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ACCESS TO CREDIT BY INFORMAL SECTOR PLAYERS AND ITS CONTRIBUTION TO SUSTAINABLE LIVELIHOOD OF JUA KALI METAL FABRICATORS IN KAMUKUNJI.

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ABSTRACT

This study examined access to credit by the informal sector players and its contribution to sustainable livelihood of Jua Kali metal fabricators located in Kamukunji in Nairobi. Specifically, it focused on extent of access to non-governmental credit organizations (NGCO's), and informal credit organization's (ICO's) by informal sector players and its contribution to sustainable livelihood of Jua Kali metal fabricators at Kamukunji. The study was conducted on 160 metal business owners whose workshops are located in Kamukunji area in Nairobi. It used purposive sampling in which questionnaires and interview schedules were administered to jua kali metal fabricators in different workshops. The data collected was analyzed using SPSS and processed using descriptive statistics from which the findings were summarized using percentages, frequency, mean and standard deviation to facilitate interpretation. Under correlation, the study found that access to NGCO's(X_2) was positively and significantly associated with sustainable livelihood, with a correlation coefficient of 0.673 ($p < 0.01$), indicating a moderate yet significant positive relationship between the two variables. Lastly, ICO's (X_4) were found to have a significant positive correlation (correlation coefficient of 0.628, ($p < 0.01$) with sustainable livelihood of Jua Kali metal Fabricators, suggesting a modest yet meaningful association between informal credit organizations and sustainable livelihood of steel fabricators in Kamukunji. Results based on NGCO's and ICO's revealed a noteworthy positive correlation between non-governmental credit organizations and sustainable livelihood among the metal fabricators. Similarly, regression results showed that non-governmental credit organizations with its coefficient ($\beta = 0.644$) and p-value ($p = 0.000$), indicated significant predictor of sustainable livelihood among the players. Lastly, correlation analysis results of the second objective revealed a statistically significant positive association between informal credit organizations and sustainable livelihood. Regression analysis revealed that informal credit organizations had a positive and significant effect on sustainable livelihood of the Jua Kali metal Fabricators.

Key Words: Access to Credit, Informal Sector Players, Sustainable Livelihood, Jua Kali Metal Fabricators, Non-Governmental Credit Organizations, Informal Credit Organization's

Background

The International Labour Organization define the informal sector as a sub-set of households, unincorporated enterprises that are incorporated as separate legal utilities independent from the household members who own them. The sector players do not maintain complete sets of accounts that would provide means of identifying flows of income and capital between the enterprises and the owners (International Labor Organization, 2013). ILO asserts that the informal economy makes up half to three quarters of all non-agricultural employment in developing countries. Some of the characteristics that identify with the sector are non-payment of wages, compulsory overtime or extra shift, layoffs without notice or compensation, unsafe working conditions and the absence of social benefits such as pensions, sick pay and health insurance mainly as a result of inadequate framework governing the sector. Factors that attract individuals to the sector include relative ease of entry, reliance on local resources, and minimum capital investment requirements, individuals that devote part- time to informal activities while working elsewhere, because of incidence of low and irregular salaries (International Labor Organization, 2013).

Statement of the Problem

Informal sector is recognized as a sector that possesses great potential in promoting industrial and economic development and as such there should be simplified rules and regulations in business registration and licensing, entry into and exit from business, payment of taxes and access to finance and market access (World Bank Group, 2013). Application of advanced and improved technology improves wages, output and profits generated by the sector. It also promotes preference of employment in the informal sector to the formal sector (Arwin-Rad, Arnad, & Willumsen, 2010). The development of relevant skills is crucial in improving productivity, better working conditions and improved working conditions in the informal sector. New skills and knowledge can open doors to more economically and socially rewarding jobs (International Labour Organization, 2000). “Better educated entrepreneurs are generally responsive to policy measures, which is important for the sector’s development. A higher education level means more stable income generating enterprises in the informal sector as a whole” (King & Abuodha, 1995).

As mentioned in the foregoing, the informal sector in Kenya has provided employment to over 80% of the population. This study sets out to determine the extent of access to credit by informal sector players and its contribution to sustainable livelihood of Jua Kali metal fabricators in Kamukunji.

Objective of the Study

General Objective

To determine the extent of access to credit by informal sector businesses and players and its contribution to sustainable livelihood of Jua Kali metal fabricators in Kamukunji.

Specific Objectives

i. To determine the extent to which nongovernmental credit organizations are accessible and their contribution to sustainable livelihood among Jua Kali metal fabricators in Kamukunji.
ii. To determine the extent to which informal credit organizations are accessible and their contribution to sustainable livelihood among Jua Kali metal fabricators in Kamukunji.

LITERATURE REVIEW

Theoretical Frameworkk

Capability Theory

This theory is well articulated by Amartya (2004) where he asserts that the most important thing is to consider what people are actually able to do, in respect of valuable functioning that a person has effective access to. It allows a wide range of dimensions of advantage to be positively evaluated, that is, what capabilities a person has. For example, Sen points out that being relatively income poor in a wealthy society can entail absolute poverty in some important capabilities because they may require more resources to achieve. Similarly, the capacities for employment may require more years of education in a richer society (Amartya, 2004). The theory proposes that social arrangements should be primarily evaluated according to the extent of freedom people have to promote or achieve functioning they value. It focuses on the freedom that a person has to do things and the doings. The theory is essentially people centered and therefore puts human agency at the centre of the stage. It proposes that the primary claim is that in evaluating well-being, the value objects are the functioning and capabilities. The approach is concerned primarily with identification of value objects and sees the evaluative space in terms of functioning and capability to function (Amartya, 2004).

The theory proposes that well-being should be discussed in terms of people's capabilities to function, that is, on their affective opportunities to undertake the actions and activities that they want to engage in and be whom they want to be. These beings and doings, which Sen calls as achieved functioning together constitute what makes a life valuable (Amartya, 2004). It includes working, resting, being literate, being healthy, being part of a community, being respected and so forth. Robeyns (2003) in his interpretation of this theory, asserts that what is ultimately important is that people have the freedoms (capabilities) to lead the kind of lives they want to lead, to do what they want to be once they effectively have these freedoms, they can choose to act on those freedoms in time with their own ideas of the kind of life they want to live. The theory asks whether people are being healthy and whether the resources necessary for this capability, such as clean water, access to medical doctors, protection from infection and diseases and basic knowledge on health issues are present. It asks whether people are well nourished and whether the conditions for this capability, such as sufficient food supplies and food entitlement are met (Robeyns, 2003). It asks whether people have access to a high-quality education, to real political participation, to community activities which support them to cope with struggling in daily life and which foster real friendships, to religions that console them and which can give them peace of mind. (Robeyns, 2003).

The Microfinance Theory

This theory was pioneered by Dr. Mohammed Yunus in Bangladesh. The concept of the theory is to empower the underprivileged and the poor in the society who ordinarily have a challenge in meeting stringent conditions of accessing credit from formal financial institutions. The spirit behind the theory is to make loans available to the under privileged in the society, to acquire loans without collateral to enable them either start a profitable business or expand the existing one (Bateman, 2010). Dr. Yunus saw it as a way to solution to poverty for the poor and the underprivileged entrepreneurs in the society who are ordinarily excluded from formal banking institutions. This led him to the formation of the iconic Grameen Bank. The theory was seen as the most effective anti-poverty intervention and it became very popular among ordinary people. Initially, the model was increasingly celebrated but starting from 2007, the model took a dramatic decline (Bateman, 2010). With the donors who provided the subsidies to support the micro credit institutions demanding for the institutions to be deregulated in order for them to be financially sustainable for profit model similar to formal commercial banks, the Grameen bank eventually collapsed. UNDP (2013) in its study in Sierra Leone provided that microfinance activities can be effective when introduced soon after economic stability is achieved as long as separate institutions, deliver grants and loans and the conditions thereof are communicated clearly to the borrowers. The study provided that only institutions with capacity to ensure repayment should provide loans; otherwise, the credit culture can be undermined (United Nations Development Programme, 2013). The potential for resistance to the entry of new financial service providers into the market by existing local providers, should be factored into the programme design. Microfinance, however, is not for everyone, especially in its early stages and has the greatest effects when available broadly to, low-income people. Targeting specific groups can slow down the process and in particular, young people to have insufficient experience to manage debt (United Nations Development Programme, 2013).

Access to financial services is one of the fundamental engines of development (World Bank Group, 2015). Estimates by the World Bank, about 2.5 billion adults worldwide do not have formal bank accounts and the low-income individuals are the ones more exposed to finance exclusion because of poverty, travel distance and monetary and non-monetary burdens associated to opening of a bank account (Conzo, 2014). The goal of microcredit is to improve the welfare of poor households through better access to small loans or credit. It has become popular particularly with low-income communities and urban settlements. It focuses on how much a borrower is willing to pay for a loan. It also looks at the cost of the loan to a borrower and the number of borrowers willing to borrow in the light of limited resources. It looks at the time frame in which a microfinance organization provides loans among others (Sergio et al, 2000).

Dasgupta (1995) asserts that Microfinance can help the poor smoothen consumption over periods of cyclical down or unexpected crisis. This positive role of micro finance should not be dismissed altogether. If this consumption smoothing means parents can send their children to school or buy essential medication, and maintain nutritional in – intake of their children, then micro – finance is likely to have positive long-term impacts on productivity (Dichter, 2006). Microfinance, thus fulfils an important safety – net task especially in countries where there is no state sponsored social security system (Dasgupta, 1995).Microfinance gives the employed and the poor some opportunities, hope and self-esteem. Being employed (whether self-employed or by an employer), gives a person a significant boast to his or her sense of self respect and dignity. Furthermore, microcredit allows people to signal their credit worthiness. If their success makes banks more willing to lend them large sums and leads to increased economic activity, then that should help reduce poverty in the long run (Chowdbury, 2009).

However, the theory has not been spared from criticism starting, with the pioneer himself. Wrenn (2005) sees the micro finance as a theory that encourages a single sector approach to poverty eradication through allocation of resource as opposed a multi facet approach solution to poverty. He believes that the theory is irrelevant to the poorest people and that it does not provide solution to poverty eradication. He sees it as an over simplistic notion which has simply been exaggerated as a solution. He also believes that the theory does not provide adequate learning and change to take place to the beneficiaries (Wrenn, 2005). Chowdbury (2009) believes that poor households do not benefit from microfinance; it is only non-poor borrowers with incomes above poverty lines who can do well with microfinance and enjoy sizeable positive impacts. He also believes that there are other critical factors that make credit more productive; among them is the recipient’s entrepreneurial skill as opposed to credit per see.

Vijay Mahajan (2005) believes that microcredit is a necessity but not a sufficient condition for microenterprise promotion, other factors such as identification of livelihood opportunities, selection and motivation of the micro entrepreneurs, business and technical training, establishing of market linkage, common infrastructures, regulatory approvals and others are required. On the other hand, Daley – Harris (2007) is convinced that Microfinance is not a single solution to global poverty. The solution must include a broad array of empowering. In the words of Professor Yunus (2003), Micro credit is not a miracle cure that can eliminate poverty in one scoop. But it can end and reduce poverty significantly for others. Combined with other innovative programs that can unleash people's potential, micro credit is an essential tool in our search for poverty free world.

Chowbury (2009) believes that microfinance is not the peak of poverty reduction, which needs both complementary supply side and demand side factors. Supply side factors such as good infrastructure, entrepreneurial skills and others needed to make micro enterprises more productive, will remain mostly unrealized in the absence of demand - side factors. In other words, without supportive macroeconomic, trade and industry policy framework, micro enterprises will remain micro, with no backward or forward linkages and employment creation possibilities (Chowbury, 2009).

Conceptual Framework

The conceptual framework demonstrates the interelationships in the study; the independent variables and the dependant variables and how they are related.

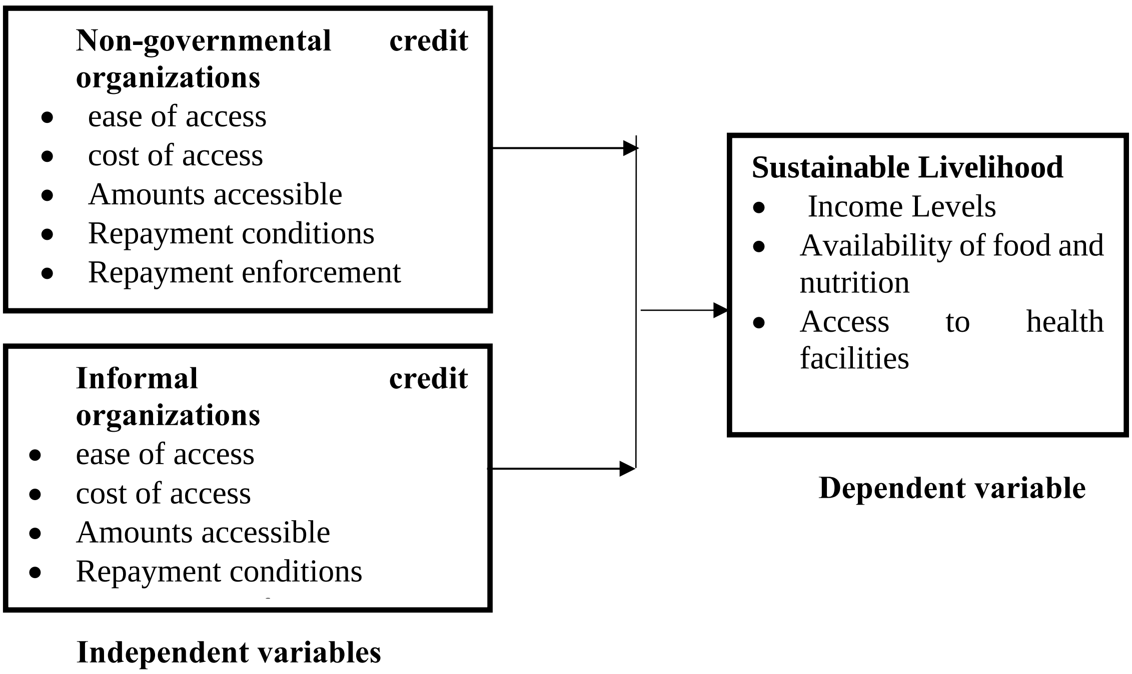

Figure 1: Conceptual framework

Empirical Review

Sustainable Livelihood

It looks at various parameters in relation to a community in a location which impacts on their quality of life. It looks at the number of household members and the time available to engage in income earning activities. It looks at the basic infrastructure, transport, shelter water, energy, communication and production equipment and the means by which people pursue their livelihoods (Lloyd- Jones & Rakodi, 2014). It looks at the financial resources available including savings, credit, and remittances which provide community members with different livelihood options. It evaluates availability of land, clean drinking water and other environmental resources. It looks at sustainable food security and reduced vulnerability of the members. It assesses the condition of the members, quality of education and sustainable living standards of the community (Lloyd- Jones & Rakodi, 2014). Profits made from earnings from sale of goods and services made in the informal sector contribute towards sustainable living standards for the players. These include construction of decent houses for their families, which enable them to live in habitable and safe environments. It enables the families to buy decent clothing and food, especially for those that live in urban areas (International Monetary Fund, 2013). These families are able to meet the cost of education for their children which promotes the acquisition of knowledge and skills for their future benefits. The income helps the individual families to meet the cost of health services and therefore guarantees good health and well-being for the families and this has significant influence of the health status of the individual family members (International Monetary Fund, 2013).

Income level

In their study, Kamaruddin & Samsudin (2014) see the level of income as a tool that can be used to measure of sustainable livelihood. Their findings suggest that sustainable income moves in tandem with the level of household income. Therefore, where the house hold income is high, there is higher sustainable income compared to households where the household income is low. The above findings support research carried by Morse et al (2009) in which study they found a relationship between more income with increased wellbeing, reduced vulnerability, improved food security and more sustainable use of natural resources.

Availability of food and nutrition

Unicef (2012) in their survey indicates that there is a continued increase in the urban population in Kenya, driven by migration from rural areas. Most of these migrants tend to settle in informal settlements in Nairobi, Mombasa and Kisumu. Food poor households in urban informal settlement, such as Kamukunji and Mukuru, spend up to 75% of their income on staple food and are therefore forced to cope by reducing the size and frequency of meals. The above findings by Unicef support findings of an earlier but similar survey carried out by The Kenya National Bureau of Statistics (2008). The Survey carried out by Kenya National Bureau of Statistics found out one of the factors that contribute to food insecurity in Nairobi is poverty. The findings identified informal settlements in Nairobi, among them Kamukunji, Kibra (Langata) and kawangware (Dagoreti) as some of the most vulnerable. The finding attributed food insecurity to poverty and looked at the problem in terms of quality and the frequency of taking food (Kenya National Bureau of Statistic, 2008).

Access to health services

African Population and Health Research Centre (2002) in their study findings observed that poverty associated with informal settlements has a tendency to exclude the residents from benefits of health care. The residents therefore suffer more health inequalities as the settlement pattern itself restricts reasonable access to health and social services that are available to residents of other areas (African Population and Health Research Centre, 2002). A subsequent study by the same organization indicated that there are limited public health facilities in the informal settlements in Nairobi, including Kamukunji. Out of the limited facilities, only 38% of all of these health facilities had approved licensees from the Kenya Medical Practioners and Dentist Board. But this challenge is compounded by the rapid rural urban migration where most of these migrants settle in informal settlements. A more recent survey conducted by the above organization indicated that the situation has not improved noticeably (African Population and Health Research Centre, 2009). A similar study by Emina et al (2011), support the above findings by African Population and Health Research (2009) that informal settlement dwellers, including Kamukunji, experience poorer health than their better off urban counterparts. Their findings indicate that mortality rate in Informal settlements is 151 per 1000 compared to their better off urban counterpart at 62 per 1000 birth (Emina, et al., 2011).

Non – Governmental Credit organizations (NGCO,s)

These are nongovernmental credit and financial institutions which play the role of providing financial services for the low-income earners in a number of areas including micro finance products and services, government regulation, industry best practice, advocacy and research. They offer banking and other financial services such as savings, insurance and remittances (O'Brien, 2008). The institutions are committed to the uplifting of poor, marginalized, under privileged, impoverished and down trodden and they are close and accessible to their target groups. They are flexible in their operations, independent in their functions, quick in decision making, people concerned, driven by social values and humanitarian principles (Khandakar & Danopoulos, 2004). Some of their characteristics include stable source of funds, improved governance, convenience, wide customer outreach and customer satisfaction. Their common objective is to expand clients' convenient access to commercial capital or credit, mobilize local savings and improve customer service. As regulated financial institutions, they are also subject to supervision by regulatory authority (Campion & White, 2001). Unlike government credit programmes and formal banks credit that emphasize on large loans for long repayment period at very low interest rates, micro finance loans are for short periods that are repaid quickly and made available at interest rates that keep the programme sustainable and viable. Micro finance programmes help in fostering and developing a micro community-based environment where existing networks and interlinks are strengthened (Scrinivas, 2017).

Rajendra and Raya (2011), in their study on the role of Non –Governmental Organizations in Micro – finance through self-help groups, many of whom identify with the informal sector, observe that NGO, s has become supplementary agencies for development and in some cases, they have become alternative to the government. They have played a vital role in linking the groups, empowering them financially and in imparting training to start income generating activities. Manju & Rao (2014), in their conceptual study on the Role of Non – Governmental Organizations in Empowering Women through Microfinance, observe that empowerment is a multi – dimensional process which facilitate individuals to gain authority and self-realization in improving their standard of living through acquisition of knowledge, information and education (Manju & Rama, 2014). From their study, they also observe NGO, s has grown in terms of facilitating economic empowerment, improving on the quality of life and sustainable development of the target groups. These NGO, s provides a cheaper access to funds to low income households and micro and small enterprises to support economic activities and contribute to poverty alleviation (Manju & Rama, 2014). In Kenya, there are about 1.3 million Micro and small enterprises, including the informal sector, who have employed about 20% of the total population and contributing to about 18% of the overall GDP. Over 100 organizations, including about 50 NGO, s practises some form of micro financing. These include among others, Faulu Kenya, Kenya Women Finance Trust (KWFT) and Small and Medium Enterprise programme (SMEP) (Omino, 2005). The institutions are supervised by the Central Bank of Kenya and but mainly get their support from various donors. They provide funds at a lower cost and support lower income households and micro enterprises, including the informal sector (Omino, 2005).

Informal Credit Organization .(ICO, s)

In Kenya, they are referred to as 'individuals' associations or micro – saving groups or 'Chama' or 'vyamas' or parties (Kinyanjui, 2012). These are made up of groups of individuals with similar interests who pull their resources together for the best interest of the members. The Vyamas or associations are widely spread in Kenya and are deeply embedded in the local culture, probably because they allow members to face problems and opportunities as part of a group rather than individuals (Kinyanjui, 2012). Unlike the Non-Governmental Credit Organizations (NGCOs) and formal financial or credit Institutions (banks) which are regulated by regulatory authorities, Vyamas are flexible and informal associations or clubs built on social ties instead of formal structure. They usually register as community-based organizations, in rare occasions, they are registered as private enterprises or partnerships or societies. Most of them fall either under financial or investment or welfare groups or merry - go – round or saving clubs.

Members are given lump sum financial amounts in rotational basis (Kinyanjui, 2012). It is an accumulation of savings by members of a group with common interest or 'chamas' until they create a financial pool that is able to offer credit to its members. The cash accumulation normally takes place during meetings of the members. The Credit facility is distributed to members periodically on rotational basis. These kinds of facilities are mainly found among the poor and low-income groups or communities (Maleko, Basil, Deogratius, Angelina, & Gerald, 2013). Their aim is to empower their members financially and encourage skill development. They avail financial recourses to low-income groups, characteristics which can be identified with the informal sector actors, with the objective of enhancing their income. The groups demand very little or no collateral from the members, a fact which make them attractive to members (Maleko, Basil, Deogratius, Angelina, & Gerald, 2013). They tend to be a preference to formal financial institutions as they can provide unsecured loans to its members to alleviate poverty. These microfinance providers are common in developing countries and emerging economies (McGuire & Conroy, 1998).

Piyush & Fahad (2010) in their study on Micro Finance Institutions observed that most low-income people manage to mobilize resources to develop their enterprises and dwellings slowly over time because conventional or formal financial institutions rarely lend to serve the needs of low-income families. This is because they are often denied access to credit as a result of discrepancy between the mode of operation of the institutions and financial needs of the low-income household. To this extend, micro financial institutions have become financially viable and integral to the communities in which they operate. In concluding this study, Piyush & Fahad (2010) observed that micro finance can become an integral part of poverty alleviation programme. They can provide multi- purpose loans or composite credit for income generation, housing improvement and consumption support.

In general, income levels in informal settlements such as Kamukunji are low. The residents contend that they rely mainly on financial services from credit facilities, merry – go –round and such saving schemes as indicated in the foregoing, especially those that offer loans with low interest, less strict conditions and have longer repayment periods (African Population and Health Research Center, 2002).

RESEARCH METHODOLOGY

This study is a correlation survey. A correlation study design delineates the independent variables associated with the problem (Sekaran, 2003). The study used quantitative data with support of qualitative data. Quantitative data was analyzed using tables and statistics while qualitative data was analyzed through the use of conceptualization and in - depth analysis (Saunders, Lewis, & Thornhill, 2000). Kamukunji Jua Kali Association officials on the ground, estimate the population of metal fabricators at Kamukunji to be between 4,000 and 4,500 artisans and apprentices, who use shades extending from Kamukunji to as far as Majengo, Shauri Moyo and Makadara within Pumwani Division in Kamukunji ward. However, the actual population of the metal artisans may not precisely be estimated. This is due movements and relocation of trained and skilled artisans from Kamukunji to other locations in Nairobi such as Kawangware and kariobangi and other towns in the country such as Nakuru, Eldoret and Kisumu, because of congestion and lack of space at the shades and in search of better opportunities. Kamukunji Jua Kali officials in the association's offices on the ground, extracted from their register a total of 1,218 artisans who are registered and have paid their membership fees to the association (Jua Kali Association register as at July 2024). The target population was therefore the 1,218 registered and paid up Jua kali informal sector players at Kamukunji. The study focus was on the registered artisans due the expansive area covered by the shades and secondly due budget constraints, this being self-sponsored academic research. From the target population, a sample was derived which could provide an accurate inference about the total population.

Using the model, na = (n x 100)/re%, advocated by Saunder, Lewis and Thornhill (2007) model the sample size was derived as given below.

n_a = {(1/10 * 1,218) * 100}/75 where:

n_a - actual sample size

n - the minimum estimated sample size

re % - the estimated response rate expressed as a percentage

Hence the sample size was obtained as indicated below: -

N_a = {(1/10 * 1,218) * 100}/75

= 162 respondents

A sample size of 162 respondents were randomly identified in their various categories with the guidance of one the association's official before questioners and interview schedules were administered. The instruments had both structured and open-ended questions to facilitate collection of required response (Mugenda & Mugenda, 2003). Face to face interviews were also carried out to obtain clarification of the responses obtained from the respondents. Responses from qualitative questions were grouped according to the running theme in order derive the gist of the content of the feedback. Descriptive statistics was used to analyze data obtained from the respondents using Statistical Package for Social Sciences (SPSS).

The study involved collecting primary data from the respondents.

Questionnaires were designed according to the study objectives to enable the researcher appropriately ask the research questions and collect accurate responses during the field study.

The data was analyzed according to the variables and objective of the study. The coded data was then run with the help of Statistical Package for Social Sciences (SPSS) to provide an output in descriptive statistics in the form of frequency tables, standard deviations and percentages to facilitate comparison and the interpretation of the findings.

RESULTS AND DISCUSSION

Out of the 144 questionnaires distributed to the target respondents 126 questionnaires were returned, which yielded 87.5 percent study response rate. This supports Mugenda and Mugenda's (2019) assertion that analysis and conclusion-drawing are appropriate for studies with a response rate of 70% or above.

Descriptive Statistics and inferential statistics

The researcher was able to synthesize and define the key traits, patterns, and distributions of the gathered data using descriptive statistics. Statistical summaries that transmitted crucial information about central tendency, variability, and the shape of the data distribution were supplied by measures like mean and standard deviation. Each variable under study's descriptive data are reported in the subheading as percentages, means, and standard deviations. The questionnaire was designed to have 5-point Likert scale measurement which is a measurement with five response categories ranging from "Strongly disagree" (1) to "Strongly agree" (5) which requires the respondents to indicate a degree of agreement or disagreement with each of a series of statements related to explanatory variables. The information is presented in the sub-sections below.

Descriptive Statistics of Sustainable livelihood

The study's dependent variable was sustainable livelihood. The descriptive results are presented in Table 1.

Table 1: Descriptive Statistics of sustainable livelihood

	N	Mean	Std. Deviation
The income levels are sustainable	126	3.77	1.297
There is always availability of food and nutrition	126	3.80	1.414
We have access to health facilities	126	3.80	1.193
There is money available to meet household needs	126	3.57	1.359
There is income available for accessing social amenities.	126	3.74	1.221

Key: SA-strongly agree, A-agree, N-Neutral D-Disagree, SD—Strongly disagree

N =126 is the number of respondents whose questionnaires were returned

The findings presented in Table 1 above indicate a range of responses from the respondents regarding various operational aspects within informal sectors in Kamukunji. Firstly, respondents generally agreed that the income levels are sustainable with an average score of 3.77 (SD = 1.297). Additionally, respondents indicated there was always availability of food and nutrition, scoring an average of 3.80 (SD = 1.414). However, respondents were indifferent regarding whether they had access to health facilities, scoring an average of 3.80 (SD = 1.193).

Moreover, respondents expressed indifference regarding whether there was money available to meet household needs, with an average score of 3.57 (SD = 1.359). Furthermore, respondents agreed that there was income available for accessing social amenities, scoring an average of 3.74 (SD = 1.221). This suggests that there may be differing perceptions among respondents regarding the adequacy of existing sustainable livelihood amongst themselves in their operations.

Descriptive Statistics on Non-governmental credit organizations

The second objective of the study was to establish to what extent nongovernmental credit organizations are accessible and their contribution to sustainable livelihood among Jua Kali metal fabricators in Kamukunji. The descriptive statistics for Budget Implementation based on the responses received is shown in Table 2 below.

Table 2: **Descriptive Statistics on Non-governmental credit organizations**

	N	Mean	Std. Deviation
Funds are easily accessed	126	4.02	1.152
There is low cost incurred to access	126	3.92	1.250
We can access amount that one is requiring	126	4.18	1.113
The conditions for repayment are members friendly	126	3.85	1.321
There is low repayment enforcement needed.	126	3.79	1.378
Valid N (listwise)	**126**		

Key: SA-strongly agree, A-agree, N-Neutral D-Disagree, SD—Strongly disagree

N =126 is the number of respondents whose questionnaires were returned

The findings presented in Table 2 illustrate the respondents' consensus regarding various aspects of nongovernmental credit organizations accessibility and their contribution to sustainable livelihood among Jua Kali metal fabricators in Kamukunji. They agreed that budgeted funds are easily accessed, with a mean score of 4.02 (SD = 1.152). Additionally, respondents acknowledged that there is low cost incurred to access, as evidenced by a mean score of 3.92 (SD = 1.250). Moreover, they indicated agreement that they can access amounts that one is requiring, reflected in a mean score of 4.18 (SD = 1.113). Furthermore, there was strong agreement regarding the statement that the conditions for repayment are members friendly, with a mean score of 3.85 (SD = 1.321). The affirmation also was based on response of majority agreeing that there was low repayment enforcement needed as indicated by a mean of 3.79 (SD = 1.378). The findings affirmed that nongovernmental credit organizations are very vital for the Jua kali metal fabricators to access credit from, hence very essential.

Inferential statistics on Non-governmental credit organizations

Table 3: Correlation Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.673[a]	.453	.448	.66367

a. Predictors: (Constant), NGCO

The model summary table 3 above indicates a positive and strong relationship between the non-governmental credit organizations and sustainable livelihood amongst steel fabricators in Kamukunji, as evidenced by the model correlation coefficient of 0.673. The model's ability to predict sustainable livelihood is demonstrated by the coefficient of determination (R square) value of 0.453, indicating that 45.3% of the variability in sustainable livelihood can be explained by effectiveness of non-governmental credit organizations in financial support enhancement, with the remaining 54.7% attributed to other unaccounted factors.

Table 4: Analysis of variance

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	45.195	1	45.195	102.609	.000[b]
	Residual	54.617	124	.440		
	Total	99.812	125			

a. Dependent Variable: S.L

b. Predictors: (Constant), NGCO

The analysis of variance (ANOVA) presented in Table 4 above demonstrates the significance of the model predicting sustainable livelihood based on non-governmental credit organizations in Kamukunji market in respect to accessibility to credit facilities. This significance is indicated by the calculated F-value of 102.69, which is statistically significant. Thus, it can be inferred that the model serves as a meaningful and reliable predictor of sustainable livelihood amongst informal sector players in Kamukunji market.

Table 5: Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.192	.258		4.618	.000
	NGCO	.644	.064	.673	10.130	.000

a. Dependent Variable: S.L

The data presented in Table 5 above offers valuable insights into how non-governmental credit organizations impacts financial sustainability amongst informal sectors. The constant term, with a value of 1.192 in the regression equation, signifies the baseline level of sustainable livelihood present in the informal sector players. Non-governmental credit organizations, as indicated by its coefficient (β = 0.644) and p-value ($p = 0.000$), shows a significant effect on sustainable livelihood. This suggests that non-governmental credit organizations are a statistically and significantly predictor of sustainable livelihood on their own.

Based on the response from the interview, a member whom I recorded as member R001 said that, ''*it has not been easy to access credit from non-governmental credit organization as my business is not registered by any society hence my operations have not be facilitated through NGCO's*."

Another member whom I had recorded as member T007 said that," *pesa ambayo tumekuwa tukipata kutoka kwa mashirika yasiyo ya kiserikali ni pesa kidogo sana walakini imetusaidia kiasi ya kwamba tumeweza kujiimarisha kibiashara vilivyo*." "*Money that we have been borrowing from non-governmental credit organizations has been very little but it has helped us immensely in expanding our businesses". Another member interjected, "yenyewe, mashirika yasiyo ya serikali, ukilinganisha na mashirika mengine, yamechangia pakubwa kuimarisha biashara zetu''. ''Non-governmental organizations, compared to other organizations, have really supported our businesses''.*

A group of respondents from the interview affirmed that, "there *has been strict terms of payment initiated by the non-governmental credit organizations and we have not been able to seek any help from them as they are so demanding during repayment lapse time frame*."

Descriptive Statistics on informal credit organizations

The fourth objective of the study was to determine the extent to which informal credit organizations are accessible and their contribution to sustainable live hood among Jua Kali metal fabricators in Kamukunji. The descriptive statistics for informal credit organizations based on the responses received is shown in Table 6 below.

Table 6: **Descriptive Statistics on informal credit organizations**

	N	Mean	Std. Deviation
Accessing finances is quite simple	126	3.89	1.247
There is cost of accessing credit.	126	3.94	1.215
The amount one can access is quite small.	126	3.68	1.263
Repayment conditions are based on one capacity to pay.	126	3.77	1.279
Repayment enforcement is simple and clear.	126	3.79	1.292
Valid N (listwise)	126		

Key: SA-strongly agree, A-agree, N-Neutral D-Disagree, SD—Strongly disagree

N =126 is the number of respondents whose questionnaires were returned

The descriptive findings based on objective two indicate a consensus among respondents regarding several aspects related to informal credit organizations are accessible and their contribution to sustainable live hood among Jua Kali metal fabricators in Kamukunji. Firstly, respondents agreed that accessing finances was quite simple, with an average rating of 3.89 (SD = 1.247). Additionally, respondents indicate agreement that there was cost of accessing credit, with an average rating of 3.94 (SD = 1.215). Furthermore, respondents expressed consensus that the amount one can access is quite small, scoring an average of 3.68 (SD = 1.263).

Moreover, respondents agreed that repayment conditions are based on one capacity to pay, with an average rating of 3.77 (SD = 1.279). Additionally, respondents agreed that repayment enforcement is simple and clear, with an average rating of 3.79 (SD = 1.292). The findings revealed how effective informal credit organizations sector were to the livelihood of the respondents based on access to finances.

Inferential statistics on informal credit organizations

Table 7: Correlation Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.628[a]	.394	.389	.69844

a. Predictors: (Constant), ICO

The model summary table 7 above indicates a positive and strong relationship between the informal credit organizations and sustainable livelihood amongst steel fabricators in Kamukunji, as evidenced by the model correlation coefficient of 0.628. The model's ability to predict sustainable livelihood is demonstrated by the coefficient of determination (R square) value of 0.39.4 indicating that 39.4% of the variability in sustainable livelihood can be explained by effectiveness of informal credit organizations in financial support enhancement, with the remaining 60.6% attributed to other unaccounted factors.

Table 8: Analysis of variance

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	39.322	1	39.322	80.607	.000[b]
	Residual	60.490	124	.488		
	Total	99.812	125			

a. Dependent Variable: S.L

b. Predictors: (Constant), ICO

The analysis of variance (ANOVA) presented in table 8 above demonstrates the significance of the model predicting sustainable livelihood based on informal credit organizations in Kamukunji market using accessibility to credit facilities. This significance is indicated by the calculated F-value of 80.607, which is statistically significant. Thus, it can be inferred that the model serves as a meaningful and reliable predictor of sustainable livelihood amongst informal sector players in Kamukunji market.

Table 9: Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.341	.274		4.897	.000
	ICO	.628	.070	.628	8.978	.000

a. Dependent Variable: S.L

The data presented in table 9 presented above offers valuable insights into how informal credit organizations impacts financial sustainability amongst informal sectors. The constant term, with a value of 1.341 in the regression equation, signifies the baseline level of sustainable livelihood present in the informal sector players. Informal credit organizations, as indicated by its coefficient ($\beta = 0.628$) and p-value ($p = 0.001$), shows a significant effect on sustainable livelihood. This suggests that Informal credit organizations are a statistically and significantly predictor of sustainable livelihood on its own.

From the interview point of view, a group of respondents, who happened to be ladies and whom were very keen on listening to my enquiry through their spokesperson aired their views by saying that, "*we have been easily accessing credit from informal financial sectors which are our big contributor in terms of making our lives easy. This has been as a result of how well we have been able to establish ourselves as you can see, we have already set up our own operational base through the lumpsum amount we have been accessing through the informal sectors*."

Another member said that, "the *repayment conditions set by the informal credit sector suits my requirements and therefore seeking financial help from them has been always my desire."*

Another member said that, "*malipo ya ziada yanayohitajika na hivi vikundi huwa si ya juu na kwa hivyo niendapo kukopa huwa nashughulikiwa kirahisi na kulipa huwa sina ugumu wowote ule*." "*the cost of accessing funds from informal credit organizations is low; therefore, whenever I need a loan, I easily access one without any difficulty and repayment has never been a challenge to me"*.

Correlation Analysis

Correlation analysis, as outlined by Sekaran (2000), serves to elucidate the direction, strength, and significance of relationships among variables within a study. In order to ascertain the presence of relationships between the variables, a correlation analysis was undertaken, as described by Sekaran and Bougie (2010). This analysis reveals the directional nature, magnitude, and statistical significance of associations among the variables under investigation. Specifically, a positive correlation implies that as one variable increases, so does the other, while a negative correlation suggests that an increase in one variable corresponds to a decrease in the other, as articulated by Sekaran (2003)

Table 10: Correlation between Study Variables

		S.L	NGCO	ICO
S.L	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	126		
NGCO	Pearson Correlation	.673**	1	
	Sig. (2-tailed)	.000		
	N	126	126	
ICO	Pearson Correlation	.628**	.594**	1
	Sig. (2-tailed)	.000	.000	
	N	126	126	126

From the findings presented in Table 10, several conclusions can be drawn regarding the relationship between various factors and sustainable livelihood based on accessibility to credit by informal sector players specifically steel fabricators in Kamukunji. Firstly, non-governmental credit organizations (X1) are also positively and significantly associated with sustainable livelihood, with a correlation coefficient of 0.673 ($p < 0.01$), indicating a moderate yet significant positive relationship between the two variables. Additionally, informal credit organizations (X_2) are found to have a significant positive correlation (correlation coefficient of 0.628, ($p < 0.01$) with sustainable livelihood, suggesting a modest yet meaningful association between informal credit organizations and sustainable livelihood of steel fabricators in Kamukunji.

Discussion of Results

Non-governmental credit organizations and sustainable livelihood

The second objective aimed to determine the extent to which nongovernmental credit organizations are accessible and their contribution to sustainable livelihood among Jua Kali metal fabricators in Kamukunji. The correlation analysis revealed a noteworthy positive association, with a coefficient of 0.673 and a highly significant p-value ($p < 0.01$), indicating a substantial link between non-governmental credit organizations efforts and sustainable livelihood. Moreover, the regression analysis confirmed this relationship, showing a significant and positive effect of between non-governmental credit organizations efforts and sustainable livelihood, with a coefficient (β) of 0.336 and a p-value of 0.000. This suggests that for every unit increase in non-governmental organizations, there's a corresponding 33.6% increase in sustainable livelihood, holding all other factors constant. These findings underscore the crucial role of non-governmental credit organizations in bolstering the sustainable livelihood and longevity of informal sector players.

The results above are in line with those by Rajendra & Raya (2011), in their study on the role of Non –Governmental Organizations in Micro – finance through self-help groups, many of whom identify with the informal sector, who asserted that NGO, s have become supplementary agencies for development and in some cases, they have become alternative to the government. They have played a vital role in linking the groups, empowering them financially and in imparting training to start income generating activities. Manju & Rao (2014), in their conceptual study on the Role of Non – Governmental Organizations in Empowering Women through Microfinance, observe that empowerment is a multi – dimensional process which facilitate individuals to gain authority and self-realization in improving their standard of living through acquisition of knowledge, information and education. From their study, they also observe that NGO’s have grown in terms of facilitating economic empowerment, improving on the quality of life and sustainable development of the target groups. Similarly, the findings are in line with the study by Omino (2005) on Non-governmental credit organizations and Small and Medium enterprises, whose findings established that these institutions provide funds at a lower cost and support lower income households and micro enterprise, including the informal sector.

Informal credit organizations and sustainable livelihood

The fourth objective of the study aimed to determine the extent to which informal credit organizations are accessible and their contribution to sustainable live hood among Jua Kali metal fabricators in Kamukunji. Correlation analysis revealed a statistically significant positive association between informal credit organztions and sustainable livelihood, with a coefficient of 0.628 and a highly significant p-value ($p < 0.01$), indicating a weak yet positive relationship between these variables. Furthermore, regression results indicated a significant positive effect of informal credit organizations and sustainable livelihood, with a coefficient (β) of 0.299 and a highly significant p-value of 0.001. This implies that for every unit increase in informal credit organizations , there is a substantial 29.9% increase in sustainable livelihood when other factors remain constant.

The results agree with those by Piyush & Fahad (2010) in their study on Micro Finance Institutions, who observed that most low-income people manage to mobilize resources to develop their enterprises and dwellings slowly over time because conventional or formal financial institutions rarely lend to serve the needs of low-income families. This is because they are often denied access to credit as a result of discrepancy between the mode of operation of the institutions and financial needs of the low-income households. To this extend, micro financial institutions have become financially viable and integral to the communities in which they operate. In concluding their study, Piyush & Fahad (2010) observed that micro finance can become an integral part of poverty alleviation programme. They can provide multi-purpose loans or composite credit for income generation, housing improvement and consumption support.

Conclusions

The findings from the second objective underscored a significant positive association between non-governmental credit organizations and sustainable livelihood within informal sector players in Kamukunji. The correlation analysis highlighted a substantial link between non-governmental credit organizations efforts and sustainable livelihood, indicating their importance in organizational resilience. Furthermore, regression analysis confirmed this relationship, revealing a significant positive effect of non-governmental credit organizations on sustainable livelihood. These results suggest that there is also a great need and desire for informal sectors player to seek credit from non-governmental organizations.

The correlation analysis conducted for the fourth objective unveiled a statistically significant positive association between informal credit organizations and sustainable livelihood. Moreover, regression analysis reinforced this relationship by demonstrating that informal credit organizations had a positive and significant effect on sustainable livelihood. These findings underscore the critical role of thorough informal credit organizations in enhancing the financial health and sustainability of informal sector players. By embracing comprehensive informal credit organizations, informal sector players can identify potential financial risks, evaluate investment opportunities, and ensure compliance with regulatory requirements, thereby safeguarding their sustainable livelihood in the long run. Having robust informal credit organizations emerges as a fundamental aspect of financial resilience, contributing to sustainable livelihood.

Recommendations

Based on the analysis from the second objective that non-governmental organizations positively and significantly enhanced sustainable livelihood and the conclusion that non-governmental credit organizations are a significant contributor to sustainable livelihood in informal sector players, it is recommended that non-governmental credit organizations efforts are strengthened by instituting stricter controls in order for sustainable livelihood of informal sector players is improved.

The correlation analysis conducted for the fourth objective uncovered a statistically significant positive correlation between informal credit organizations and sustainable livelihood. Furthermore, regression analysis corroborated this relationship by illustrating that informal credit organizations exerted a positive and significant effect on sustainable livelihood. These findings underscore the pivotal role of informal credit organizations in fortifying the financial health and sustainability of informal sector players in Kamukunji market. By undertaking comprehensive informal credit organization assessments, organizations can effectively pinpoint potential financial risks, evaluate investment opportunities, and ensure adherence to regulatory standards, thereby safeguarding their financial sustainability over time. The effecting of more informal credit organizations emerges as a foundational element of organizational governance, contributing to financial resilience and adeptly mitigating risks.

Suggestions for Further Research

This study was conducted under several limitations and assumptions. Based on these limitations and assumptions, the following suggestions for further research are proposed.

This study focused on only steel fabricators in Kamukunji. A study should be conducted to incorporate all other informal sectors players from other jurisdictions and from other regions. Moreover, a study could be conducted that incorporates other sectors not only informal one.

Future researchers should conduct qualitative studies such as focus groups with stakeholders within informal sector players to gain insights into their perceptions and experiences regarding the effectiveness of accessing credit by informal sector players in enhancing sustainable livelihood. This approach can provide nuanced understanding and capture perspectives that quantitative analyses may miss.

It is also suggested that future studies undertake longitudinal studies to track the long-term effects of accessibility to credit by informal sector players. By observing changes over time, researchers can better assess the sustainability of impacts and identify any evolving trends or patterns.

Future studies can be conducted to compare the effectiveness of accessibility to credit by informal and formal sector players across different regions, counties or countries with varying socio-economic contexts. This comparative approach can reveal context-specific factors influencing the implementation and outcomes of fund management practices.

Future studies can also be conducted to extend research beyond informal sectors to include other sectors such as private businesses, government agencies, or profit-making organizations operating in Kamukunji. Comparing the application and effectiveness of accessibility to credit across sectors can yield valuable insights applicable to a broader range of organizations.

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