender representation in Bodaboda Saccos.

Table 3 Distribution of Participants by Gender

Gender	Frequency	Percentage %
Male	58	70.7
Female	24	29.3
Total	82	100.0

Source: Author, (2016)

From the above table 3, there were 58(70.7 %) male and 24(29.3%) female Bodaboda Sacco members who participated in the study thus having a higher male representation. The findings revealed that the Bodaboda business was a venture for both male and female with males being the majority. The study agreed with Nyachieo (2013) that Bodaboda business was male dominated. However, the study did not agree with Mwobobia (2011), who found the Bodaboda business was an exclusive male preserve, possibly attributed to the nature of business classified as high risk for women.

4.3.2 Age of respondents

The age of the respondents was divided into four categories below, between 18-35 years, 36-59 years and 60 and above. The figure 2 below shows the results.

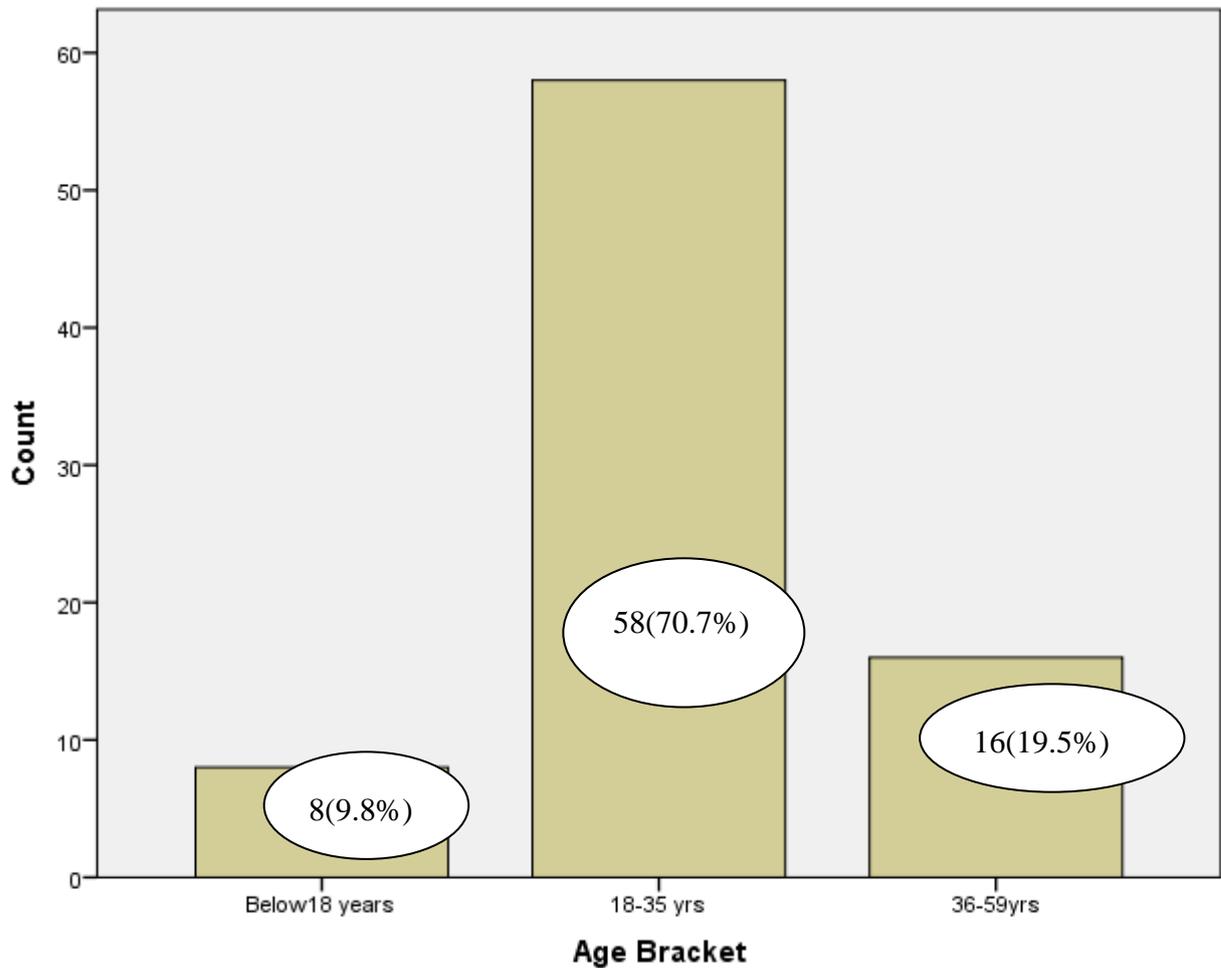


Figure 2 Age of the participants

The analysis above indicated that 58 (70.7%) of the respondents were aged between 18-35 years, 16 (19.5%) were between 36-59 years, and 8 (9.8%) below 18 years old, nobody was of 60 years and above. From the findings, it was found out that Bodaboda business was practiced by more young people than any other age group. Surprisingly, the study revealed that some people were below 18 years of age meaning that they did not complete their basic education and more importantly were still minors thus raising the eligibility question of having a driving license and being worthy to practice the business.

4.3.3 Academic Qualification

The respondents were asked to indicate their level of education. The educational background of Bodaboda Sacco members was vital to the study as it was to point out whether it would influence membership and saving culture thus fostering economic growth to the members.

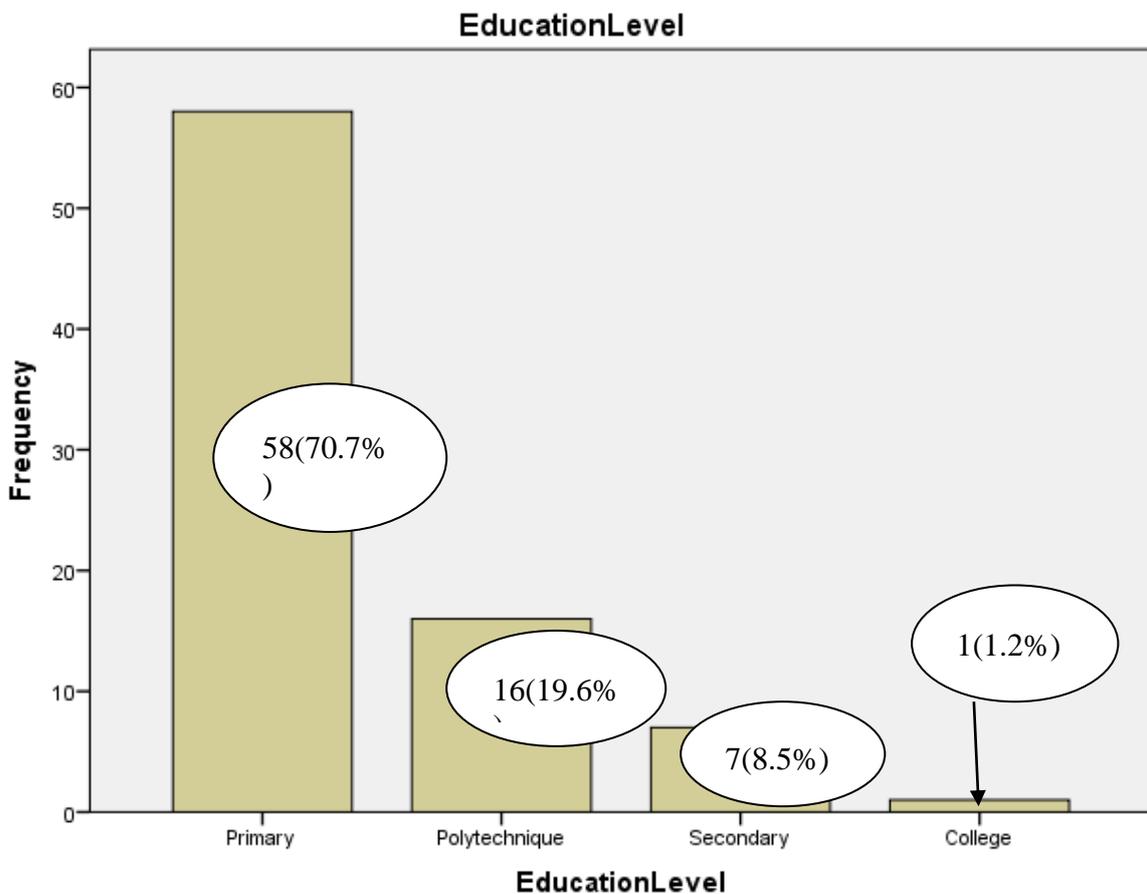


Figure 3 Education level

Those of primary level took the lead with 58(70.7%) followed by those in Polytechnique at 16(19.5%), third was secondary education at 7(8.5%) and finally college at 1(1.2%). According to the study overwhelming majority had low education level. Similarly, all the respondents have had formal education. Also from the study, it comes out clearly no

discrimination against one's level of education in being a member of Bodaboda Sacco member.

4.3.4 Name of the Bodaboda Sacco

There were three Saccos from the three regions under the study. Makamu Sacco members were from Mavindini, Kanthuni and Muusini locations which forms Mavindini ward. Emuki Sacco members were from Emali, Mukaa and Kasikeu locations which forms Emali ward. Ma Wote Sacco members were from Wote Township which forms Wote ward.

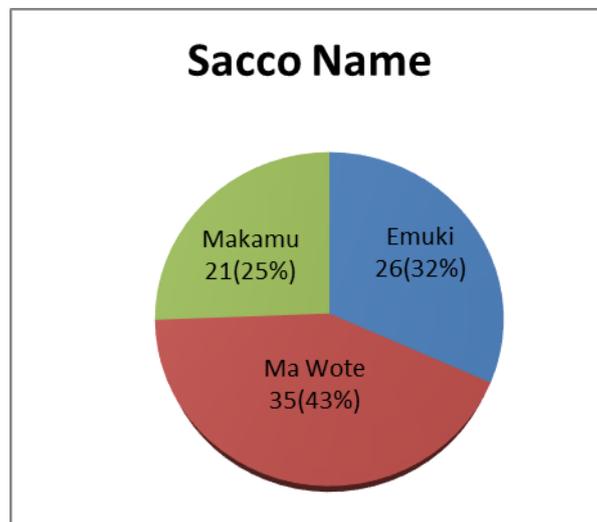


Figure 4 Sacco Name

Ma Wote Bodaboda Sacco being the majority by 35(43%) followed by Emuki with 26(32%) of the total participants and finally 21(25%). The findings revealed that Ma Wote Sacco is located within the County headquarters which is more populated than other regions thus more members in Ma Wote Sacco.

4.3.5 Participants length of time in a Sacco

The respondents had stayed in the Sacco for various durations ranging from 1 year to 5 years.

Table 4 Years in the Sacco

Length of stay in the Sacco	Frequency	Percent
1 yr	13	15.9
2 yrs	35	42.7
3 yrs	23	28.0
4 yrs	8	9.8
5 yrs	3	3.7
Total	82	100.0

Majority 35(42.7%) had been members for two years followed by 23(28%) who had been members for 3 years then 13(15.9%) for 1 year. Those who had stayed for 4 years followed at the fourth position with 8(9.8%), and finally, five-year membership tied the knot with only 3(3.7%). From the study length of stay could be predictive of the age of the Bodabodas in the County. From the findings, the business of Bodaboda Saccos was embraced at around five years ago and became very popular two years ago since majority had indicated that they had been members of their respective Saccos for the last two years.

4.4 Saving culture influence on members' economic growth

This section sought respondents view on the role played by Bodaboda Saccos in building members financial capacity. This was done by looking whether members make savings, saving methods, the frequency of contributions, action taken by Sacco when one member falls sick or passes away, the financial contribution of members to the needy member and participation in communal activities.

4.4.1 Savings with the Sacco

All the members saved in their respective Saccos. Since the business brings forth little daily income, which when not carefully managed may lead to waste or mismanagement leaving the business operator bankrupt at the end of the month, the Saccos had come up with saving methods of whether weekly or monthly depending on the member's choice.

The study sought to identify the Sacco, and the saving methods of the members in the different Saccos and the table 4.4 below explains further. There were two types of savings; one was the Sacco to come up with a minimum amount for every member that one was to choose and the other was a member to save an amount they wished to save though it had a condition that it was supposed to be higher than the set target by the group.

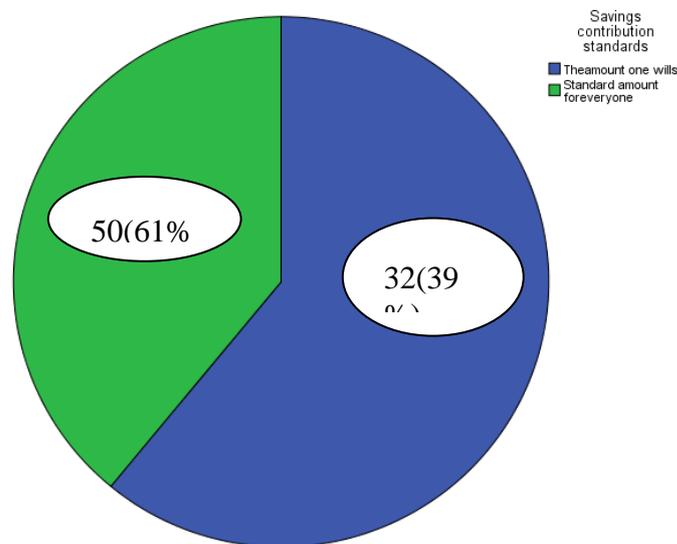


Figure 5 Methods of savings by the members

Figure 4.4 above shows the various methods the members used to save. The study revealed that 50(61%) saved the amount that a person was willing to save whereas 32(39%) said that they saved according to the targets that were set by the group.

There was an equal representation of those who saved daily and weekly at 50% each as seen in figure 6 below.

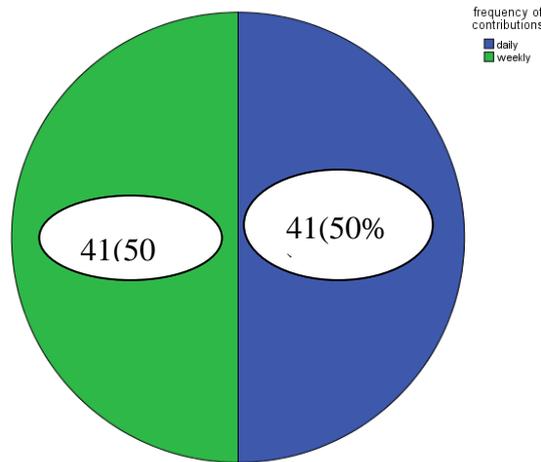


Figure 6 Frequency of savings

A comparison on the savings methodology was carried out for the different Saccos as seen in Table 5 below.

Table 5 SACCO name * Savings contribution methods Cross tabulation

		Savings contribution methods		Total
		The amount one wills	Standard amount for everyone	
Emuki	Count	16	10	26
	% within Savings contribution standards	32.0%	31.3%	31.7%
Ma Wote B. B. Sacco	Count	21	14	35
	% within Savings contribution standards	42.0%	43.8%	42.7%
Makamu	Count	13	8	21
	% within Savings contribution standards	26.0%	25.0%	25.6%
Total	Count	50	32	82
	% within Savings contribution standards	100.0%	100.0%	100.0%

From the option of the one that one wills, Ma Wote led by 21(42%) followed by Emuki at 16(32%) and finally Makamu at 13(26%). From those who saved a standard amount set by the group were 14(43.8%) from Ma Wote, followed by Emuki at 10(31.3%) and then the Makamu at 8(25%).

The chairpersons were asked to state how their Saccos saved in weekly and monthly basis and the results are seen in Table 6 below.

Table 6 Savings Standards

Sacco Name	Weekly(Ksh)	Monthly(Ksh)
Makamu	500	2,000
Emuki	1,000	4,000
Ma Wote	200	800

From Table 6 above, it was very clear that Emuki was the best Sacco that encouraged their members to save more. They claimed to be loyal to the way they saved in their Saccos. The members were supposed to use savings for future use as the chairpersons said. The chairpersons said that they encouraged their members to save more and more. In case one wanted to withdraw their money, there were minimal amounts that were supposed to be left in their accounts. For Ma Wote Sacco, the minimum amount was intended to be KSh. 500; Emuki's minimal balance was KSh. 1,000 while that of Makamu was KSh. 700. "This is to encourage and restrict members from withdrawing from the Sacco," said one of the chairpersons. These findings agree with Mwakajumilo (2011), who observed that credit unions help members to increase their incomes, build wealth and security through making savings.

4.5 Economic opportunities available to members in Bodaboda Saccos

One of research question sought to find out the economic opportunities available to Bodaboda Sacco members. To solicit information that would answer this question, the participants, namely Bodaboda Sacco members were asked several questions on whether they get loans and the type of loan(s), if they get dividends and if the Sacco engages in a value chain addition project(s).

4.5.1 Loans and dividends available to the Sacco members

There were four types of loans given by the three Saccos; business, school fees, emergency and asset loans to their members. The members had benefited from the different loans as shown: 30(36.6%) from business loans, 32(39%) school loans, 28(34.2%) emergency loans and 32(39%) asset finance loans.

The study also wanted to determine the number of beneficiaries as per the different Saccos as illustrated in figure 7 below.

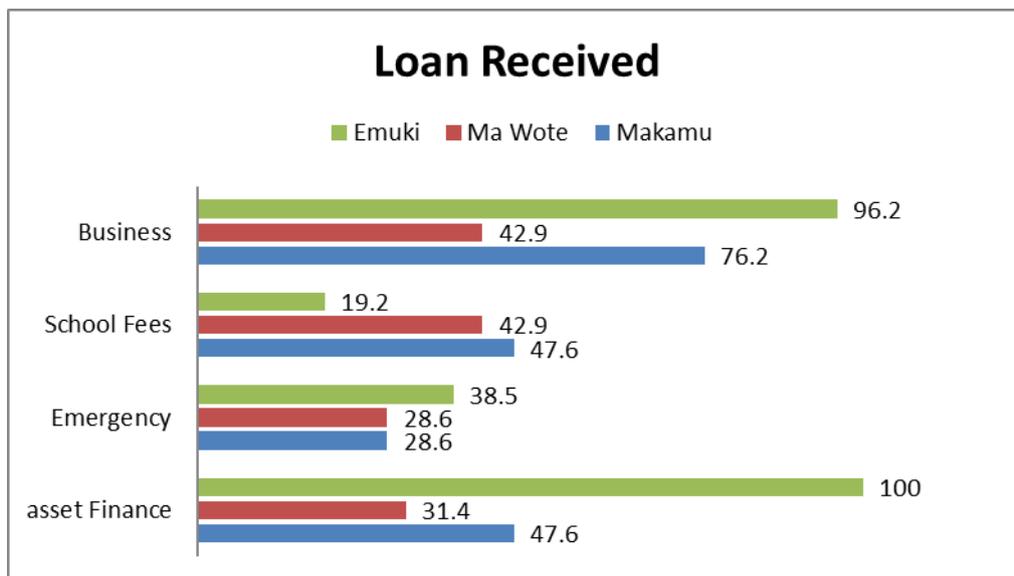


Figure 7 Loans received in the Saccos

From the figure 7 above, Emuki Sacco members had benefited more in the business loans at 25(96.2%) followed by Makamu at 16(76.2%) and finally Ma Wote 15(42.9%). Ma Wote Sacco had benefited more in the school loan at 15(47.6%) followed by Makamu at 10(42.9%) and then Emuki at 5(19.2%). Under the emergency loan, Ma Wote and Makamu had an equal number of representation at 10(28.6%) and 10(28.6%) respectively, while Emuki had 6(38.5%) of its members having benefited from that category of loan. Emuki again led the number of asset finance beneficiaries with all respondents saying that they had benefited followed by the Ma Wote at 11(47.6%) and the least 10(31.4%) being the Makamu members.

The findings of this study indicate that members of different Saccos got business loans which aided them in putting up other smaller enterprises or even topping up some cash to purchase more motorbikes. In addition, those who struggled with raising school fees for their children would apply and get school fees loans. As well, in the case of an emergency like an accident one would get an emergency loan. Asset finance enabled members to purchase land and plots. One chairperson said that *"the Sacco formation and engagement into the saving activities has improved the livelihoods of the members. Some members today own shops, have bought their motorbikes, operate posho mills, have irrigation farms and equipment where they could plant and sell agricultural produce; something that they did not have before starting the Saccos"*. These findings disagree with Moni (2012), who found that most of the land within Makueni County was not arable due to persistent low rains, which hinders the youth from engaging in farming activities to raise funds to buy motorcycles. According to findings of this study, the youths can engage in irrigation farming, own shops, and purchase motorbikes after joining and investing in the Bodaboda Saccos; they do not become dependent on rains alone for their economic growth.

The chairpersons were in a position to answer the questions on some interest rates and the maximum borrowing amounts as seen in the table below.

Table 7 Interest rates and maximum borrowing amounts

Sacco Name	Asset Finance		Emergency		School Fees		Business	
	Maximum amount Ksh of members savings	Interest Rate	Maximum amount ksh	Interest Rate	Maximum amount Ksh	Interest Rate	Maximum amount Ksh of members savings	Interest Rate
Makamu	2 times	2%	2,000	5%	15,000	2%	2 times	4%
Ma Wote	2 times	5%	1,000	8%	10,000	5%	2 times	5%
Emuki	3 times	4%	4,000	10%	20,000	4%	3 times	5%

From the table above, all Saccos gave asset, emergency, school and business loans. The Saccos had maximum loan limits, and all loans had interest rates. The study showed Emuki had favorable conditions of borrowing because it gave the highest amount of loans with a higher interest rate. High-interest rates mean high money returns. The study revealed that the interest rates to the members were very favorable, something that motivated them.

This study disagreed with Moni (2012), who observed that unemployment and lack of reliable and youth friendly credit facilities were the leading cause of youth dependency in Makueni County. However, as per the findings of this study, the youth have reliable and friendly savings and credit facilities where they can source loans after making savings. The

findings of this study indicated that each Sacco was in full action of cooperative business where members pulled resources together where they were able to access funds for development by borrowing and returning with interest. According to the study, these findings were concurring with those of Ahimbisibwe (2009), who observed that Sacco's core business is to encourage thrift and easy access to credit to their members. Savings and Credit Cooperatives play a major role in the socio-economic development of the people; they provide avenues for members to save regularly and then borrow for productive and welfare purposes.

From the interviewed county Cooperate CEO she said that *"Bodaboda Saccos were mostly dominated by young people and the county government facilities the Saccos to get the cash from the YEDFs for their economic empowerment, the county trains the Saccos on how to invest and also tracks how the money is spent by the Saccos. Also, the county government bought two motorbikes for each Sacco two years ago to add on their assets."* The researcher found the provision of funds by YEDF to Bodaboda Saccos is in line with YEDF (2009), whereby one of its objectives is to provide loans to Savings and Credit Cooperative Organizations (SACCOs) for lending to the youth enterprises; the fund facilitates youth employment through enterprise development.

The findings of the study also agreed with the theory which guided the study, agency theory by Jensen and Meckling (1976), which is developed as a framework for analyzing conflicting interests between stakeholders. This theory was meant to identify areas in which deficits exists, or desired performance has not been achieved to make suggestions that would improve the situation. According to this theory, members are the owners or principals of the Sacco, who delegate the running of Sacco business to the Sacco management committee. The owners of the Sacco expect the agents to act and make decisions in the best interest of them.

The success experienced so far in the Saccos under study is due to proper management by agents.

Of the three Saccos, Emuki and Makamu declared their dividends at the end of the year as shown in table 8 below.

Table 8 SACCO name * Does the Sacco declare dividends at the end of year Cross tabulation

		Does the Sacco declare dividends		Total
		Yes	No	
SACCO name	Emuki	26	0	26
	Ma Wote	0	35	35
	Makamu	21	0	21
	Total	47	35	82

Declaring of dividends ensured that the stakeholders and all the members were aware of the progress of their Sacco. This is an addition to good management, transparency, and accountability as well as the creation of a better opportunity for further investment opportunities thus creating a sense of belonging to the members.

4.5.2 Sacco Value chain projects

The study sought to find out whether the Saccos were involved in value chain projects. The findings are shown in Table 9 below.

Table 9 Sacco value chain projects

Sacco Name	Completed Projects	Future Plans
Emuki	Office premises, 2 plots, 4 motorbikes	Buying a tractor, buying 2 taxis, opening a filling station in a local market.
Makamu	Office premises, 2 motorbikes	Opening a stationary shop, buying a kiosk and a motorbike.
Ma Wote	1 motorbike	Buying a plot

From the table above, the findings indicate Emuki and Makamu had a higher number of completed projects and projects in the pipeline in comparison to Ma Wote. It was evident that Emuki Sacco had achieved a lot, was ambitious and had good plans that looked attainable. This was attributed to the good management in the Sacco. From the interviewed chairperson of Emuki, he said, *"we usually set monthly goals and evaluate them after each month; this is what has made us move this far economically."* The researcher revealed that the profits from the projects were taken back to the groups' savings account and acted like the money that they would borrow as loans.

4.6 Economic challenges facing members

In order to find out the challenges facing members in Bodaboda Saccos the researcher sought to solicit information that would answer this research question by asking the members to rate the challenges they were facing by ticking on a scale of 1 to 5 where 1 stands for

Strongly Agree(SA), 2 for Agree(A), 3 for Undecided (UD),4 for Disagree (D), and 5 for Strongly Disagree(SD).

Table 10 Challenges facing the Saccos

Challenge	SA	A	Undecided	D	SD	Total
Lack of enough capital	23(28%)	32(39%)	12(14.60%)	10(12.30%)	5(6.10%)	82(100%)
Inadequate government legislation	11(13.40%)	26(31.70%)	16(19.50%)	23(28%)	6(7.30%)	82(100%)
Lack of Proper Project Managerial and entrepreneurial skills	14(17.10%)	29(35.40%)	16(19.50%)	16(19.50%)	6(8.50%)	82(100%)
Unfavorable Insurance policy	21(25.60%)	29(35.40%)	15(17.10%)	9(11%)	9(11%)	82(100%)
Poor infrastructure	19(23.20%)	27(32.90%)	19(23.20%)	11(13.40%)	6(7.30%)	82(100%)
Untrained and young Bodaboda operators causing accidents	13(15.90%)	24(29.30%)	16(18.30%)	19(23.20%)	11(13.40%)	82(100%)
Police mistreatment	82(100%)	0%	0%	0%	0%	82(100%)
Inadequate support from the Sacco when a member is in need	18(22%)	30(36.60%)	18(22%)	11(13.40%)	5(6%)	82(100%)

According to Table 10 above, when combining the views of those who strongly agreed 23(28%) and those who agreed 32 (39%), an overwhelming majority agreed that capital availability was a challenge. The responses of members, who were undecided 12(14.60%), those who disagreed 10(12.3%) and strongly disagreed (SD) 5(6.1%) were the minority. This revealed that capital among respondents to start Bodaboda business and to be a Sacco member was not easy. Concerning the government legislation which should enhance business regulation 37(45.1%) of the respondents agreed that the legislation was inadequate, 16(19.5%) were undecided, and 23(28%) disagreed while 6(7.3%) strongly disagreed. The researcher revealed that the government had failed to put up legislation that would see the operators carry out their business without fear of the law. One interviewed chairperson said, *"It is always costly to pay for a member to be released by police or in court."* These findings conform to the findings of Manyara (2013), who observed that a Bodaboda operator makes a net income of close to Kshs. 500-1000 daily. The penalty for over-speeding for any automobile is Kshs. 100,000. Given how much the riders earn these laws are far from the reality of what they earn.

On the issue of lack of proper project managerial and entrepreneurial skills 14(17.1%) Strongly Agreed while 29(35.4%) Agreed, 16(19.5%) were undecided, while 23(28%) disagreed. This revealed that there is a need for more training to Bodaboda Sacco members which may foster creativity and innovation within the Saccos. This study finding agrees with Mwaura (2010), who observed that cooperative entrepreneurship enables members to discover, innovate and initiate cooperative effects of higher growth. The results yielded revealed that a good number of respondents 50(61%) agreed that insurance companies contributed to their problems instead of being part of solutions, 14(17.1%) were undecided about the insurance companies causing them financial woes while 18(22%) disagreed that insurance companies are part of their problems. The researcher concluded that insurance

companies take time before they compensate a person however some are not straightforward in their dealings. This was supported by a chairperson interviewed who said, *"In our Sacco, we have lost a motorbike which we owned as a Sacco, and now it is two years, and we have not been compensated, every time we visit the insurance office they tell us to go the following month."*

When asked whether the road infrastructure poses a challenge to their business 46(56.1%) of the respondents agreed on poor roads, 19(23.2%) were undecided while 17(20.7%) disagreed about the issue of the poor road network. According to the researcher, these findings imply that most roads in their area of operation were not tarmacked and this caused a major challenge especially during the rainy season and dry period. Concerning the issue of young and untrained Bodaboda operators, 37(45.1%) of the respondents agreed with 13(15.9%) strongly agreeing that their involvement was a challenge to them, 15(18.3%) were undecided while 30(36.6%) disagreed. The study revealed that there were minors carrying out the business. Some would even be involved in accidents since they did not go through the formal means of training and even lacked driving licenses. This finding concurs with Edson and Tandon (2007), who observed that young motorcyclists below 18 years proper training, riding while they are underage and do not comply with traffic rules. This was a challenge to the Sacco since it raised the integrity of the business as well scaring the customers away to opt for other means of transport like the taxi's or matatus. The study revealed that the young operators were doing their business against key statutory laws associated with the safety of motorcycle where one should be 18 and over and be able to possess a valid driving license.

On the issue of policy mistreatment, all respondents 82(100%) strongly agreed that the police pose a challenge to their dealings. One chairperson said, *"Many members have complained a lot about how police mistreat them by demanding money in order not to arrest them even if they had driving licenses and insurances; others are arrested forcing their*

friends and family members to collect money to give police officers to be released." The researcher revealed that Bodaboda operators are soft targets for the policemen thus derailing their financial growth.

Concerning the support from the Sacco when a member was in need 48(58.5%) agree there was inadequate support, 18(22%) were undecided while 16(19.5%) disagreed. One chairperson said, *"A Sacco intervenes financially on personal issues after vetting the situation of the member in need because the funds we have are limited."* These finding according to the researcher shows that the Saccos encourage personal responsibility, independence, and carefulness when Sacco members are doing their business.

4.7 Ways of improving economic growth of Bodaboda Saccos

In order to find out the strategies of improving economic growth of Bodaboda Saccos in Makueni County, the researcher sought to solicit information that would answer this question by asking the Bodaboda Sacco members to rate these solutions (training members on saving culture, project management and entrepreneurial skills, visitations to other Saccos and deregistration of corrupt insurance companies) by ticking on a scale of 1 to 5 where 1 stands for Strongly Agree (SA), 2 for Agree (A), 3 for Undecided (UD), 4 for Disagree (D) and 5 Strongly Disagree (SD).

The members came up with the following suggestions to curb the situations they were undergoing terming them viable for the success of the performance of the Saccos.

Table 11 Solutions to the challenges

Solution	SA	A	N	D	SD	Total
Train members on savings	24(29.3%)	33(40.2%)	14(17.1%)	11(13.4%)	0%	100%
Train members on cooperate entrepreneurship skills	23(28%)	31(37.8%)	15(17.1%)	9(11%)	4(6.1%)	100%
Educational visits to Saccos in other Counties	18(22%)	32(39%)	19(23.2%)	11(13.4%)	2(2.4%)	100%
Deregister corrupt insurance companies	17(20.7%)	23(28%)	18(22%)	20(24.4%)	4(4.9%)	100%
Government to intervene on police harassment	82(100%)	0%	0%	0%	0%	100%
Government to legislate laws that protects them	41(50%)	41(50%)	0%	0%	0%	100%
Saccos to Join SASRA	53(64.7%)	24(29.2%)	5(6.1%)	0%	0%	100%

According to the study 57(69.6%) agreed for training on savings, 14(17.1%) were neutral while 11(15.4%) disagreed. This revealed how respondents are eager to learn. Concerning the training on cooperative entrepreneurship 54(65.8%) agreed, 15(17.1%) were neutral while 13(17.1%) disagreed. This response reveals that majority of the respondents are yearning to learn more about cooperative way of doing business after the fruits they have experienced so far.

Based on the study, when asked about educational visits to Saccos in other counties 50(61%) agreed, 19(23.2%) were neutral while 13(15.8%) disagreed. This revealed how the educational visit to other Saccos was seen to have a positive change towards their operation

as many said that they would be in a position to exchange a lot of things and learn more from the visits.

In the study 40(48.7%) indicated that they agreed on corrupt insurance companies to be deregistered, 18(22%) were neutral while 24(29.3%) disagreed. From the findings, many respondents have lost the trust of insurance companies. This implied that Bodaboda operators had not understood how insurance companies operate thus expecting too much without following due procedures. The insurance companies also could have been making profits at the expense of less educated Bodaboda operators who did not understand their rights. The respondents pleaded with the government to intervene on police harassment and to legislate on laws that protected them with high measures of 82(100%). From the findings, 77(93.9%) of the respondents supported Bodaboda Saccos to be adopted by SASRA while 5(6.1%) were neutral. One chairperson said, *“SASRA is welcome if it will help us realize our economic growth goals.”* However, from the interviewed county CEO who was asked what should be done for Bodaboda Saccos to comply with SASRA, she said, *“They may not afford to join SASRA because the license for SASRA is KSh.50, 000 and KSh. 10,000,000 is the minimum amount of money which a Sacco should have to be adopted by SASRA.”* These findings reveal that the Bodaboda Saccos cannot enjoy the services of SASRA unless the government reviews the policy to accommodate Bodaboda Saccos which offer excellent services to Sacco members.

4.8 Chapter Summary

The data presented above was to investigate the effect of Bodaboda Saccos on members' economic growth. The data was collected from 86 respondents; 82 Bodaboda Sacco members, 3 Sacco chairpersons and 1 county CEO of the cooperative department. According to the data collected members of different Saccos made savings, assisted each

other in times of need and participated in communal activities. Also according to the data about economic opportunities, the Saccos offer loans and dividends to members. The Saccos have challenges like lack of enough capital, unfavorable insurance policy, and poor infrastructure. The members suggested various ways of improving their Saccos; training members on corporate entrepreneurship skills and educational visits to Saccos in other counties.

CHAPTER 5

SUMMARY OF FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of research findings, conclusions, and recommendations based on the findings of the study and areas suggested for further study.

5.2 Summary of Research Finding

In answering the first research question, the study sought to investigate how saving the culture of Bodaboda Saccos influence members' economic growth. To achieve this, the study sought to find out if the members made savings, saving methods and standards and frequency of contributions. According to the study, all respondents made savings which show they had embraced the culture of saving which is very positive for their economic growth. As per the modes of daily or weekly saving, there was an equal representation at 41(50%) whereas considering the savings terms, 50(61%) respondents made their savings as they wished.

In the second objective, the study sought to establish the economic opportunities available to the members in Bodaboda Saccos in Makueni County. To achieve this, the respondents were asked whether they got loans and the type of loans, if they got dividends and if their Sacco engaged in value chain addition projects. In the study, Makamu had a monthly saving of KSh. 2,000 per member, Emuki had a savings of KSh. 4,000 per member and Ma Wote Sacco had a minimum savings standard of KSh. 800. From the savings, the members were able to access loans from the Sacco. The majority of the respondents disclosed that they have benefited from the different types of the loans offered in their Saccos. The members had benefited from the different loans as shown: 30(36.6%) from business loans,

32(39%) school loans, 28(34.2%) emergency loans and 32(39%) asset finance loans. This was associated with the good culture of savings and the proper management of funds by the Sacco management committees. The study revealed that some members owned shops while others had purchased their motorcycles from the loans they accessed from their Saccos.

Based on the third research question, it was meaningful to determine the economic challenges facing members in Bodaboda Saccos. It was found that capital availability was a challenge majorly because most of the Bodaboda operators 55(67%) did not own the motorbikes. The participants complained about police mistreating them and bribe taking which instills fear in them thus slowing down their business. It was found out that some insurance companies take too long before they compensate on lost motorcycles. During rainy season some roads are impassable which leads to huge losses. In the fourth objective, the study sought to establish the ways of enhancing the effectiveness of Bodaboda Saccos. To achieve this, the study asked respondents to rate these solutions; training members on saving culture and Cooperate entrepreneurship skills, visitations to other Saccos and deregistration of corrupt insurance companies.

According to the study, it was found that the County government carries out training for the Bodaboda Saccos at ward level. The county cooperative department holds an annual general meeting in April for Bodaboda Saccos at County level. The County was also planning a visit to Saccos in other Counties. The County government was offering service of surveillance to Bodaboda Saccos.

5.3 Conclusion

In conclusion, based on the study objectives and research questions, the research was successful, and all research objectives and questions were well answered in accordance with

what the study sought to achieve, which was to determine the effectiveness of Bodaboda Saccos on members' economic growth in Makueni County, Kenya.

In the first objective which was investigating how saving the culture of Bodaboda Saccos influenced members' economic growth, the study found that members made savings in their Saccos daily, weekly and monthly as per ones choice. In the second objective, which was to establish the economic opportunities available to members in Bodaboda Saccos, the study found some of these opportunities include; availability of different loans and getting dividends on their savings. The loans they got helped some members to purchase their assets like motorbikes, open shops, etc. The study also found out that the County government gave each Sacco two free motorbikes which boosted their assets and earnings thus creating more economic opportunities.

On the third research objective which was to determine the economic challenges facing members' in Bodaboda Saccos, the study found out some of these challenges include; lack of enough capital, lack of proper project managerial and entrepreneurial skills and poor infrastructure, and police harassment. On the fourth objective, which was to establish the ways of enhancing the effectiveness of Bodaboda Saccos, the study found that some of these ways include; educational visits to Saccos in other Counties, training members on the culture of saving and cooperative entrepreneurship skills and deregistration of corrupt insurance companies. The study also found out that the county government has programs and policies for Bodaboda Saccos such as forum meetings with Sacco leaders, annual general meetings, auditing of records and training at ward level.

5.4 Recommendations

Following the conclusions arrived this study puts forward the following recommendations; The Bodaboda Saccos should come up with self-projects to support the Sacco in its challenges to meet the targets of the Sacco. The Makueni County should increase its support to the Bodaboda Saccos from two motorcycles to giving grants. This should be followed by a mechanism from the County government officers that evaluate the expenditure to ensure that corruption does not occur in the Bodaboda Saccos.

The Bodaboda Saccos should be sensitized by the Cooperative Ministry to understand the cooperative way of doing business and its benefits to members who are direct beneficiaries to develop the society and especially Makueni County. This means the formation of a good relationship between Sacco members, leaders and the County Co-operative department. The Sacco leaders should advance on project management skills through attending workshops and seminars organized by the County government to develop the ability on how to run Saccos and solve conflicts when they arise in the Saccos. They should benchmark from those Saccos with similar challenges and improve on their weaknesses. There is a need for the government to come up with specific policies and regulations for all Bodaboda cooperative movements in the country. This will improve their corporate way of doing business and enable them to compete with other Saccos in the Republic and in the world.

5.5 Suggestions for further studies

This study sought to determine the effect of Bodaboda Saccos on members' economic growth in Makueni County, Kenya. From the findings of the study the researcher suggests further research on the following:

- The effectiveness of Bodaboda Saccos on members' economic growth in other Counties in Kenya.
- The perception of Bodaboda Saccos and their contribution to members' economic growth in Kenya.
- The Bodaboda Saccos influence on the social and cultural growth of members.

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Appendix I

QUESTIONNAIRE FOR SACCO MEMBERS

Letter of Introduction

Ref: Sacco members/chairperson

Dear Sir/Madam,

I am a second year Master's student of Project Planning and Management at the Catholic University of Eastern Africa (CUEA). The purpose of this study is to assess the effect of Bodaboda Saccos on members' economic growth in Makueni County, Kenya. The information collected is for academic purpose only. Therefore, you are assured of anonymity and confidentiality.

Kindly fill this questionnaire as honestly as possible and your contribution will be highly appreciated.

Benson Mutiso Nthiwa Reg. No. 1024099

The Catholic University of Eastern Africa,

P.O Box 62157-00200

TEL: 0714-738-885

Email Address: benmutiso714@yahoo.com

INSTRUCTIONS

1. Please, do not write your name on the questionnaire.
2. Kindly, respond to all the questions accurately and honestly.
3. You need to respond by ticking (✓) the appropriate spaces and filling the spaces that have been provided.

SECTION A: DEMOGRAPHICS

1. Sex Male ()

 Female ()

2. Age Bracket

 Below 18 years ()

 18-35 years ()

 36-53 years ()

 Above 54 years ()

3. Level of Education

 Primary ()

 Polytechnic ()

 Secondary ()

 College ()

 University ()

4. Name of your Bodaboda Sacco

5. How many years you have been in this Sacco.....

SECTION B: Saving culture adoption by Bodaboda Sacco members

6. Do you make savings with the Sacco? Yes () No ()

7. How are the savings standards?

The mount one wills ()

A standard amount for every one ()

8. How frequent do you make the contributions?

Daily ()

Weekly ()

Monthly ()

When asked to ()

Any other.....

SECTION C: Economic opportunities offered by the Saccos

9. Does the Sacco offer business loan to members? Yes () No ()

10. Does the Sacco provide school fees loan? Yes () No ()

11. Does the Sacco provide emergency loans? Yes () No ()

12. Does the Sacco provide asset loans? Yes () No ()

13. Have you benefited from any of the above loans? Yes () No ()

14. Sacco insures loans to assist those who fall sick or pass on. Yes () No ()

15. Does the Sacco declare dividends at the end of the year? Yes () No ()

16. Has the Sacco engaged in value chain addition projects? Yes () No ()

17. Does the Sacco offer Asset finance products like plots, houses, and motorcycles?

Yes () No ()

SECTION D: Challenges facing members

18. Please rate by ticking (✓) the challenges you face as a Sacco member on a scale of 1 to 5 where 1 stands for Strongly Agree(SA), 2 for Agree(A), 3 for Undecided(UD), 4 for Disagree(D) and 5 Strongly Disagree(SD).

Challenges	1	2	3	4	5
1. Lack of reliable sources of capital					
2. Inadequate government legislation					
3. Lack of project managerial and entrepreneurial skills					
4. Unfavorable insurance policy					
5. Poor Infrastructure					
6. Untrained Bodaboda riders who rarely comply with traffic rules causing numerous accidents					
7. Police mistreatment					
8. Inadequate support from the Sacco incase a member is hospitalized due to accident or sickness got while on Bodaboda job.					

Others specify.....

SECTION E: Ways of improving economic growth of Bodaboda Saccos

19. What would you suggest to be done to improve economic capacity of your Bodaboda Sacco?

Kindly rate by ticking (✓) these solutions on a scale of 1 to 5 where 1 stands for very high, 2 for high, 3 for average, 4 for low and 5 very low.

Solutions	1	2	3	4	5
1. Train members on savings					
2. Training members on Cooperate entrepreneurship skills					
3. Educational visits to Saccos in other counties					
4. Deregister corrupt insurance companies					
5. Government to legislate laws protecting Bodaboda Saccos					
6. Bodaboda Saccos to join SASRA					

Others specify.....

Appendix II

THE MANAGEMENT COMMITTEE CHAIRPERSON INTERVIEW GUIDE

1. How long have you served as a chairperson?
2. What are the activities of your Sacco?
4. Does your Sacco engage in communal activities?
3. Do you apply these project management and entrepreneurial skills?
 - i) Record keeping
 - ii) Saving money in Bank
 - iii) Training your members
4. Does your Sacco engage in value chain projects? Yes () No ()
If Yes, State them.....
5. Does your Sacco give loans? Yes () No ()
6. If yes, what are the interest rates you charge your loans.....
7. Is there maximum amount of loan can one apply?
8. Is there limit in withdrawing ones savings? Explain.....
9. Of the following sources of capital which one(s) have you had access to?
 - i) Savings from members
 - ii) Bank loan
 - iii) Youth Enterprise Development Fund (YEDF)
10. Are you aware of SASRA regulations?

11. If yes has your Sacco complied with SASRA regulations?

Explain.....

Appendix III

INTERVIEW GUIDE FOR COUNTY CHIEF EXECUTIVE OFFICER IN COOPERATE DEPARTMENT

1. Do you have mentorship programmes for the Bodaboda Saccos in the County?
2. If yes what areas do you cover?
3. In your own opinion, do you think the program has benefited the Saccos and if yes how?
4. What major challenges do Bodaboda Saccos face in this County?
5. What modes of communication do you use to disseminate important information to Bodaboda Saccos in this County?
6. How effective is it?
7. What steps is the County taking to ensure that the Bodaboda Saccos are economically empowered?
8. What do you think need to be done in order to help the Bodaboda Saccos to comply with SASRA regulations?

Appendix IV

TIME FRAME

Event	Proposed Date
Proposal Writing Proposal Defense	June-November 2015
Pre-testing instruments Seeking permission from relevant institutions Data collection Data Analysis	February 2016
Report writing	May- July 2016
Thesis Defense Corrections Submission of Thesis	August-September 2016

Appendix V

BUDGET

MATERIALS REQUIRED	UNIT OF MEASURE	QTY	UNIT COST	TOTAL COST (KSH)
Questionnaire pretesting (transport and allowance)	Days	2	5000	10000
Allowance for data collectors	Days	25	1000	25,000
Transport for data collectors	Days	25	1000	15,000
Printing data collection questionnaires	Piece	500	15	7,500
Purchase of modem	Piece	1	3,000	3,000
Air time	Card	5	1,000	5,000
Internet services	Bundle	10GB	1,000	10,000
SPSS software	Soft ware	1	20,000	10,000
Photocopying/printing/binding	Pieces	10	1,000	10,000
Grand total				96,500

Appendix VI

BODABODA SACCO'S IN MAKUENI COUNTY

1.	Ma Wote B.B. Sacco
2.	Kathonzweni B. B. Sacco
3.	Makamu B.B. Sacco
4.	Makiki B. B. Sacco
5.	Nzakika B. B. Sacco
6.	Mbitini B. B. Sacco
7.	Kathoka B. B. Sacco
8.	Mbooni B. B. Sacco
9.	Kikiu B. B. Sacco
10.	Kiteta B. B. Sacco
11.	Kalawa B. B. Sacco
12.	Tulima B. B. Sacco
13.	Kako/waia B. B. Sacco
14.	Makindu B. B. Sacco
15.	Nguu/Masumba
16.	Nguumo B.B.Sacco

17.	Kikumbulyu South B.B. Sacco
18.	Kisayani B. B.Sacco
19.	Emuki B. B. Sacco
20.	Masongaleni B. B. Sacco
21.	Kithama
22.	Kamdei B. B. Sacco
23.	Ivinza B. B. Sacco
24.	Kilungu B. B. Sacco
25.	Kee B. B. Sacco
26.	Ilima B. B. Sacco
27.	Kaiti B.B.Sacco
28.	Makamumo B. B. Sacco
29.	Mukaa B. B.Sacco
30.	Konza City B. B. Sacco

Appendix VII

MAP OF KENYA AND MAKUENI COUNTY



Appendix VIII:

UNIVERSITY AUTHORIZATION LETTER



THE CATHOLIC UNIVERSITY OF EASTERN AFRICA

A. M. E. C. E. A

P.O. Box 62157-00200

Nairobi - KENYA

**Faculty of Arts & Social Sciences
Department of Development Studies**

Telephone: 891601-6

Our Ref: CUEA/DDS/ACA/(16)

15th February 2016

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

RE: REQUEST TO ASSIST STUDENT ON RESEARCH ACTIVITY

I wish to confirm herewith that **Benson Mutiso Nthiw'a** of Reg No. **1024099** is required and was authorized by The Catholic University of Eastern Africa, Kenya, through the Department of Development Studies, to undertake his/her thesis research in the sector of **Transport**.

His/Her topic entitled "**The Effectiveness of Bodaboda SACCOs on members' economic growth in Makueni County, Kenya**" was approved on **10th February, 2016**. I also wish to confirm that his/her proposal recently underwent the due process of defense and is duly endorsed by the CUEA School of Graduate Studies.

He/She has been cleared by his/her supervisors and the department that he can go for fieldwork having also prepared the appropriate data collection tools to carry out his/her research in **Makueni County, Kenya**

This research is a mandatory academic requirement for the attainment of his/her Master degree and its findings are not intended for any other purposes or public broadcast.

- 2 -



The above student has committed herself/himself to observe with utmost confidentiality any data to be obtained during the research from all offices and respondents in the field.

Please avail him/her any information and pertinent assistance he/she may request in this regard. Thank you in advance.

Sincerely yours,


for Michael T. Okuku
Head of Development Studies Department



cc 1st Supervisor: Dr. George Ndemo

2nd Supervisor: Ms. Rita Anampiu

Dean, Faculty of Arts and Social Sciences

Dean, School of Graduate Studies

National Commission of Science, Technology and Innovation,
Utalii House.

