GENDER EMPOWERMENT THROUGH MICRO-FINANCING: A CASE STUDY OF WOMEN GROUPS IN FUMBINI LOCATION, KILIFI DISTRICT, KENYA

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ABSTRACT

Micro-financing plays an important role in development aspirations of poor countries by providing opportunity for low income-earners to access affordable financial services, which commercial banks have deprived them. Women form the bulk of low income-earners in poor countries; hence micro-financing services provide them with opportunity for economic empowerment. Although micro-financing schemes have been partnering with women groups for over 20 years in Kenya, little is known about the effect of this partnership on the socio-economic status of women, especially in Kilifi District.

In view of this, the present study set out to assess the extent of empowerment of women through micro-financing in Fumbini Location of Kilifi District. Specific objectives included: assessment of the variation in socio-demographic attributes of women; examining the level of participation in IGAs; assessing the effect of micro-financing services on empowerment; establishing the effectiveness of micro-financing services in terms of accessibility and adequacy; as well as examining the role played by women groups in accessibility of micro-finance services.

The study applied both quantitative and qualitative approaches to source, process and analyze the requisite data. The data were collected using a survey questionnaire and in-depth interview schedules from women and group leaders respectively. The SPSS computer package was used to generate frequency distributions and percentages, OLAP Cube reports as well as cross-tabulations with Chi square statistic, which was used to test statistical hypotheses.

The study found that both the funded and the unfunded women portrayed near similar socio-economic attributes including age, marital status, number of dependants and level of education. The similarity of baseline characteristics provided opportunity for the researcher to attribute net change in indicators of empowerment to micro-financing intervention. The study further noted that there was no significant variation between funded and unfunded women in terms of amount of capital invested. However, variation was noted on the type of IGAs, where funded women concentrated on relatively high potential ventures. Micro-financing was an important
source of capital for funded women, as it accounted for over 80% of invested capital. The study also found that there was no significant statistical association between the funding status and average monthly income, number of meals taken in a day, frequency of hunger in the past year, number of children dropping out of school, ownership of land and ownership of a cow, leading to non-rejection of the null hypotheses. Additional findings indicated that although women groups played a crucial role of linking women with micro-financing schemes, they faced critical internal and external challenges, which included inadequate management capacity and high rate of IGA failure. The study concluded that micro-financing had not made significant contributions in the empowerment of women in Fumbini Location.

The study recommended the need to encourage more women to form groups to enable them benefit from micro-financing; the need to promote functional partnership between more women groups and micro-financing schemes; and the need to provide more training to women in key skill areas. Additional recommendations focused on the need to increase the amount of resources provided as loans; the need to encourage women to utilize modern family planning methods to reduce dependence burden in future; and the need intensify poverty reduction efforts in Kilifi District. Further, the study recommended further studies on the role of merry-go-rounds in resource mobilization, factors fueling dropout rate among girls, situational analysis of women’s property rights and perceptions of men regarding women’s participation in group activities.