

## **Influence of Members' Education Level Externality on Growth of Savings and Credit Co-operative Societies in Uasin Gishu County, Kenya**

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### **Abstract**

*Member education levels is immensely an indispensable knowledge resource that may be fostered through co-operative education to improve member participation on contribution towards co-operative growth. However, in the recent years, most co-operative education programs target the co-operative board members and employees. This leaves aside members yet they are the decision makers, owners and patrons of co-operatives thus inhibiting their potentials from being fully used in aiding co-operatives growth. The purpose of this study was to examine the effects of member education levels externalities on growth of Savings and Credit Co-operative Societies (SACCOS). Absorption capacity theory guided the study. The theory states that absorption capacity is a set of organizational routines and processes, through which organizations accept education, learnt, assimilate and use acquired knowledge to transform. A sample of 147 SACCOS and 384 members were drawn with the aid of purposive and simple random sampling techniques. The research design used was cross-sectional while survey, in-depth interviews and focus group discussion were data collection techniques; data were analyzed using binary logistic regression and content analysis technique. Results revealed that member education levels have spillover effects that are significant predictors of member participation; the p values were all less than 0.05 at 0.05 significant level on share capital contribution. The member education level aspects that contribute to SACCOS growth were education attainment, literacy, occupation and knowledge. Co-operative education knowledge in member education levels contributes to spillover effects like innovation, watchdog role and building trust and loyalty. The study recommended SACCOS to tapped and utilize member education levels externality by enhancing mandatory provision of co-operative education to all members; mainstreaming co-operative education on education levels under strict supervision of the Ministry of Co-operatives and SMEs.*

**Keywords:** Member Education Level Externalities Growth

*AJCDT, Vol. 8 No. 1 (December, 2023), pp. 44 – 57, © 2023 Authors*

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