Effect of Credit Services on Investment Growth of Jua Kali Enterprise in Kenya; Case Study of Narok Town

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***Abstract*: In Kenya the Jua Kali sector contributes to the growth of the national economy significantly by creating employment and poverty reduction by giving basic needs to the needy. The sector faces a lot of challenges like luck of awareness, motivation and empowerment. Financial challenge is the main hindrance to the Jua Kali sector's growth across the world. The Kenyan Government has developed institutions to help the sector grow. One worth mentioning is the Kenya Industrial Estate (KIE) which offers financial support and rural industrialization. Despite this effort, there was no significant growth in the sector. Therefore, this study was conducted with the aim to shade light on effect of credit services on investment growth of Informal sector in Narok Town. The study adopted a survey research design targeting licensed Informal sector proprietors and credit officer in Narok town. . The study used a sample size of 171 respondents calculated from a population of 300 licensed Jua Kali proprietors. Then data was analyzed both qualitatively and quantitatively using SPSS and in line with the study objectives. The study concluded that business growth is influenced by the financial policy in place. In Jua Kali sector, the Interest imposed on loans, the repayment period, the Inflation (cash value) influences the growth rate of any business. Moreover, the study found out that financial access, economic growth and prompt loan repayment are also some of the effects of credit availability on growth of Jua Kali industry. Legal frameworks guarding how business men obtain loans forms part of the effects of interest rates to the growth and performance of Jua Kali sector. Informal sector provides employment even to the highly educated. Obtaining Credit facilities has direct proportion on business growth on the Jua Kali sector. The study recommends that; Lending institutions should always prescribe minimum loan requirement and proper policies to enhance on loan accessibility to Jua Kali Industry. Government should put in place proper policies to curb the challenge of inflation, high interest charged by bank institution to enhance Informal sector loan accessibility. Informal sector should enhance proper record keeping of information to putting in place proper management techniques in order to increase their chances of accession loans. Informal sector should always enhance account monitoring to enhance their chances of accessing loans. The government through the Youth & Women Fund, to train the Jua Kali Proprietors on basic financial aspects to enhance productivity and growth.**

***Keywords*: Jua Kali, Investment, Performance, Interest rates, Loan Repayments**

I. INTRODUCTION

A. *Background of the study*

Globally, the informal sector is recognized as a major economic growth driver. The activities of this sector are not well documented since many economists concentrated on the formal sector (Purity, 2015). Since the economic agents were recognized, authority and non-authority sectors made strong desire in the development and growth of informal sector by introducing various measures to support the industry activities (Leegwater, 2018).

Leegwater (2008) observed that informal sector is found across all the sectors of the economies ranging from manufacturing, agriculture and trade he stated that Informal sector are incubators for Small and Medium Enterprises (SMEs), thus (Leegwater, 2018) making them contributors to the economic growth.

Large scale industries have their source in small business units though acknowledgment of small businesses activities as an influential factor of economic development came much later in the 1950s. The informal sector was documented for their role and importance in economic development and growth of economies. There has been a growing interest since then, in the development of the industry. This has posted small businesses to carry on playing role in the growth of economies, particular, in the developing economies like Kenya. Leegwater, (2018), further notes this sector is the link in the industry-specific value chain as the supply base of small and medium enterprises. The potential of these size businesses, however, have not been realized to the fullest. The informal sector has performed fairly well in some countries while in other countries the performance of informal sector has not been good. In the United Kingdom (UK), small enterprises are recognized as the backbone of the British economy accounting for more than 50 percent of the turnover Lukacs (2005). From the family circle, the Informal sector aims to raise income of the poor households and thereby reduce poverty (Thapa, 2017). From the African economic point of view, the informal sector accounted for some 60 percent of the urban labour force in low income Africa and contributed 20 percent of their GDP UNDP (2016).This further explained the importance of informal sector in world economies. But the survival of informal sector is surrounded by a number of challenges including lack of access to and acquisition of financial services, high cost of production, marketing, poor quality of tools and pricing. Lack of access or acquisition of financial services is often quoted as a contributor to business failure among other factors. In Bangladesh, a large proportion of all the establishments are accounted for by SMEs (Islam *et al., (*2011). The performance of informal sector in some regions looks while in others the performance is not as good. In South Africa for example, the future of informal sector is not very bright as the small enterprises are likely to cease operations before the fifth year Chiliya, (2011). This makes South Africa to be one of the poorest performers in the informal sector. Luck of financial acumen, weakness in innovation, marketing entrepreneurial flair, practical knowledge and human resource management have been cited as some of the challenges of this sector. In many situations these entities are family owned businesses. In Uganda, the performance of the informal sector in the manufacturing sector was considered poor as a result of lack of access to business services and finance despite the significant role they played (Ishengoma, 2008). In Kenya, informal sector is reputed for their input of jobs accounting for over 50 percent of new jobs Bowen, (2009). In South East Asia informal sector are in fact reputed to be behind most of the socio-economic transformation which created the new economic giants, also known as the Economic Tigers. The informal sector over the world is important as agents for job creation, basic need providing and waste resources recycling. During their early stages of development, they form the seedbeds to both the medium and large scale enterprises. Since they exist in all the geographical location both rural and urban areas the sector connects the large market share. Besides, informal sector also supplements the markets by supplying goods and services that the medium and large enterprises are not willing to be engaged with. In Kenya, the important role played by informal sector in the economy had been recognized since the sector was brought into limelight in 1972, in a report by International Labour Organization (ILO) / United Nations Development Programme (UNDP) on employment, income and equity in Kenya Sutheraman, (2016); Mullei and Bokea, (2009). The importance of Informal sector in Kenya's economy had even been noted earlier by the many papers and discussions on Kenya informal sector (Abuodha and King 2011).Kenya's first step in the development of the small enterprise sector was by the development of Sessional Paper (No. 1 of 1986). Secondly, the role played by informal sector was recognized in the 6th National Development Plan (1989 – 1993), as a primary means of strengthening Kenya's economy. In the 6th Plan, the target for new employment creation over the five-year period was 1.9 million jobs. Of those jobs, approximately 31 per cent or 587,000 jobs were expected to be created in the Small-Scale and *Jua kali* enterprise sector (Republic of Kenya, 1992). Informal sector in both formal and informal sectors is classified into farm and non-farm categories Republic of Kenya,(2014). In a nutshell, these enterprises cut across all sectors of the Kenyan economy and provide one of the most prolific sources of employment creation, income generation and poverty eradication. The MSE sector is not only a provider of goods and services, but also as a driver in promoting enterprise culture which is necessary for private sector development and industrialization. The contribution of MSE sector for Kenya's GDP has been quite impressive increasing from 13.8 percent in 1993 to over 18 percent in 1999. The profitability and competitiveness of an organization need to be enhanced if it has to be effectively respond the challenges of creating productive and sustainable employment opportunities, promote economic growth and poverty reduction in Kenya Republic of Kenya, (2014). One way of enhancing Informal sector performance would be by improving their access to financial services. The sector has continued to play an important role in the development of the country. The sectors' impact can be seen further in terms of its contribution towards economic growth, employment creation, poverty alleviation and development of an industrial base. To be able to continue providing these important services informal sector needed to be supported in every manner to get off their feet. It has been noted that the financial sector has gained popularity amongst the youth particularly in Nairobi and other urban centers as well as the rural areas. The youths who fail to get formal employment choose to join MSE businesses as an alternative to form of employment. Those who find themselves in this sector operate under un-conducive environments. Mostly businesses are individually owned and they are carried out in temporary grounds. The entrepreneurs who are manufacturing use poor tools in a very competitive market. Most of the time there is fear of calamities such as fire outbreaks as well as destruction of premises by council authorities. In order for the Informal sector to improve their performance and enlarge employment opportunities as well as increase types of goods and services, the entrepreneurs should be able to acquire adequate financial services. This will make the industry more competitive.

B. Statement of the Problem

Credit facilities and loans are the backbone of business growth Jua kali enterprises. However, obtaining such credit is a challenge to small scale enterprises leading to over reliance of other financial sources Mbewa, (2017). Because of bank loans being inaccessible and other credits, savings is being the only option for most of the small businesses (Gichuki, Njeru, & Tirimba, 2014). This makes the Owners and managers of Informal sector to experience a big gap in acquiring financial resources since the savings and the profits are not adequate. As a result, majority of the small businesses find it difficult to grow while others actually fail. If the credit facilities can be issued to any other financial industry, like the jua kali, the business growth, economic growth will be realized. Even if in Kenya there is a good financial system, banks and other financial institutions are yet to be exploited to its best. Financial services being inaccessible tend to make business operation expensive as the business /managers attempt to confront the challenge.(Cheluget, 2013). Notably, micro and small enterprises have failed to recognize the importance of external sources of finance while other sectors of the economies have been able to access financial services from external sources. The on-going of this tendency will not allow the businesses to perform their essential role of creation of wealth and job opportunities, provision of services and goods, and poverty reduction Thapa, (2017). The empirical studies did not to indicate why Jua Kali proprietors do not apply for loans or seek other financial services to boost their investment growth. This gap informed the researcher to conduct this study to establish the effect of credit services in investment growth in Informal sector in Narok Town.

C. Objectives of the study

1) General Objective of the Study

The general objective of the study was to determine the effect of credit services on investment growth in informal sector in a case of Narok Town, Kenya

2) Specific objectives of the study

i. To find out the effect of credit availability on growth of Jua Kali industry.
ii. To establish the effect of interests on growth of Jua Kali industry.
iii. To determine the effect of loan repayments on growth of Jua Kali industry.

D. Research Questions

i. What is the effect of credit availability on growth of Jua Kali industry?
ii. What is the effect of interest rates on growth of Jua Kali industry?
iii. What is the effect of Loan repayment on growth of Jua Kali industry?

E. Significance of the Study

The study anticipates that the findings of this study would be of benefit to financial facilities through credit officers, the Government and policy makers and the Informal sector as follows;

I. Credit Officers

These are the personnel who offer credit facilities to any business with an aim of generating some profits in terms interest. This study has helped them understand the Jua kali market in order to be able to consider for their credit advancement or not and also to enable them make financial policy as far as the credit services are concerned.

F. Jua Kali Managers/ Employees

They are the owners of the Jua kali business. This study is important to them since it enabled them to know the type of credit facilities offered by the financial sector and also to be aware of the financial policies imposed on them before they are advanced the service.

G. Researchers

This study is also of more important to the future researchers who may want to carry out the similar research on the Jua Kali sector, this to avoid duplication of the work through the guideline of the literature review.

H. Scope of the Study

This project was restricted to Narok Town in Narok County Kenya since. Narok is most re-known town with largest Jua kali investors mostly in beads work and other small scale Jua kali services, the study targeted licensed Informal sector operators and Credit Officers. The study was set to establish the effects of credit services on the investment growth starting from the month of April 2019- November 2019.

II. RESEARCH METHODOLOGY

A. Research Design

The study adopted a survey research design, which was designed to obtain in-depth information on the current status of the phenomena, due to the big population and cost constrains comparing to the other methods of the research designs methods which can be minimized through this survey. The research design is cross sectional all the data collected at the same time through questionnaires through the topic under the study (Effect of Credit Services on Investment Growth of Jua Kali Enterprise in Kenya; Case Study of Narok Town)

B. Target Population

The study targeted 300 licensed respondents mainly from Jiko-makers, shangas shops and credit officers. The credit officers enabled obtain the number of the loan holders from the Informal sector and the cost interest on the loan advanced to as the Informal sector enables obtain the information on the investment performance. This enabled the researcher collect data on the relevant information required for the researcher.

C. Sample Size and Sampling Technique

The researcher used Yamane formula as updated by, Vikassaxena [2017] to determine the sample size since it gives an error 5% and has a confidence coefficient 95%.

n= N/[1+Ne^2]

Where,

n- Corrected sample size

N- Population size [300]

e- Margin of error [0.05]

n=300/[1+300*0.05^2]

n=171 Respondents

Which gives a sample size of 171 as a corrected sample size to be used as respondents in the study.

The researcher adopted the stratified techniques to enable group the data into the 300 target population, then using the simple random techniques the researcher randomly picked the representative from the group since it gave the data the equal chances of being picked. Lastly the researcher used purposive sampling technique since it gives the key information.

D. Data Analysis and Presentation

Qualitative data collected from the field was organized into significant patterns to reveal the essence of data (Patton, 2012). Before the actual data analysis, questionnaires were checked for completeness. Then data was analyzed both qualitatively and quantitatively according to the study objectives. Qualitative data was presented in a descriptive form while quantitative data through statistical tables of percentages and frequency.

E. Model Specification

The following represents the regression equation, according to the general model used to represent the relationship between the dependent variable (Y) as a linear function of the independent variables (Xs), with έ representing the error term.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where,

Y = represents the dependent variable, growth of jua kali sector,

β_0= constant
X_1= credit availability
X_2= interest rates
X_3=loan repayments
ε = error term

$\beta_1 \ldots \beta_4$are the regression coefficients

III. RESEARCH FINDINGS ANDDISCUSSIONS

A. Response Rate

The Table 1 shows the response rate of the study. The researcher administered 90 questionnaires; the researcher was able to get 80 representing 88.9% of the questionnaires back. 10 questionnaires representing 11.1% of were not recovered. Reference [8] asserts that a response rate of 50% is considered to be adequate; this is corroborated by [8] who asserts a response rate at 75% is considered adequate. Reference [3] also agree and recommend a response rate of 50% which they considered acceptable for a descriptive/correlation study. This shows that the response obtained by the study was enough to conduct the study

Table 1: Response Rate

Instrument	Frequency	Percentage
Reached respondents	170	99
Not reached	1	1
Total	171	100

B. Descriptive Statistics of the Study Variables

a) Legislative Powers

The study used several statements to determine the influence of legislative powers on the service delivery of the county governments in Kenya. The findings are shown in the Table 2.

Table 2: Legislative Powers

The county assembly exercises the legislative power efficiently thus improving Service delivery.	3.3	3.9	16.3	43.1	33.1	3.99	0.98
Legislative power is a positive mechanism that could be used to improve service delivery.	5.9	8.5	15.0	20.3	50.3	3.85	1.13
So far, the legislative power enacted and enforced has helped to improve service delivery in the county.	7.8	11.8	7.8	27.5	45.1	3.90	1.31
There is need to relook at legislative power if service delivery is to be improved.	5.9	8.5	8.5	26.8	50.3	4.07	1.21

A majority (49.7%) of the respondents strongly agreed with the first statement that the county government has sufficient legislative power that would enhance service delivery, 24.2% agreed with this statement, 15.7% were neutral to the statement, 6.5% disagreed and 3.9% strongly disagreed. The mean for the statement was 4.09.

For the second statement a majority (43.1%) of the respondents agreed with the statement that the county assembly exercises the legislative power efficiently thus improving service delivery, 33.1 % strongly agreed with this statement, 16.3% were neutral to the statement, 3.9% disagreed and 3.3% strongly disagreed. The mean for the statement was 3.99. On the third statement that stated that legislative power is a positive mechanism that could be used to improve service delivery, majority (50.3%) of the respondents strongly agreed with this statement, 20.3% agreed with the first statement, 15.0% were neutral to the statement, 8.5% disagreed and 5.9% strongly disagreed. The mean for the statement was3.85.

On the fourth statement stating that so far, the legislative power enacted and enforced has helped to improve service delivery in the county, majority (45.1%) of the respondents strongly agreed with this statement, 27.5% agreed with the first statement, 7.8% were neutral to the statement, 11.8% disagreed and 7.8% strongly disagreed. The mean for the statement was 3.90. For the fifth statement on there is need to relook at legislative power if service delivery is to be improved, majority (50.3%) of the respondents strongly agreed with the statement, 26.8% agreed with this statement, 8.5%were neutral to the statement, 8.5%disagreed and5.9% strongly disagreed. The mean for the statement was 4.07.

Findings corroborate [1] study which found out those legislative powers indeed plays a role in service delivery. The findings also concur with [2] that legislative powers tend to mitigate the positive impact of fiscal decentralization on the quality of government.

B) Political Stability

The study used several statements to determine the effect of political stability service delivery. The findings are shown in the Table 4.3. Majority (50.3%) of the respondents agree with the first statement the county is politically stable, 34.6% strongly agreed with the first statement, 9.8% were neutral to the statement and 5.2% disagreed. The mean for the statement was 4.14. The second statement on the political stability has enabled better service delivery, majority (49.7%) of the respondents agreed with the statement, 30.1% strongly agreed with this statement, 10.5% were neutral to the statement, 9.8% disagreed and 0% strongly disagreed. The mean for the statement was 4.0 while the standard deviation was 0.9.

C) Statutory Reforms

The study used several statements to determine the effect of statutory reforms on service delivery. The findings are shown in the Table 3 Majority (45.8%) of the respondents agreed with the statement that there have been tangible statutory

Majority (37.9%) of the respondents strongly agreed with the statement third statement that the political stability has gone on consistently, 34.6% agreed with the statement, 20.3% were neutral to the statement, 7.2% disagreed and 0% strongly disagreed. The mean for the statement was 4.03. For the fourth statement a majority (59.5%) of the respondents agreed with the statement that the main reason for poor service delivery is occasioned by political instability 27.5 % strongly agreed with this statement, 7.2% were neutral to the statement, 2.6 % disagreed and 3.3 % strongly disagreed. The mean for the statement was 4.05. For the fifth and last statement on A politically stable county would inevitably lead to better service delivery a majority (54.9%) of the respondents agreed with the statement, 28.1% strongly agreed with the statement, 12.4% were neutral to the statement, 6.5% disagreed and 6.5% strongly disagreed. The mean for this statement was 4.02. The findings agreed with the results of [3] that revealed that political stability plays a major role in explaining the quality of service delivery in education when used as a single predictor.

Table 3: Political Stability

Statement	SD %	D %	N %	A %	SA %	Mean	S.D
The county is politically stable.	0	5.2	9.8	50.3	34.6	4.14	0.80
The political stability has enabled better service delivery.	0	9.8	10.5	49.7	30.1	4.00	0.90
The political stability has gone on consistently.	0	7.2	20.3	34.6	37.9	4.03	0.93
The main reason for poor service delivery is occasioned by political instability.	3.3	2.6	7.2	59.5	27.5	4.05	0.86
A politically stable county would inevitably lead to better service delivery.	0	4.6	12.4	54.9	28.1	4.02	0.91

reforms towards improving service delivery in the county, 22.2% were neutral to the statement, 18.3% disagreed and 13.7% strongly agreed with this statement. The mean for the statement was 3.55. Majority (49.0%) of the respondents agree with the second statement the reforms have so far had a positive influence on service delivery, 26.1% strongly agreed with the statement, 15.0% were neutral to the statement, 5.9% disagreed and 3.9% strongly disagreed. The mean for the statement was 3.88 while the standard deviation was 1.00. On the third statement the reforms are reactionary thus do not impact greatly service delivery, majority (45.8%) of the respondents strongly agreed with this statement, 20.9% agreed with the statement, 9.8% were neutral to the statement, 14.4% disagreed and 9.2% strongly disagreed. The mean for the statement was 3.80. Majority (32.7%) of the respondents agreed with the fourth statement that the reforms are proactive thus do impact greatly service delivery, 31.4% strongly agreed with the statement, 19.0% were neutral to the statement, 11.1% disagreed and 5.9% strongly disagreed. The mean for the fourth statement was 3.73. Majority (35.9%) of the respondents agree with the last statutory reforms are necessary if service delivery is to improve., 33.3% strongly agreed with the statement, 13.1% were neutral to the statement, 9.8% disagreed and 7.8% strongly disagreed. The mean for the statement was 3.77. The findings agreed with the resultsof [10] revealed that organizations with the right statutory reforms had equally high scores for commitment, satisfaction, performance and they were receptive to change.

Table 4: statutory reforms

Statement	SD %	D	N %	A %	SA %	Mean	S.D
There havebeen tangible statutory reforms towards improving service delivery in thecounty.	0	18.3	22.2	45.8	1.37	3.55	0.95
The reforms have so far had a positive influence on service delivery.	3.9	5.9	15.0	49.0	26.1	3.88	1.00

The reforms are reactionary thus do not impact greatly service delivery.	9.2	14.4	9.8	20.9	45.8	3.80	1.39
The reforms are proactive thus do impact greatly service delivery.	5.9	11.1	19.0	32.7	31.4	3.73	1.19
Statutory reforms are necessary if service delivery is to improve.	7.8	9.8	13.1	35.9	33.3	3.77	1.23

D) Citizen Participation

The study used several statements to determine the effect of citizen participation on service delivery. The findings are shown in the Table 4, Majority (50.3%) of the respondents strongly agreed with the first statement that the county engages in robust citizen participation in its service endeavors, 27.5% agreed with the first statement, 9.2% were neutral to the statement, 4.6% disagreed and 8.5% strongly disagreed. The mean for the statement was 4.07. For the second statement on the participation has so far been meaningful as to ensure citizens are aware of the services expected, a majority (49.7%) of the respondents agreed with the statement ,32.0% strongly agreed with the statement, 9.2% were neutral to the statement, 5.2% disagreed and 3.9% strongly disagreed. The mean for this statement was 4.18. The majority (45.8%) of the respondents strongly agreed with the third statement service delivery has so far improved due to significant citizen participation, 36.6% agreed with the statement, 13.7 % were neutral to the statement and 3.9% disagreed. The mean for the statement was 4.2. For the last statement a majority (47.1%) of the respondents strongly agreed with the statement that high level citizen participation would inevitably lead to better service delivery, 43.8% agreed with the statement, 9.2 % were neutral to the statement, 4.6% disagreed and 0 % disagreed with the statement. The mean for the statement was 4.3. The findings concur with the results by [4] which showed that the citizen participation was positively related with service delivery.

Table 5: Citizen Participation

Statement	SD %	D %	N %	A %	SA %	Mean	S.D
The county engages in robust citizen participation in its service endeavors.	8.5	4.6	9.2	27.5	50.3	4.07	1.24
The participation has so far been meaningful as to ensure citizens are aware of the services expected.	3.9	5.2	9.2	32.0	49.7	4.18	1.07
Service delivery has so far improved due to significant citizen participation.	0	3.9	13.7	36.6	45.8	4.20	0.96
High level citizen participation would inevitably lead to better service delivery.	0	4.6	4.6	43.8	47.1	4.30	0.92

E) Service Delivery

The study used several statements to determine the service delivery. The findings are shown in the Table 5. For the first statement on the services delivered are reliable (They are done on time and on high quality), a majority (45.1%) of the respondents agreed with the statement, 35.3% strongly agreed with this statement, 13.7% were neutral to the statement and 5.9% strongly disagreed. The mean for this statement was

4.04. The second statement on the services delivered are responsive (The feedback and complaints are accepted and responded too quickly), a majority (39.9%) of the respondents strongly agreed with the statement, 30.7% agreed with this statement, 18.3% were neutral to the statement, 6.5% disagreed and 4.6% strongly disagreed. The mean for the statement was 3.95 while the standard deviation was 1.12. For the third statement a majority (53.6%) of the respondents agreed with the statement that the services delivered are assured (They are done in a manner that the customer gets what was asked for or expected), 27.5% strongly agreed with this statement, 8.5% were neutral to the statement and 5.2% disagreed and 5.2 strongly disagreed this statement to the statement. The mean for the statement was 3.93. A majority (36.6%) of the respondents agreed with the statement, 32% strongly agreed with this statement, 18.3% were neutral to the statement and 4.6% strongly disagreed. The mean for this statement was 3.83. The findings corroborate [7] that found that better service delivery in public institutions is positively associated with political decentralization.

Table 6: service delivery

Statement	SD %	D %	N %	A %	SA %	Mean	S.D
The services delivered are reliable (They are done on time and on High quality)	5.9	0	13.7	45.1	35.3	4.04	1.01
The services delivered are responsive (The feedback and complaints are accepted and responded too quickly)	4.6	6.5	18.3	30.7	39.9	3.95	1.12
The services delivered are assured (They are done in a manner that the customer gets what was asked for or expected)	5.2	5.2	8.5	53.6	27.5	3.93	1.02
The services delivered are tangible (They give expected benefits in a satisfying manner)	4.6	8.5	18.3	36.6	32.0	3.83	1.11

IV. INFERENTIAL STATISTICS

A) Correlations of the Study Variables

Correlation matrix is used to conclude the degree in which the change in the value of a variable is related with changes in another variable. Reference [13] assert that the correlation coefficient should range from -1 to +1, with -1 representing a perfect negative correlation, +1 representing a perfect positive correlation, and 0 illustrating no correlation at all.

Table 6 showed that there was a significant positive correlation between legislative powers and service delivery at an r value of 0.581, there was also a positive correlation between political stability and service delivery at an r value of 0.463. There existed a significant positive correlation between Statutory Reforms and Service Delivery at 0.699. Finally, the relationship between Citizen Participation and Service Delivery had a positive correlation at an r value of 0.549.

The results of the table show that a majority of the study variables had a positive effect on the dependent variable. The result corroborates studies by [12] findings of a positive relationship between study variable and the independent variables. The study findings also concurred with [15] who also posted similar findings.

Table 7: Correlations of the Study Variables

		Service Delivery	Legislative Powers	Political Stability	Statutory Reforms	Citizen Participation
Service Delivery	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	80				
Legislative Powers	Pearson Correlation	.581**	1			
	Sig. (2-tailed)	.000				
	N	80	80			
Political Stability	Pearson Correlation	.463**	.433**	1		
	Sig. (2-tailed)	.000	.000			
	N	80	80	80		
Statutory Reforms	Pearson Correlation	.699**	.680**	.352**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	80	80	80	80	
Citizen Participation	Pearson Correlation	.549**	.493**	.192**	.179**	1
	Sig. (2-tailed)	.000	.000	.017	.027	
	N	80	80	80	80	80

B) Regression Analysis

This section will include the regression equations for the study variables. According to [9] regression is used for analyzing the relations between one single dependent variable and a group of independent variables. The main role of linear regression analysis is to determine whether or not a significant relationship exists between the independent variables legislative powers, political stability, statutory reforms, citizen participation and the dependent variable service delivery.

The result of the regression analysis as displayed in Table 7 show that R=0.790 and R^2=0.624. This result indicates that 62.4% of the changes in the dependent variable (Service Delivery) are explained by the independent variables used in this study which are legislative powers, political stability, statutory reforms and citizen participation. The remainder 37.6% of the changes are explained by other factors not captured in the study. R is the correlation coefficient which shows the relationship between the study variables. The findings show that there was a strong positive relationship between the study variables as shown by R which is the correlation coefficient of 0.790.

Table 8: Model Summary for Overall Regression Model

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate	Durbin Watson
1	0.790[a]	0.624	0.611	0.65327	.260

C) Anova Results

The ANOVA Table 8 shows that the model was statistically significant at 95% degree of confidence (F = 48.731; p < 0.05). Therefore, the null hypothesis that independent variables (legislative powers, political stability, statutory reforms and citizen participation) do not have a significant influence on the service delivery in counties is rejected and instead the alternative hypothesis accepted.

Table 1: ANOVA Results of Overall Regression Model

ANO A[a]						
Mo del		Sum of Squares	df	Mean Square	F	Sig.
1	Regres sion	103.984	4	20.797	48.731	.000[b]
	Residu al	62.735	76	.427		
	Total	166.719	80			

X_4 *=0.266* implied that one unit change in citizen Participation will result into a *0.266 change* in quality of service delivery

V. SUMMARY, CONCLUSION AND RECOMMENDATION

The study went further to report the regression coefficients are as presented in Table 9. The result in Table 10 shows that the relationship between study variables and service delivery in counties in Kenya was significant at 5% level of significance. The p-value was 0.000. The regression equation for this relationship was:

$$Y= 0.944 + 0.051X_1 + 0.140X_2 +0.474X_3 +0.266X_4$$

Table 2: Coefficients for the Overall regressionModel

Coefficients[a]						
		Unstandardized Coefficients		Stan dardi zed Coeffici e nts	t	Sig.
Mo del		B	Std. Error	Beta		
	(Constant)	.944	.296		3.18	.00
					5	2
	Legislative Powers	.051	.063	.059	.813	.41
						8
1	Political Stability	.140	.042	.192	3.35 3	.00 1
	Statutory Reforms	.474	.083	.455	5.70	.00
					8	0
	Citizen Participation	.266	.078	.233	3.41	.00
					9	1

D) Depended Variable: Service Delivery

These findings indicate that all of the tested variables (legislative powers Political stability statutory reforms and citizen Participation) had positive relationship with quality of service elivery. The findings show that all the variables tested were statistically significant with p-values less than 0.05.

X_1 *= 0.051* implied that a unit change in legislative powers will result into a *0.051* change in quality of service delivery

X_2 *= 0.140* implied that one unit change in Political stability will result into *a 0.140* change in quality of service delivery

X_3*= 0.474* implied that one unit change in statutory reforms will result into a *0.474* change in quality of service delivery

Introduction

This section outlines the summary, conclusion, recommendations of the study and suggestions for further studies.

A) Summary of Findings

i. Effects of Credit availability on growth of Jua kali industry

The study established that credit availability directly affected how Jua Kali businesses grew. Formal acquisition of credit services is one of the effects of credit availlability thus affecting business growth in the Jua Kali sector. The study is against the Modigliani-Miller Theaorem, 1958, that indeed 40% of the respondents in the study agree that they require a loan to triumph in business. The difficulty in obtaining credit facilities in this study was one of the reasons why Jua Kali proprietors fail to get capital to grow their business. This is in line with other studies done by (Farkender & Wang, 2006).

ii Effects of interest rates Growth of Jua Kali

The study established that legal frameworks are part of the effects of interest rates to the growth of jua kali sector. Similarly, the study found out that economic status of the country, market share and access to finances are on the other hand so challenging to the growth and performance of Informal sector in Narok which has an agglomeration of Jua Kali artisans as per specialization and trade, worsening the competition within a particular specialty.

.iii Loan Repayment on of Jua Kali Industry

The study found out that maximizing profit is one the effects of interest rates on growth of Jua Kali Industry, on a similar view; the study the established that minimizing costs, minimizing expenses and savings and value of assets held are also other the effects of interest rates on growth of Jua Kali Industry. However, the study found out that there was a direct link between taking a credit facility and the increase income at the end of the period. This negates Musinga, 1994, sentiments that there was no impact of availability of credit facilities to the growth of the SMEs.

B) Conclusion

The study concluded that; Business growth is influenced by the financial policy in place. In Jua Kali sector, the Interest imposed on loans, the repayment period, the Inflation (cash value) influences the growth rate of any business. Moreover, the study found out that financial access, economic growth and prompt loan repayment are also some of the effects of financial policy on performance of Jua Kali industry. Legal frameworks guarding how business men obtain loans forms part of the effects of interests rates to the growth and performance of Jua Kali sector. Informal sector provides employment even to the highly educated. Obtaining Credit facilities has direct proportion on business growth on the Jua Kali sector.

C) Recommendations

From the findings the study makes the following recommendations on Effect of Credit Services on Investment Growth of Jua Kali Enterprise in Kenya; Case Study of Narok Town.

i. Lending institutions should always prescribe minimum loan requirement and proper policies to enhance on loan accessibility to Jua Kali Industry.
ii. Government should put in place proper policies to curb the challenge of inflation, high interest charged by bank institution to enhance Informal sector loan accessibility.
iii. Informal sector should enhance proper record keeping of information to putting in place proper management techniques in order to increase their chances of accession loans.
iv. Informal sector should always enhance account monitoring to enhance their chances of accessing loans.
v. The government through the Youth & Women Fund, to train the Jua Kali Proprietors on basic financial aspects to enhance productivity and growth.

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