

**THE EFFECT OF MICROFINANCE ON RURAL WOMEN EMPOWERMENT IN
KIKUYU CONSTITUENCY, KIAMBU COUNTY IN KENYA**

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DECLARATION

This Research Project is my original work and has not been submitted for the award of a Degree in any other university.

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DEDICATION

This work is dedicated to my belated dad Mr. KarugaKanjagua who always wished the best for me, my mother AnnastasiaKaruga, my daughter LaureenMaina and most important to my husband Stephen Kamanyi for giving me the peace and support throughout the entire time of writing this project.

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TABLE OF CONTENTS

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
LIST OF TABLES	vii
LIST OF FIGURES	viii
LIST OF ABBREVIATIONS	ix
ABSTRACT	x
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of the Study	1
1.1.1 Micro Finance	4
1.1.2 Rural Women Empowerment.....	6
1.1.3 Effect of Micro Finance on Women Empowerment	8
1.1.4 Micro Finance and Rural Women in Kikuyu Constituency Kiambu County	11
1.2 Research Problem	12
1.3 Research Objectives.....	14
1.4 Value of the study	14
CHAPTER TWO	16
LITERATURE REVIEW	16
2.1 Introduction.....	16
2.2 Theoretical Review	16
2.2.1 Identity Empowerment Theory	16
2.2.2 The Harvard Framework.....	17
2.3 Determinants of Rural Women Empowerment.....	17
2.3.1 Micro Credit and Empowerment of Women.....	18
2.3.2 Training and Empowerment of Women.....	18
2.3.3 Micro saving and Empowerment of Women.	19

2.4 Empirical Review.....	19
2.5 Summary of the Literature Review	24
CHAPTER THREE	26
RESEARCH METHODOLOGY	26
3.1 Introduction.....	26
3.2 Research Design.....	26
3.3 Population	26
3.4 Sample.....	27
3.5 Data Collection	27
3.6 Data Analysis	27
3.6.1 Analytical Model.....	27
3.6.2 Test of Significance	28
CHAPTER FOUR.....	29
DATA ANALYSIS, RESULTS AND DISCUSSION.....	29
4.1 Introduction.....	29
4.2 Findings.....	29
4.3 Interpretation of the Findings.....	42
CHAPTER FIVE	46
SUMMARY, CONCLUSION AND RECOMMENDATIONS.....	46
5.1 Introduction.....	46
5.2 Summary	46
5.3 Conclusion	47
5.4 Recommendation for the Policy.....	48
5.5 Limitations for the Study	49
5.6 Suggestions for Further Research	49
REFERENCES.....	51
APPENDICES.....	55

LIST OF TABLES

Table 4.1 Respondent's Marital Status	29
Table 4.2 Respondents age	390
Table 4.3 Literacy level	391
Table 4.4 How long have you been a member of the Microfinance?	392
Table 4.5 Household size	394
Table 4.6 Installment period to repay the loan	395
Table 4.7 Kind of ownership	396
Table 4.8 Satisfaction over the Functioning of Microfinance.....	396
Table 4.9 Payment status	397
Table 4.10 What purpose did you utilize your loan?	398
Table 4.11 Monthly inflows, Outflows and Savings	39
Table 4.12 Women Statistics	40
Table 4.13 Family Attitude	41
Table 4.14 Analysis of variance.....	41
Table 4.15 Regression Model	42

LIST OF FIGURES

Figure 4.1 Gender trend	30
Figure 4.2 Respondent age.....	31
Figure 4.3 Educational level	32
Figure 4.4 Number of years in the organisation	33
Figure 4.5 Household size.....	34
Figure 4.6 Installment period.....	35
Figure 4.7 Satisfaction over microfinance	37
Figure 4.8 Payment status	38
Figure 4.9 Inflows and outflows	39

LIST OF ABBREVIATIONS

IEBC	-	Independent Electoral and Boundaries Commission
MFC	-	Microfinance Credit
MFI	-	Microfinance Institutions
MFT	-	Microfinance Training
MS	-	Micro Savings
RWE	-	Rural Women Empowerment

ABSTRACT

Microfinance Institutions (MFIs) provide its members with various services to help improve their entrepreneurial ventures and in the end empowering them. Despite many studies carried on the topic, the effect of microfinance intervention on the empowerment of women entrepreneurs in rural constituencies remains largely unexplored in Kenya. This study sought to close the gap by establishing the effect of Micro Finance on rural women empowerment in Kikuyu Constituency, Kiambu County in Kenya. The study adopted a descriptive research design with the population consisting of all women groups in Kikuyu Constituency, Kiambu County in Kenya. The sample of the study consisted of the 80 active women groups. Primary data was gathered using structured questionnaire for analysis which was done using the Statistical Package for Social Sciences (SPSS version 19) to generate the descriptive statistics and also to generate the trends results and regression findings. Findings on the analysis of variance (ANOVA) indicate that the overall model was statistically significant as indicated by an F statistic of 4.863 and p value less than 0.04608. The regression analysis revealed that micro credit to be statistically significant with micro training and micro saving with significance of more than 5% to be not statistically significant. This study provides recommendations clear financial management strategies should be set aside to address key critical financial difficulties facing women particularly developing good financial management technique to provide adequate responses to challenges and problems by focusing on women business processes to minimize claims and enable women growth and women empowerment and have clear framework to advice women on how financial management decisions are made and the procedure to be followed to make sure the right decisions are made to meet the benefit of the customers and maintain their visibility. This will enable to minimize any conflict of interest which might ruin their image and reputation. Nevertheless, women should focus on planning issues to improve their effectiveness and efficiency. Operating activities which involves receivables, payments and savings should be well management to ensure efficiency and effectiveness to maintain steady cash flows to finance groups operating long term projects and goals.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The impact of microfinance on women's empowerment is of great interest to academicians, researchers and policy makers. Studies suggest that microcredit helps women increase their income earning abilities, leading to greater power within the household, while others argue that men often take control over the microcredit, which was allocated to women, leading to a more vulnerable position within the household for women.

Poverty is a social condition that is found in every part of the world. Yunus (2007) acknowledges that, there are different definitions of poverty depending on the region and county. For instance, poor people from Bangladesh lead a life that is totally different from their poor counterparts in the U.S. While majority of U.S. citizens who are classified as poor do own television sets, majority of the poor people in Bangladesh do not have electricity in their homes. In Philippines, poverty refers to the lowest income below which one cannot buy goods and services considered necessary for basic survival (Gordon, 2007).

Ackerly (1995) argues that in the informal sector women's participation in production only is not empowering, but knowledge and empowerment come through access to the market. Women may have a higher and more stable income either as an independent entrepreneur or as an employed worker. Entrepreneurship is often problematic even with a relatively high but very irregular

income. An entrepreneur can be highly dependent in practice, if she buys raw material from middlemen and sells products back to them. In situations of this kind the entrepreneur can be exploited and underpaid. However, women are usually not able to choose between waged employment and salaried employment, but they have limited options or no options at all.

Olsson (2005) defined a poor person as one who cannot afford the necessities of life including food, clothing and housing. Even though there are different definitions, they all converge at a common point. That is, poverty is that condition where low income earners cannot live a decent human life. This condition is caused by the lack of resources or capabilities to utilize existing resources in order to acquire basic needs. Causes of poverty can be classified into two categories: internal and external. Internal factors include social and environmental conditions under which a population lives in. External factors, on the other hand, include a country's debt burden and effects of international trade.

According to Chant (1997), women are more disadvantaged in the labor market than men because they have fewer financial resources to operate small-scale business, their skills are primarily domestic and their mobility is lower than men's. Still, women's share in the global labor force has risen. Factors affecting this are the expansion of the tertiary sector, the rising level of women's education and lower fertility. The size of the female work force often increases during recessions among the urban poor in consequence of the effort to maintain the level of the household income. Women participate in economic progress and in a flexible labor market in several ways: through their underemployment and unemployment, their willingness to move in and out of the labor market, and their low wages (Bruce 1989).

A study by Carter and Cannon (1992) on women has also revealed that women have problems raising start-up for business than men and that women encounter credibility problems when dealing with bankers. Similarly, the 'Women Entrepreneurs' summit hosted by the Organization for Economic Cooperation and Development (OECD) held in 1997, accessibility to credit facilities was raised as a problem for the promotion of women entrepreneurship and business advancement. Thus, supplying credits to small and micro-enterprises is important for the reasons that: First, it has to do with market imperfection where banks do not favor lending to small enterprises. In offering credit to small enterprises, market imperfection will thus be minimized since banks will now favor lending to small enterprises especially, women in the promotion of gender equity (Mensah, 2003).

Again, they favor the development of private sector, the promotion of women and the implementation of community development by private initiative and they help to reduce poverty and contribute to a fairer income distribution. In a workshop held in Dares salaam, 1997, the participants observed that many women suffer human rights abuse because of their economic weakness. MsNambuo added that it is often a product of their comparative lack of educational opportunities so reinforcing their women's rights might include challenging traditions, ensuring that education is available, providing legal help and making business capital available (Commonwealth Report, 2001).

Increasing evidence shows that not only women are overrepresented among the poorest people but are also more likely than men to spend their incomes on the welfare of children and

dependents. Therefore, poverty reduction programs which target women are likely to be more effective. Again, there is much evidence that in microfinance there is higher repayment and savings discipline among women than men. Empowering women is the second stated goal of microcredit summit campaign. There is also evidence of significant potential for microfinance to enable women to challenge and change gender inequalities at all levels. There is now the growing need to rethink the best practices to ensure that women have equal access to all types of financial services (Mayoux, 2006).

Roodman (2012) has blossomed from a humble beginning, something that started off as small experiments involving provision of financial services to poor people has now matured into a global movement. Microfinance stimulates micro enterprise, empowers women and lifts families from conditions of poverty to being self-sufficient. Microfinance stepped into the picture following the neglect of the needy people by commercial banks and other mainstream financial institutions. Many countries in Africa, Kenya included continue to suffer from poverty, illiteracy, malnourishment, ill health and hunger.

1.1.1 Micro Finance

Microfinance is a type of banking service that is provided to unemployed or low-income individuals or groups who would otherwise have no other means of gaining financial services, S.Sarumathi and Dr.K.Mohan(2011). Micro finance through Self Help Group (SHG) has been recognized internationally as the modern tool to combat poverty and for rural development. Micro finance is effective in reducing poverty, empowering women and creating awareness which finally results in sustainable development of the nation.

Hoff and Stiglitz (1993) show that if some borrowers can satisfy all their borrowing needs from the formal sector at lower interest rates, there will be less demand for informal credit. But in a monopolistically competitive market with free entry and one money lender as an imperfect substitute for another, a subsidy in the formal credit market may cause interest rates to rise in the informal sector because the induced new entry drives up the marginal enforcement cost of lending in the latter.

Jain and Mansuri (2003), by contrast, focus on the ‘crowding in’ effect of microfinance on informal lenders. Under certain conditions, this crowding in effect may raise the interest rate in the informal sector. Based on data collected in 2002 from 156 villages in three districts in northern Bangladesh, a regression analysis was carried out of the determinants of the annual average money lender interest rates.

Borrowers can make more productive investments if MFIs meet their demands for loans by allowing more flexibility in loan disbursement and repayment schedules. A useful insight is that the presence of local moneylenders may even be beneficial, if increasing competition between formal and informal lenders increases borrowers’ access to funds at competitive interest rates (Mallick, 2011).

The majority of Micro Finance Institutions (MFIs) lend only to women as it is believed that women are disadvantaged both sociologically as well as economically. It could be possible that women are chosen for these loans because of their non-migratory behavior or for they being perceived as more family oriented and responsible compared to their male counterparts.

Additionally since MF necessitates attendance in weekly meetings institutions trust women more than men as they are likely to be more disciplined than men. If these are the reasons for selecting women for loan disbursements, it is even more important to raise a question if providing loans to the poor women is resulting in women empowerment as suggested and followed by several microfinance institutions in their mission statements (Amarty, 1999).

The Microcredit Summit Campaign launched for achieving development goals in 2015 ensures to reach 175 million of the world's poorest families, especially the women of those families, with credit for self-employment and other financial and business services to lift 100 million families above the US\$1 a day threshold (Harris, 2007).

1.1.2 Rural Women Empowerment

Women's empowerment is typically understood as social, economic or political empowerment. Social empowerment is often considered to include e.g. girls' education, political empowerment women's share of seats in national legislatures, and economic empowerment the gap between men's and women's salaries. Both political and social empowerment can be described as participation in decision-making. From the point of view of social empowerment, women's empowerment can mean social mobilization around their major concerns, change in their state of mind or gains in access to the bases of social power (Friedmann, 1992).

According to Kabeer (2001), it is possible to think empowerment in terms of the ability to make choices. Thus disempowerment means the lack of choice. For her, empowerment is a process where disempowered persons who have been denied the ability to make choices acquire such an ability. In this definition the process of change is underlined. In order to be empowered people

have to be disempowered in the first place. A further distinction is made between strategic life choices and second-order or less consequential choices. The strategic life choices constitute the defining parameters of the quality of one's life. Thus empowerment is "the expansion in people's ability to make strategic life choices in a context where this ability was previously denied to them.

Dobra (2011) argues that while in the developmental process, speaking about development without seeking to reduce inequalities between men and women leads to both partial development and partial poverty reduction. Furthermore, the World Bank (2012) has stressed that long lasting gender inequalities, characteristic of many developing countries, are restraints one in economic growth and development. Sen (1993) explains that the freedom to lead different types of life is reflected in a person's capability set. A person's capability depends on a variety of factors including social arrangements and personal characteristics. However, the full accounting of individual freedom goes beyond the capabilities of personal living.

Poverty is widespread and remains a critical development challenge in Kenya. For this reason micro-financing come in handy in reducing poverty by bringing economic empowerment, which is the first step in reducing poverty. Accordingly, empowerment is about the improvement of individual's capabilities to make a difference in their settings, which in turn affects their life. Empowerment also relates to the influence of an individual on social and cultural norms in society. In contrast to many other terms, women's empowerment relates to a process, a movement from one state to another. Empowerment also includes agency, in which women

themselves are actors in the empowerment process. Furthermore, agency implies that women must not only be able to make a decision, but be aware of their rights to make it (Kabeer, 1999).

1.1.3 Effect of Micro Finance on Women Empowerment

Many studies and different authorities have concluded that micro finance schemes embarked in many developing countries have yielded positive results (Ray, 1998). It is against this background that United Nations Capital Development Fund has been established as the channel for UNDP to fund microfinance interventions. Many micro credit programs have targeted one of the most vulnerable groups in society-women who live in households which own little or no assets by providing opportunities for self-employment.

Many studies have concluded that microfinance products have significantly improved the economic standing of the poor as well as increasing women's security, autonomy, self-confidence and status within households (UN report, 1998, 2000). Such studies recommend that if micro-credit is to play a strong role in development then certain requirements need to be fulfilled. The most crucial requirement is to perceive micro-credit lending as part of a comprehensive program of support to small scale enterprise sector, the consultative group to assist the poor (CGAP) estimates that the sector already employs 500 million of the poor. It constitutes an active base for strengthening the private sector in developing countries. This would entail governments of developing countries (Ghana inclusive) formulating plans and programs to support small enterprises of which microcredit should be an integral part.

Sen (1987) confirms two ways in which women's income-earning activities can affect the situation of a woman and her family. The first possible outcome is the enhancement of the over-

all command of the household, and the second is an increase in the woman's share of the household command. Earnings can give woman a clearer perception of her individuality and wellbeing and/or a higher perceived contribution to the economic position of the family. And vice versa, women's empowerment has a critical effect on their economic gains (Sebstad, 1989).

Dupas and Robinson (2009), for example, report that micro-business owners with access to a savings account, a form of commitment savings product, recorded higher business investment, a reduced sensitivity to shocks, and higher per capita expenditure selection bias). The findings are unavoidably mixed because of the use of different methodologies and data sets. A distillation is given below, based on a few important contributions. As noted earlier, we will examine a wide range of effects on poverty, women's empowerment, vulnerability to health shocks, short and long term welfare effects, interest rates charged by local money lenders, commercialization of microfinance, trade-offs between sustainability and outreach, and credit subsidy.

Access to finance has several potential benefits that reduce poverty. These include (i) long lasting increases in income through higher investments in income generating activities, and a more diversified livelihood; (ii) asset accumulation and consumption smoothing; (iii) reduction of vulnerability to illness, droughts, floods; (iv) empowerment of women through expansion of economic opportunities and enhancement of social status; and, (v) finally, through spillover effects that extend beyond the borrowers (Hermes and Lensink, 2011).

Morduch (2009), however, reject these findings on the grounds that the instrumentation strategy is inappropriate and important explanatory variables are omitted. Copestake et al. (2005) are also

not optimistic about the impact of microfinance. Based on a survey carried out in Peru and a mix of methods (difference-in-difference and in –depth interviews), they find that it is the ‘better-off’ rather than the core poor who benefit most from microfinance.

Imai et al. (2010) examine whether household access to microfinance reduces poverty, using a multidimensional welfare indicator⁵. Using national household data from India, the treatment effects model is employed to estimate the poverty-reducing effects of microcredit for productive purposes, such as investment in agriculture or non-farm businesses. These models take into account the endogenous binary treatment effects and sample selection bias associated with access to MFIs.

Despite some limitations, such as those arising from potential unobservable important determinants of access to MFIs, significant positive effect of MFI productive loans on the multidimensional welfare indicator is confirmed. The significance of treatment "effects" coefficients is verified by both Tobit and Propensity Score Matching models. In addition, it is found that loans for productive purposes were more important for poverty reduction in rural than in urban areas. However in urban areas, simple access to MFIs has larger average poverty-reducing effects than access to loans from MFIs for productive purposes.

The effects of microfinance and/or microcredit schemes on poverty reduction are still largely unknown. Consequently, microfinance has been moving increasingly towards for-profit ventures that focus on relatively richer clientele. Though studies on broader area of microfinance have been done, no study has actually been carried out on the effects of microfinance on poverty

reduction. The literature confirms that most microfinance programs do not serve the poorest (Morduch and Haley, 2002). However, the authors affirm that there are some institutions that do and the poorest can definitely benefit from microfinance in terms of increased incomes, and reduced vulnerability.

1.1.4 Micro Finance and Rural Women in Kikuyu Constituency Kiambu County

Kiambu is the smallest but densely populated county in Central Province of Kenya bordering Nairobi City and Kajiado County to the south. The absolute poverty index of the district is 25.08%. Its population as per the 2009 National Population Census report quoted by the Independent Electoral and Boundaries Commission (IEBC) is 125,402 people. Just as is the case in many other parts of Kenya, the unemployment rate in Kikuyu constituency is high.

There are few opportunities for illiterate and semi illiterate rural women. For this reason, these women are left with no option but to earn a living through the informal sector. It is in this sector, however, that women form the bulk of clients visiting micro finance institutions for assistance. Generally, women, face constraints that are gender-specific. One of this, and most significant of all, is inability to access credit facilities (Chant, 2010). This is a huge impediment towards improvement of their economic situation. MFIs try to intervene through a variety of customized financial products.

The main objective of rural-based microfinance institutions is to empower women. Bunsell (2013) defines women empowerment as a process which women identify what they are capable of doing and especially so in restricted situations and in comparison to men. Microfinance institutions intervene by providing resources both at the present time and in future. Other

services that rural women find useful include entrepreneurial training, financial management, ways of making decisions and how to negotiate for better prices. These are geared at making women achieve their financial objectives.

1.2 Research Problem

According to the government of Kenya, there are problems in lending to small enterprises on three levels: small borrowers lack experience with credit institutions, financial organizations are not predisposed to lending to small enterprises, and existing regulations limit the total funds available for on-lending (Government of Kenya 1992, 18). The reality on the ground indicates that the increase on the number of poor people both in rural and urban Kenya is worrying. Therefore, if poverty levels are not reduced in Kenya, then the MDG goal number 1 on 80 the eradication of poverty to less than 30% of the Kenyans by 2015 and as envisioned in the Kenya Vision 2030 will not be achieved. This creates a need to intensify poverty reduction efforts through MFIs in planning and outreach. Recent studies show that, linking MFIs with other interventions such as poverty alleviation often complicates the functioning of MFIs by pushing them to areas not considered sustainable. Most of sustainability indicators focus on the MFI as a profitable institution (loan repayment, profitability and degree of subsidization). Thus for an MFI to meet the microfinance best practices, as given by Consultative Group to Assist the Poorest (CGAP), and be financially sustainable, it has to regard itself as a business venture.

However, globally and locally studies remains scarce in addressing the effectiveness of microfinance in poverty alleviation and empowering of women group (Adam & Pische, 1992).

Hashemi (1996) found that participation in credit programs increases women's mobility, their ability to make purchases and major household decisions, their ownership of productive assets,

their legal and political awareness and participation in public campaigns and protests. Another study of Grameen Bank concluded that female participants in credit programs are more conscious of their rights, better able to resolve conflicts and have more control over decision making at household and community levels (Chen, 1996). However, this view is not universal. Goetze et al (1996) has concluded in spite of receiving credit, women empowerment had a long way to come.

The introduction of MFIs is seen as the best alternative source of financial services for low income earners in rural areas as a means to raise their income, hence reducing their poverty level. Tiwari (2007) stated that in order for third world countries to make progress towards eradicating poverty, they must pursue strategies whose focus is on promoting women entrepreneurship. One of these ways is by making credit accessible to rural women and where it already exists, expand its reach. Microfinance institutions have intervened to boost income generation potential among women in Kenya.

Microfinance credit has helped rural women establish new income generating ventures and supported existing ones. Schreiner (2010) says that microfinance is a very common form of savings and credit. It is said that microfinance institutions have, in a large way, helped the Kenyan rural community development (Betty 2006). A study has been done on microfinance and women empowerment positively (Mjomba, 2011) but the opposite was left for everyone to guess.

Since early 1980s, there have been a large number of studies conducted on microfinance programs and their effect on women empowerment. However, there are few studies addressing the subject of how effective microfinance has alleviated poverty in rural parts of Kenya. In majority of these studies, emphasis has been on savings and credit products MFIs have introduced. Research appears to be heavily skewed on Microfinance success with little or no emphasis on the extent of benefits on individuals. This study sought to answer the question; what is the effect of microfinance on rural women empowerment in Kikuyu constituency, Kiambu County in Kenya?

1.3 Research Objectives

To determine the effect of Micro Finance on rural women empowerment in Kikuyu Constituency, Kiambu County in Kenya.

1.4 Value of the study

The result of this study is expected to benefit Microfinance in Kenya to improve the quality of their products and services to their clients and understand their shortcomings so that they can offer services which add value to clients and have a competitive advantage over their rivals.

Researchers will also find the results of the study useful; for the study will add to the existing body of knowledge and provide a source of reference to their studies. This study can be used by future academic researchers to be able to understand women empowerment and the factors that determine women empowerment.

Policy makers will stand to gain significantly from its findings in that they will have at their disposal vital information on credit financing towards the women empowerment in Kenya. Small

and medium businesses are very vital to the development of Kenya's economy. Over 60% of Kenya's economy is driven by entrepreneurs and they account for 30% of the country's employment. Therefore the government of Kenya should put in place policies which will create an efficient and easy working environment for small and medium businesses.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter provides a detailed theoretical framework based on the effect of microfinance on women empowerment. Specifically, it focuses on the following areas: Theoretical Foundation, empirical review of literature, determinants of women empowerment and summary of literature review.

2.2 Theoretical Review

Empowerment refers to the process of enhancing one's capabilities and assets. By definition, to empower means enable, give or receive power. Empowerment is also about giving someone the freedom, legal or official authority to do something. According to Ginnido empowerment provides means and opportunity to make decisions and take actions. Therefore women empowerment therefore leans heavily on giving women the ability to make choices obtain bargaining power and exercise it.

2.2.1 Identity Empowerment Theory

Under this theory, women who are empowered can be able to commitments with a meaningful nature. In addition, they can undertake activities that are both effective and goal-oriented. At the same time, the identity empowerment theory assumes that an empowered woman is able to comprehend strengths and weaknesses associated with her past and present life while coping with relationship conflicts (Boraian, 2008). He argued that this theory delineates different levels through which women must participate before getting empowered. At therapeutic or

‘manipulators’ level, a lot of importance is placed on mass campaigns such as those targeted at improving women literacy levels. The second level is where participation takes a token form. At this level women are introduced into income generating program. Here, there is a lot of information exchange, collaboration and consultations.

2.2.2 The Harvard Framework

This theory recognizes five gender equality levels. These are: access, welfare, participation, control and conscientization. Under welfare, the theory states that women are not only supposed to receive material benefits but also take part in development efforts. In the access level, women need to access credit, land, wage employment and educational opportunities. Participation requires women to take part and include men in the making of decisions both at the family and public level. Control level is the ultimate where women who are empowered can take an active role in all developmental affairs. (Boraian, 2008)

2.3 Determinants of Rural Women Empowerment

Armendariz and Labie (2011) define microfinance as the practice of providing financial services on a small scale to people who cannot access the usual banking services. It further implies that these are very small loans given to clients on the low-income economic category. In a nutshell, microfinance intervenes where people who are in need of loans cannot get them owing to their lack of collateral. Ledgerwood (1999) states that, in addition to offering savings and credit opportunities, microfinance institutions have also ventured in provision of insurance services.

2.3.1 Micro Credit and Empowerment of Women.

Studies have indicated that micro finance brings about increased income due to accessibility of micro credit and training on how to manage it, increased assets which are bought due to availability of funds and also increased welfare in aspects such as food security, housing and health (Mayoux, 2001). Inaccessibility to credit and lack of training has been cited by K-REP (1995) as the major setbacks to women venturing into business. Other research studies report limited purchasing powers, particularly in the rural areas, lack of management skills, physical infrastructure and seed capital (Alila, 1993). Women's access to credit and their contribution to family expenses are both seen to be necessary, but not sufficient, for achieving empowerment. These two factors are also mutually reinforcing. (Hashemi et al., 1996 in Kabeer, 2001).

2.3.2 Training and Empowerment of Women.

Training is a very important micro-finance factor for women entrepreneurs as it would provide the skills and experience needed for business (Akanji, 2006, Chestonet.al., 2002; Kuzilwa, 2005). Women who manage to start business have been cited as having problems at the growth stages such as inadequate working capital, poor technical and managerial skills, lack of marketing techniques, lack of work sites and security and basic infrastructure, hostile business environments, poor project and planning skills and lack of information on the available assistance programmes (Alila, 1993).Some studies confirm that skill training and tertiary education have positive effect on enterprise performance (Akanji, 2006; Kuzilwa, 2005).

Women operating where large proportions of the population live in absolute poverty, face several major constraints. These include their inability to judge the profitability of their operations due to a lack of basic accounting skills, insufficient technical and business management skills as well as socio-cultural constraints (UNIDO, 2003).

Training is, therefore critical as it is a tool through which rural women entrepreneurs learn useful skills. Through microfinance, women entrepreneurs get a chance to earn their own income independent from that of their husbands. This makes them partners towards contributing to the wellbeing of their families and the communities they live in. By getting access to loans, women can expand their businesses and use the profits generated to service these loans. Eventually, this cycle helps women grow and increase their earning power. Past studies indicate that through microfinance, participating women increase their income. This is attributed to access to microcredit which also comes with training on how to manage small loans

2.3.3 Micro saving and Empowerment of Women.

The opportunity to save rather than access to credit would lever the poor out of poverty (Buckley, 1997; Robinson, 1996). The ability and opportunities to save also serve as protection against illness and occasional unemployment (Rhyne and Otero, 1992:1562). Women venturing into business face two major setback, lack of funds and inability to access credit. In addition, rural women lack management saving skills even though naturally women are good at running small businesses. The only constraint to their progress is in their inability to judge how profitable these ventures can be. One cannot blame women for lacking accounting or business management skills. The none material advantage for saving for low- income micro-entrepreneurs include among others the fact that saving promotes the borrowers' own responsibility and self-help and familiarizes them with prompt repayment (Gulli, 1998:66-67).

2.4 Empirical Review

Li (2011) evaluates the impact of microcredit in rural China on a few welfare indicators (e.g. income, consumption). This is particularly important as there are few studies of microcredit's

potential in reducing poverty in China. Coleman (1999, 2006) uses a randomized approach that relies on an external event, that is, a microcredit program introducing microfinance in the Northeastern part of Thailand with random and unannounced delays. His analysis shows that microfinance has a positive impact on the more wealthy villagers only.

Karlan and Zinman (2009) assess the impact of microfinance on small business investment in Manila (Philippines). Their two important findings include: (i) profits from business increase—especially for male and higher income entrepreneurs; and (ii) businesses substitute away from labour into education and formal insurance into informal insurance. Banerjee et al. (2009) assess the impact of opening of MFI branches in the slums of Hyderabad (India). Their results are mixed, but on the whole the welfare effects of microcredit are moderate.

A recent assessment by Pellegrina, (2011) is innovative in two respects she assesses the impact of microfinance relative to the impact of bank loans and informal credit. (i) She focuses on the impact of credit on investment on the grounds that through investment higher living standards are feasible in the long run. Her analysis is based on a large survey in Bangladesh in 1991-92. Her results show that microfinance is less effective than bank loans in terms of long-term investments. She attributes this to short and regular repayment schedules and the group lending method. The borrowers are thus pushed toward projects with short-term revenues.

Becchetti and Castriota (2011) examine the effects of microfinance in helping people in Sri Lanka who were hit by the Tsunami in 2004. It is a quasi-natural experiment as it creates two groups: those who were hit by the Tsunami and others who were not. Ravallion (2005), access

to microfinance was an important reason for income convergence among the borrowers. But this convergence was process was disrupted by this natural disaster. However, microfinance loans after the Tsunami helped in reducing the income gap between those who were hit by it and others who were not. What is indeed striking is that this process of recovery was fast. There is thus strong evidence for the effectiveness of microfinance as a recovery tool.

Islam and Maitra (2012) carry out an insightful analysis of the role of microcredit in Bangladesh in performing an insurance function, using four rounds of a panel data set. This analysis presumes that health shocks are unpredictable and idiosyncratic in nature. Using a variety of models, they offer insightful findings. Their results show that households that have borrowed from microcredit organizations are better able to cope with health shocks. The main instrument of insurance used is trading in livestock. Households that have access to microcredit do not have to use this instrument, to the extent households without access to microcredit need to, in order to insure consumption against health shocks.

According to Sreeramulu (2006) Government of India has managed to better the lives of people living in rural areas. One can draw parallels between India and Kenya. Just like India, rural Kenyan is society has been liked with poverty, illiteracy and hopelessness. Young men, who are energetic enough to engage in useful work, have turned their frustration into crime and alcoholism. This leaves women with no choice but to take up the role of being breadwinners. He believes that employment, health and education are three key factors that can change a woman's status. Through education, women can find the key to doors of opportunities. They can also be able to make sound decisions.

Shane (2003) attributes this to lack of savings, lack of training, minimal access to credit and little or no education. Savings is an important microfinance factor. Once women entrepreneurs learn how to save the little they have, it soon becomes a habit that no one can bring an end to. On the other hand, MFIs emphasize on the need to make these savings on a weekly basis. Another area where microfinance has succeeded in enhancing women's entrepreneurship spirit is by encouraging them to form self-help groups. The savings made by these groups are put together into a pool that group members can draw from as loans.

Cumming (2012) observed that frequent group meetings held by microfinance institution trainers has had positive effects on capital building. Rural women face a huge challenge of being unable to judge how profitable their business ventures are or how they should be. This is due to lack of basic skills in accounting, business management and technical skills. Training is, therefore, critical in providing these much needed skills. By the time women get into contact with MFIs, they already have business ideas or income generating projects that they are struggling with. Training has had significant impact on implementing innovations, using profits to grow businesses, knowledge and record keeping (Valerio, Parton and Robb 2014).

Kabeer (2001) and Shetty (2004) identified some reasons for inconsistencies of findings linking microfinance and women empowerment: multidimensional concept of empowerment, heterogeneous category of women, time dimension of empowerment and methodological differences (Osmani, 2007). Similarly, World Bank (2005) identified differential expectations and assessments, the investigator's orientation and emphasis, and contextual differences in the

impact of microcredit programs as contributing factors for deviations in outcome assessments. However, diversified studies for program and empowerment linkages as well as the reviews criticizing the weakness of past studies wrapped household bargaining analysis as an alternative approach. The present study believes household bargaining analysis of a game-theoretic type appropriate analytical tool for program impact analysis on empowerment.

Morduch and Haley (2002) notes there is evidence to support the premise that it is possible for a microfinance institution to serve the poorest and also achieve financial sustainability. However, Swain (2004) states that microfinance is better used as an instrument along with other policies for poverty alleviation rather than poverty reduction strategy in isolation. The reality on the ground indicates that the increase on the number of poor people both in rural and urban Kenya is worrying. Therefore, if poverty levels are not reduced in Kenya, then the MDG goal number 1 on the eradication of poverty to less than 30% of the Kenyans by 2015 and as envisioned in the Kenya Vision 2030 will not be achieved.

Manandhar and Pradhan (2005) state that microfinance is an effective development tool for poverty reduction since the financial services enable the poor and low income households to take advantage of the economic opportunities to increase their living standards through self-employment. They further note that it is now accepted that the poor do not have much money, so low income households need financial support. The importance of microfinance particularly in the countries perceived to be poverty stricken has been increasing in recent times which have led to policy makers of many countries to adopt national micro-finance policies and program.

2.5 Summary of the Literature Review

Moreover, not many microcredit programs can afford to undertake impact assessments because they are generally expensive and time-consuming. There are serious disagreements among experts on the validity of methodologies used in some of the published studies. Some studies show that there are limit to the use of credit as an instrument for poverty eradication, including difficulties in identifying the poor and targeting credit to reach the poorest of the poor. Again the poorest of the poor are usually not in a position to undertake economic activities partly because they lack business skills and even the motivation for business. Furthermore, it is not clear if the extent to which microcredit has spread or can potentially spread, can make a major dent in global poverty (UN report, 1998).

Majority of women in rural Kenya live under conditions of abject poverty. Most of these women rely on agriculture. Apart from working in their small farms, they also rent out sheds in local market places. With families to feed and educate, Kenya's rural women have to work extra hard. Several attempts have been made to alleviate their poverty levels. Self-help groups where members contribute a little portion of their income on a daily, weekly and monthly basis have provided the much needed financial support. Pooled contributions are given to members on a round robin basis thus helping women to establish and engage in income generating activities. Upon realizing the potential this population group presents, Microfinance Institutions (MFIs) have been established in many rural parts of Kenya.

Studies on micro-finance have shown both negative and positive impact on women. Positive impact have been e.g. increased income and improved status within the family and larger community. Negative impact have been e.g. increased workload, indebtedness and, somewhat

surprisingly, vulnerability to domestic violence. (Mayoux, 1999). Because of the extensive use of micro- finance, there is a great need for further study of how micro-finance programs have contributed to women's empowerment. Different cultural and economic context and varying definitions of empowerment add challenges to research.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter introduces the procedure followed in the event of conducting the study. It included research design, target population, sample size, sampling procedure, data collection instruments, data collection procedures, data analysis procedures and analytical model and test of significance.

3.2 Research Design

The researcher has singled out descriptive research as the ideal design. A descriptive study gives the description of a subject through profiling. A researcher can create a profile that includes groups of people, list of problems or events. Cooper and Schindler (2003) advocate for the use of this method due to its two unique aspects which are: data collection and tabulation of frequencies.

3.3 Population

The population of interest consisted of all women who were members of microfinance institutions within Kikuyu constituency, Kiambu County in Kenya. The women considered were those who owned and ran business and had a physical presence such as kiosk, workshop, farm or house from where they operate their business. With contact details which enabled the researcher to trace them and collect the questionnaires.

3.4 Sample

The study adopted multiple sampling techniques. First, the study took a census of the eight microfinance institutions (MFI) who were actively involved with women empowerment in the constituency and then, random sampling design was used to identify and pick subjects who were clients for each MFI institution to allow for equal representation of the institutions. Quota samplings was used to select two 10 clients of each MFI from the constituency, using simple random sampling based on the Clients' lists as sampling frames.

3.5 Data Collection

Questionnaires were used to collect data. There were open as well as closed questions in the questionnaires. Closed ended questions help minimize time wastage. They also kept the data collection process consistent. In addition, close ended questions make it easy to analyze data. On the other hand, open ended questions encourage respondents give deeper and more detailed responses. These data collection instruments help eliminate bias while standardizing it collection.

3.6 Data Analysis

The statistical package for social science package (SPSS) version 19 was used to analyze and interpret the collected data. The final output was presented in form of graphs, charts and other tabulations.

3.6.1 Analytical Model

The data was analyzed using the regression model specified below:

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

Where: Y = Empowerment of women; X₁= Micro credit; X₂= Micro savings; X₃=Microfinance training; β₀=Intercept term Empowerment of women entrepreneurs; β₁= coefficient of Micro

credit β_2 = coefficient of micro savings; β_3 = coefficient of microfinance training and ε = Error term

3.6.2 Test of Significance

This analysis aimed at establishing the relations that exist between variable. For this purpose, correlation coefficients were used. Each coefficient should lie between -1 and +1 with both limits being inclusive. A positive coefficient shows that the relationship is positive while a negative one is an indication that the association is negative. To test for statistical significance, correlation coefficients will have to be significant with p-values ($p=0.000 < 0.05$) at a 95% level of confidence.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter contains data analysis and interpretation of findings. The objective of this study was to determine the effect of Micro Finance on rural women empowerment in Kikuyu Constituency, Kiambu County in Kenya. The results were analysed, tabulated and presented as shown in the following sections.

4.2 Findings

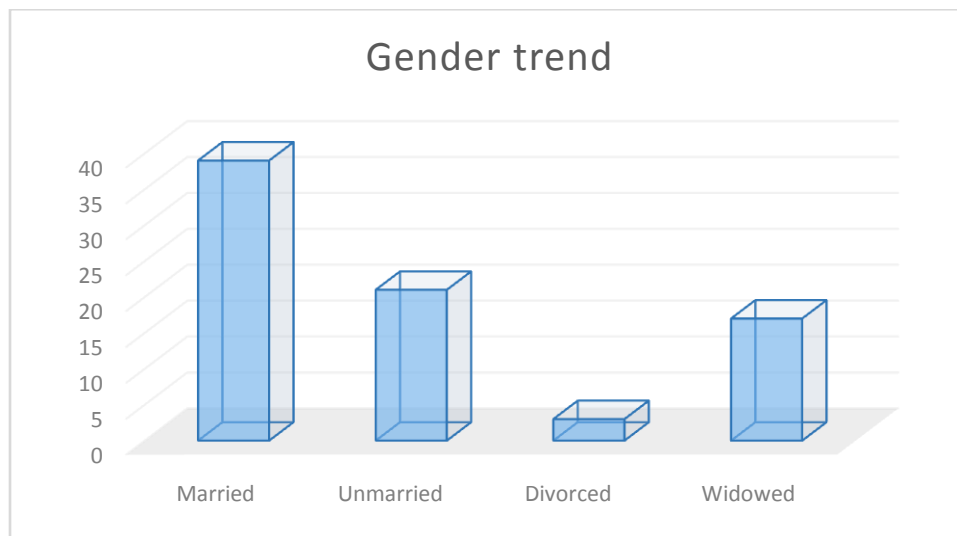
Table 4.1 Respondent's Marital Status

	Gender	Frequency	Percent
	Married	39	48.75
	Unmarried	21	26.25
	Divorced	3	3.75
	Widowed	17	21.25
	Total	80	100.0

Source: Research Findings

From the analysis of the respondent's marital status, it was found that 48.75% of the respondents are married while 26.25% are unmarried with 21.25% of the sampled respondents being widowed women. 3.75% of the participating women are divorced.

Figure 4.1 Gender trend



Source: Research Findings

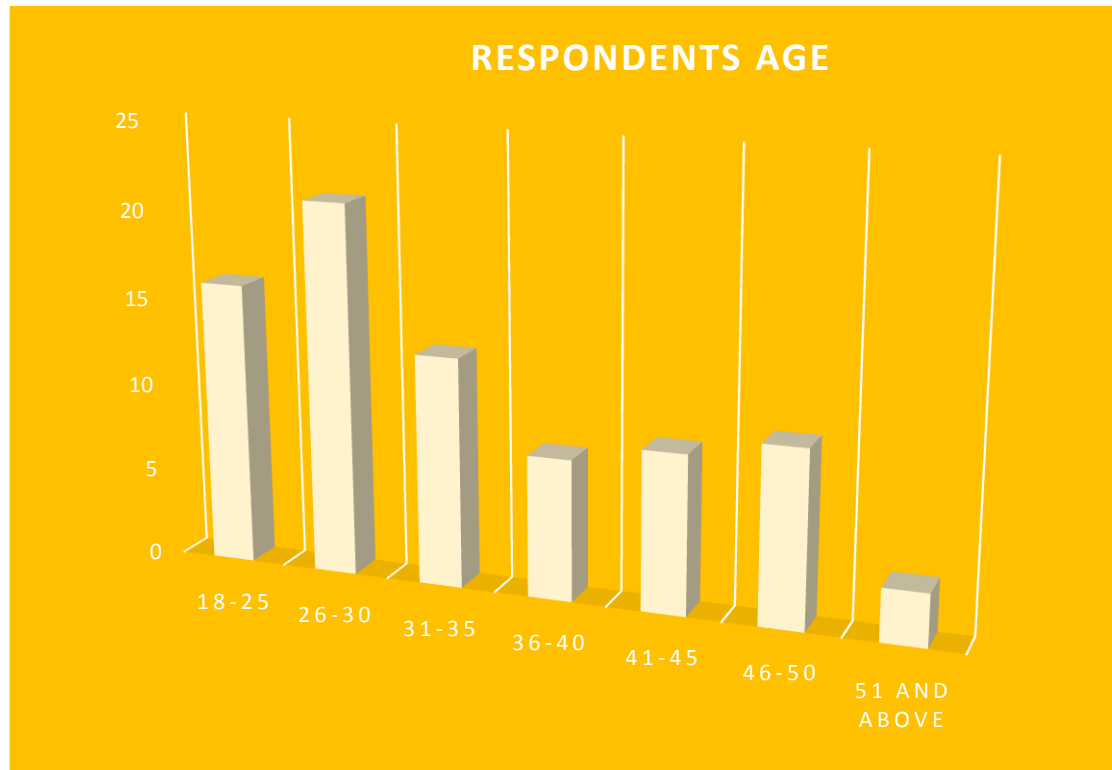
Table 4.2 Respondents age

Respondents age	Frequency	Per cent
18-25	16	20%
26-30	21	26.25%
31-35	13	16.25%
36-40	8	10%
41-45	9	11.25%
46-50	10	8%
51 and Above	3	3.75%

Source: Research Findings

From the analysis of the findings it was found that most of the participants in this study are between 26 and 35 years of age with a rating of 26.25%. 33.25% for all respondents involved in this study are above 35 years of age and only 20% are between 18-25 years of age.

Figure 4.2 Respondent age



Source: Research Findings

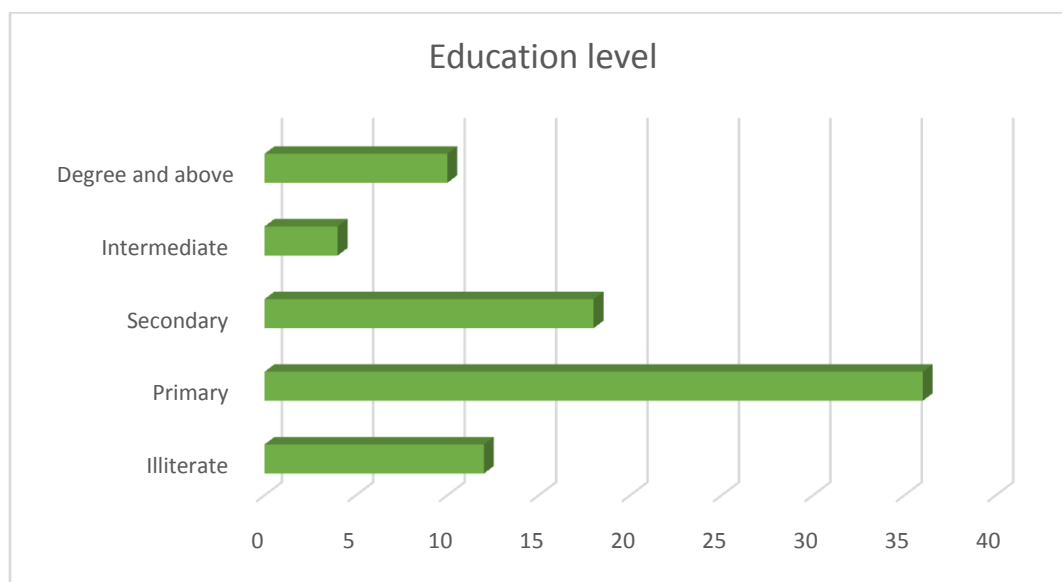
Table 4.3 Literacy level

Education level	Frequency	Per cent
Illiterate	12	15%
Primary	36	45%
Secondary	18	22.5%
Intermediate	4	5%
Degree and above	10	12.5%

Source: Research Findings

From the data analysis concerning the respondents' level of literacy, it was revealed that most respondents are primary and secondary holders with a rating of 67.5%. 15% of the sampled participants are illiterate while 12.5% of the sampled respondents are degree holders.

Figure 4.3 Educational level



Source: Research Findings

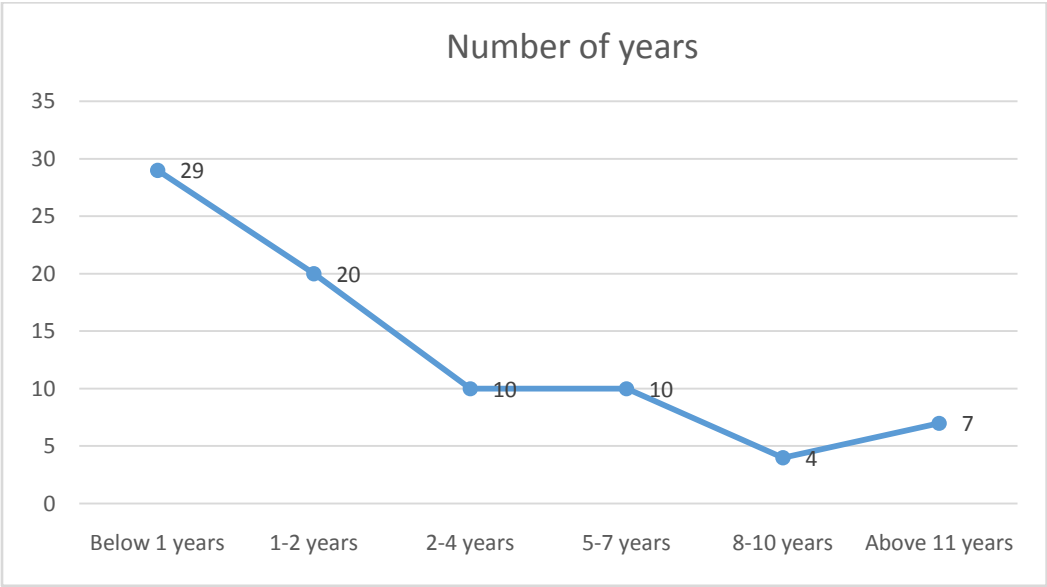
Table 4.4 How long have been a member of the Microfinance?

Number of years	Frequency	Per cent
Below 1 years	29	36.25%
1-2 years	20	25%
2-4 years	10	12.5%
5-7 years	10	12.5%
8-10 years	4	5%
Above 11 years	7	8.75%

Source: Research Findings

From the analysis the responses show that most respondents have been members in their respective microfinance below 1 year with a rating of 36.25% and 25percent have been a member between 1 and 2 years. The findings also revealed that 25% of the sampled respondents have been members between 2 and 7 years. The sampled respondents indicated that they have been microfinance members been of significance benefits accrued from their membership including increased access to credit, training services offered and customer microfinance relationship.

Figure 4.4 Number of years in the organization



Source: Research Findings

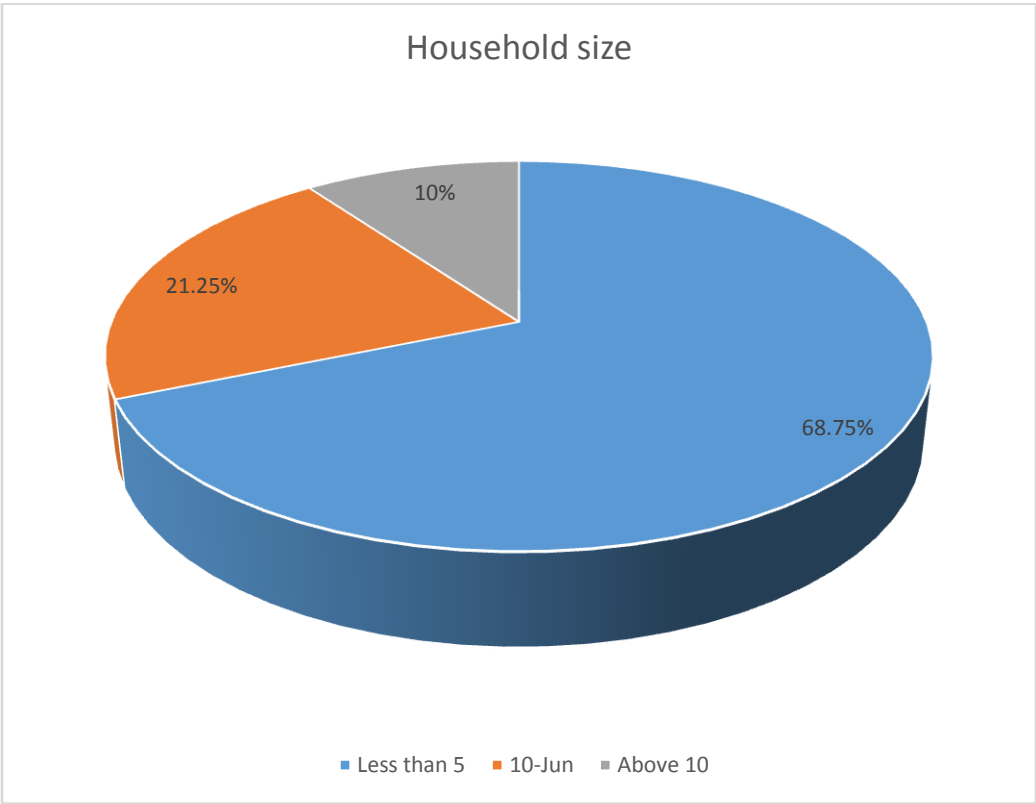
Table 4.5 Household Size

	Frequency	Percent
Less than 5	55	68.75
6-10	17	21.25
Above 10	8	10

Source: Research Findings

From the data analysis 68.75% of the sampled women respondents have less than 5 children while 21.25% of the sampled respondents have between 6-10 children with only 10% having above 10 children’s.

Figure 4.5 Household Size



Source: Research Findings

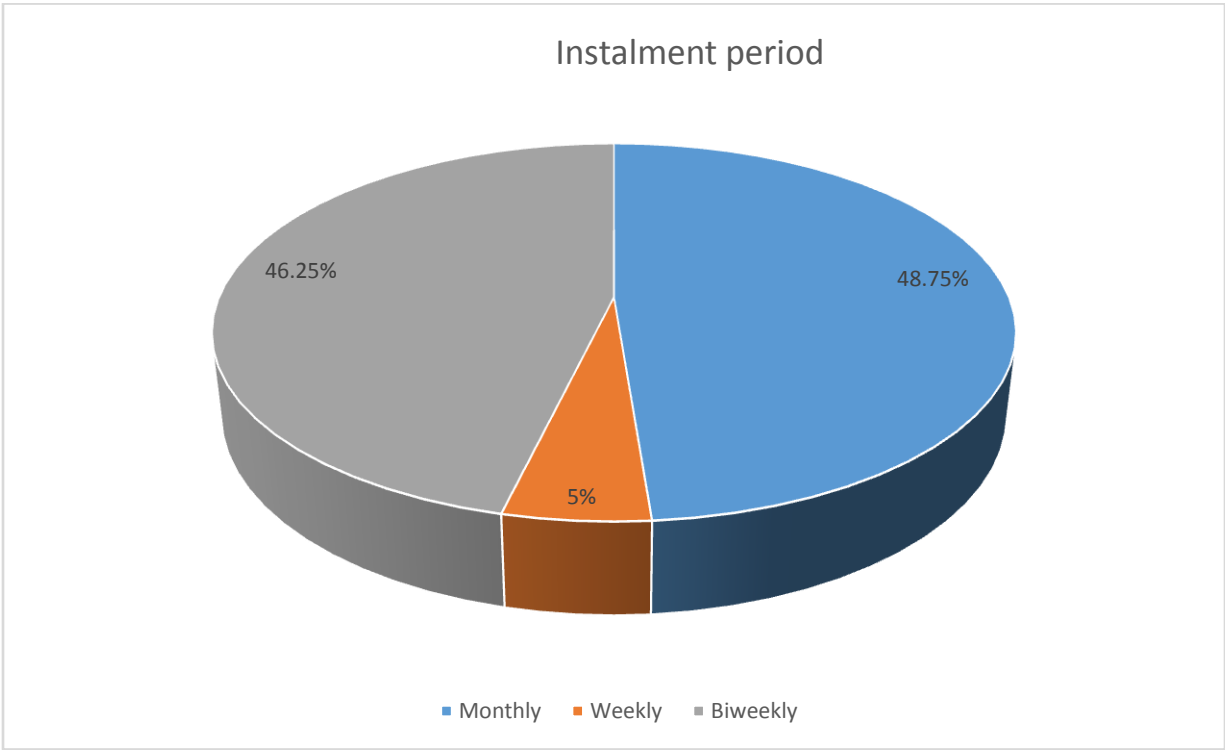
Table 4.6 Installment period to repay the Loan

	Frequency	Percent
Monthly	39	48.75
Weekly	4	5
Biweekly	37	46.25
Total	80	100

Source: Research Findings

From the data analysis, most respondents revealed that 48.75% and 46.25% of the sampled respondents pay their microfinance loans on monthly and biweekly period with only 5% paying their loans on weekly basis.

Figure 4.6 Installment period



Source: Research Findings

Table 4.7 Kind of ownership

	Frequency	Percent
Local	22	57.89
Foreign	4	10.53
Both local and foreign	12	31.58
Total	38	100

Source: Research Findings

From the analysis the results revealed that 57.89% for all sampled respondents are locally owned with 31.58% having local and foreign ownership.

Table 4.8 Satisfaction over the Functioning of Microfinance

	Frequency	Percent
Good	22	27.5
Very good	30	37.5
Satisfactory	18	24
Bad	10	12.5

Source: Research Findings

From the analysis of table 4.2.8 it was revealed that on average 55% of the sampled women believe that microfinance institution services are good and very good in comparison to other

institutions to meet their needs.24% and 12.5% of the sampled women believe that microfinance institutions services are satisfactory and bad on average.

Figure 4.7 Satisfaction over microfinance



Source: Research Findings

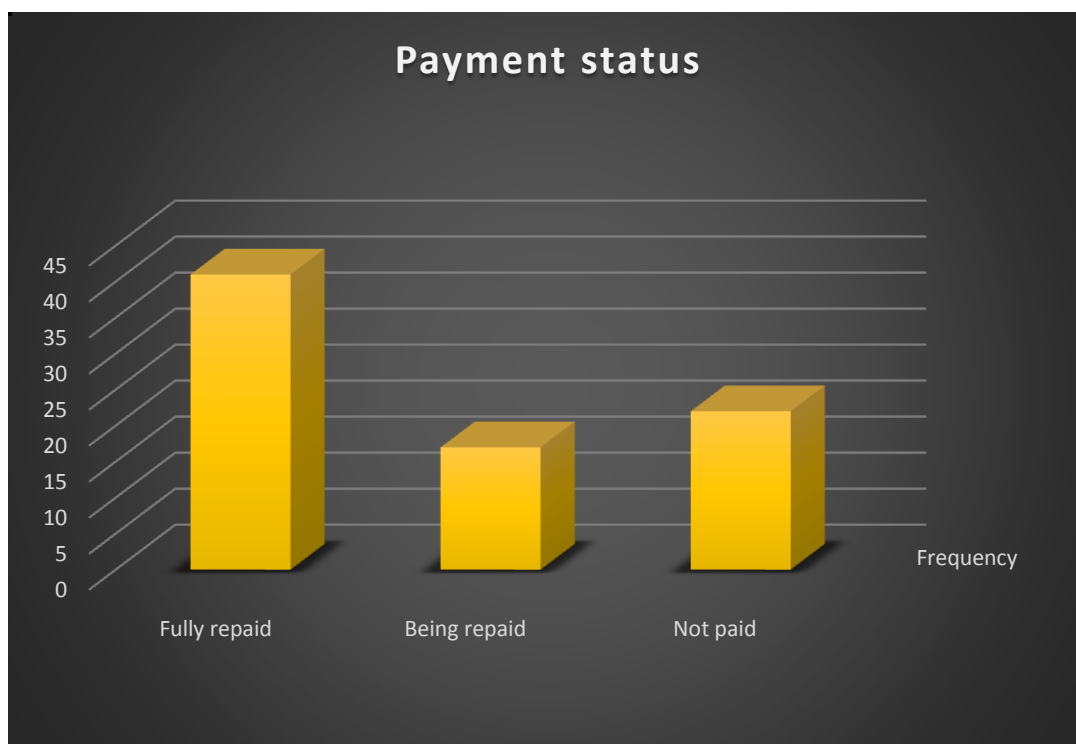
Table 4.9 Payment status

	Frequency	Percent
Fully repaid	41	51.25
Being repaid	17	21.25
Not paid	22	27.5

Source: Research Findings

From the analysis of table 4.2.9 it was found that 51.25% of the sampled respondents have fully repaid their loans on time with 21.25% of the sampled women being in the process of repayment while 27.5% having not paid their loans yet.

Figure 4.8 Payment status



Source: Research Findings

Table 4.10 what purpose did you utilize your loan?

	Frequency	Percent
Household	42	52.5
Production	38	47.5

Source: Research Findings

The findings indicate that 52.5% of the sampled respondents used their loan to finance their household needs while 47.5% of the women sampled used their loan to finance their production services.

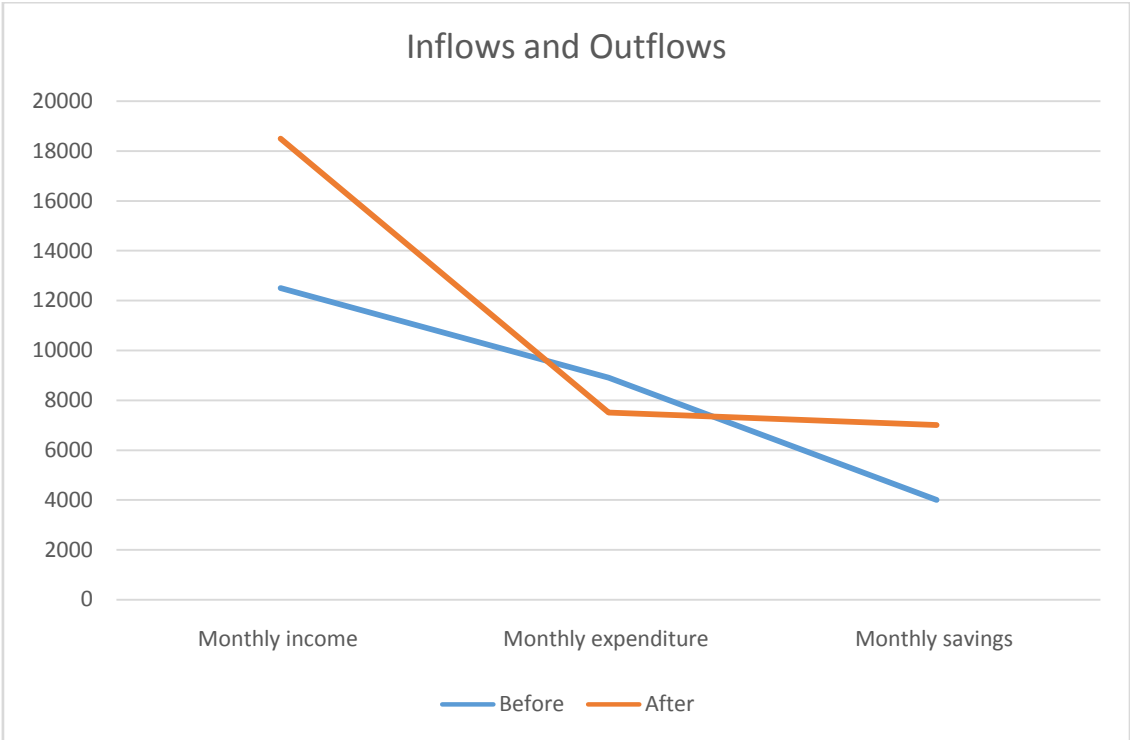
Table 4.11 Monthly inflows, Outflows and Savings

	Before	After
Monthly income	12500	18500
Monthly expenditure	8900	7500
Monthly savings	4000	7000

Source: Research Findings

From the analysis of women inflows, outflows and savings it was found that monthly income before joining microfinance was found to be 12500 on average, after joining microfinance the income increased to 18500 on average. Monthly expenditure on average dropped by 15.7% while monthly saving increased by 75% on average.

Figure 4.9 Inflows and Outflows



Source: Research Findings

Table 4.12 Women Statistics

	Yes	No
Are you living in your own house	59%	41%
Are you satisfied with the services offered	60%	40%
Did credit facility improve after joining microfinance	70%	30%
Did you get training after joining microfinance	80%	20%
What is your employment generation through microfinance	30%	70%
Has self-confidence increased after joining microfinance	50%	50%
Has your awareness improved after joining microfinance	60%	40%
Has social status and decision making improved	65%	35%
Has your husband dominated the decision making	20%	80%
Has participation in social activities improved after joining Microfinance	55%	45%
Are you involved in any political party after joining Microfinance?	0%	100%
Do you feel like you are politically active after associated with Microfinance?	0%	100%
Do you feel like you got some political recognition after joining Microfinance?	0%	100%
Did you face any difficulties at the time of getting loan?	61%	39%

Source: Research Findings

From the analysis of women statistics it was found that 59%, 60%, 70% and 80% of the sampled women respondents agreed that they live in their own house, they are fully satisfied with microfinance services, credit facility has improved their performance and that they have received adequate training from microfinance institutions. On average 65%, 60% and 61% of the sampled women respondents believe that social status and decision making has improved on joining microfinance, awareness has also improved but women have also agreed that they have faced

difficulties at the time getting loans. 100% of the sampled women believe that they have not involved themselves in any political party or gained any political recognition after joining microfinance or even feel like they actively associated with microfinance.

Table 4.13 Family attitude

	Good	Bad	Fair
Husband	100%	0%	0%
Children	100%	0%	0%

Source: Research Findings

All the sampled women believe that on average their husband and their children have positive attitude with their women being involved with the microfinance.

Table 4.14 Analysis of Variance (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.020	1	.015	4.863	.04608
	Residual	.307	2	.016		
	Total	.327	3			

Source: Research Findings

Given 5% level of significance, the numerator df =1 and denominator df =2, critical value 2.74, table 4.3 shows computed F value as 4.863. This confirms that over all the multiple regression model is statistically significant, in that it is a suitable prediction model for explaining how the selected microfinance variables influences women empowerment.

Table 4.15 Regression Model

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	-.538	.318		-1.306	.214	-1.137	.280
Micro credit	.073	.041	.479	1.327	.027	-.040	.166
Micro saving	-.186	.122	-.246	-1.526	.151	-.451	.077
Micro training	.013	.013	.513	1.458	.169	-.016	.083

Source: Research Findings

Where X_1 = Micro credit; X_2 = Micro savings; X_3 =Micro training. Using a significance level of 5%, any independent variable having a significant value greater than 5% is considered not statistically significant. This study found that X_1 to be statistically significant with X_2 and X_3 with significance of more than 5% to be not statistically significant. This reveals that The general multiple regression model for this study was $Y = -0.538 + 0.479X_1 + -0.246X_2 + 0.513X_3$.

4.3 Interpretation of the Findings

Based on the objective of this study which was to establish the effect of microfinance on rural women empowerment in Kikuyu Constituency, Kiambu County in Kenya, it was found that most of the respondents are married while others are unmarried with significant of the sampled respondents being widowed women. This shows that despite the women been interested in empowering themselves economically they have been forced to spend much time on household

chores and that they have given 100% their commitment to this on the available opportunities and exploits them fully. Insignificantly the some of the participating women are divorced or widowed women who have exemplary take empowerment initiative very serious. Most of the participants in this study are between 26 and 35 years of age with insignificant percentage above 35 years of age. This shows that most of the women are young and energetic enough to spearhead their own initiatives. From the respondents' level of literacy, it was revealed that most respondents are primary and secondary holders with 15% level illiterate while more than 10% of the sampled respondents being degree holders. Having less than average degree holders it reveals that most of the sampled women lack adequate knowledge or the information on how micro finances operate and how they can team up their relationship to benefit from these micro finances and exploit fully available opportunities.

Most of the sampled respondents have been members in their respective microfinance below 1 year and between 1 to 2 years. Having being micro finance members for less than 2 years the sampled respondents don't have adequate experience to fully explain how micro finance operates or benefit fully from the services offered by these institutions. The respondents confirmed that they have been microfinance members because of significance benefits accrued from their membership including increased access to credit, training services offered and customer microfinance relationship. From the sampled women respondents have less than 5 children while the remaining respondents have between 6-10 children with only 10% having above 10 children's.

The numbers of children the sampled women have indicated that they have managed to maintain the minimal number of children to create enough time to spearhead their daily commitment. From the data analysis, most respondents revealed they pay their microfinance loans on monthly and biweekly period with only 5% paying their loans on weekly basis. Most of the sampled respondents have fully repaid their loans on time with 21.25% of the sampled women being in the process of loan repayment having used their loan to finance their household needs while the rest of women sampled used their loan to finance their production services. The loans received from the micro financed have been well utilized despite minimal knowledge on how and where to use them but the training offered by these institutions has really improved the information available and increased the skills required by the women to manage their affairs.

Due to the benefits accrued from the micro finance institutions despite the information challenges most of the sampled women believe that microfinance institution services are good and very good in comparison to other institutions to meet their needs while others believe that microfinance institutions services are satisfactory and bad on average. From the analysis of women inflows, outflows and savings it was found that monthly income before joining microfinance was found to have increased significantly on average after joining microfinance while monthly expenditure on average leading to monthly saving increase on average. The training offered by micro finance institutions to women has changed their spending capacity downwards thus improving their savings.

With 5% percentage error the findings showed a computed F value as 4.863. This confirms that over all the multiple regression models are statistically significant, in that it is a suitable

prediction model for explaining how the selected microfinance variables influence women empowerment and can generally be applied to all women initiatives along the country. From the analysis of women statistics it was found that most of the sampled women respondents agreed that they live in their own house, they are fully satisfied with microfinance services, credit facility has improved their performance and that they have received adequate training from microfinance institutions. Above average for the sampled women respondents believe that social status and decision making has improved on joining microfinance, awareness has also improved but women have also agreed that they have faced difficulties at the time getting loans. This clearly reveals that the micro finance empowerment initiatives have really or in large scale improved the economic conditions of women.

All the sampled women believe that they have not involved themselves in any political party or gained any political recognition after joining microfinance or even feel like they actively associated with microfinance.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter the summary of the results in this study, conclusions and recommendations for practice and suggestions for further research

5.2 Summary

The objective of this study was to establish the effect of microfinance on rural women empowerment in Kikuyu Constituency, Kiambu County in Kenya. From the analysis of the respondent's marital status, it was found that most of the respondents are married while others are unmarried with significant of the sampled respondents being widowed women. Insignificantly some of the participating women are divorced. Most of the participants in this study are between 26 and 35 years of age with insignificant percentage above 35 years of age. From the respondents' level of literacy, it was revealed that most respondents are primary and secondary holders with 15% level illiterate while more than 10% of the sampled respondents being degree holders.

Most of the sampled respondents have been members in their respective microfinance below 1 year and between 1 to 2 years. The respondents indicated that they have been microfinance members because of significance benefits accrued from their membership including increased access to credit, training services offered and customer microfinance relationship. From the sampled women respondents have less than 5 children while the remaining respondents have between 6-10 children with only 10% having above 10 children's. From the data analysis, most

respondents revealed they pay their microfinance loans on monthly and biweekly period with only 5% paying their loans on weekly basis. Most of the sampled respondents have fully repaid their loans on time with 21.25% of the sampled women being in the process of loan repayment having used their loan to finance their household needs while the rest of women sampled used their loan to finance their production services.

Significantly most of the sampled women believe that microfinance institution services are good and very good in comparison to other institutions to meet their needs while others believe that microfinance institutions services are satisfactory and bad on average. From the analysis of women inflows, outflows and savings it was found that monthly income before joining microfinance was found to have increased significantly on average after joining microfinance while monthly expenditure on average leading to monthly saving increase on average.

5.3 Conclusion

Given 5% level of significance the findings showed a computed F value as 4.863. This confirms that overall the multiple regression model is statistically significant, in that it is a suitable prediction model for explaining how the selected microfinance variables influences women empowerment. From the analysis of women statistics it was found that most of the sampled women respondents agreed that they live in their own house, they are fully satisfied with microfinance services, credit facility has improved their performance and that they have received adequate training from microfinance institutions. Above average for the sampled women respondents believe that social status and decision making has improved on joining microfinance, awareness has also improved but women have also agreed that they have faced difficulties at the time getting loans.

100% of the sampled women believe that they have not involved themselves in any political party or gained any political recognition after joining microfinance or even feel like they actively associated with microfinance. All the sampled women believe that on average their husband and their children have positive attitude with their women being involved with the microfinance. Using a significance level of 5%, any independent variable having a significant value greater than 5% is considered not statistically significant. This study found that micro credit to be statistically significant with micro training and micro saving with significance of more than 5% to be not statistically significant.

5.4 Recommendation for the Policy

The study recommends that clear financial management strategies should be set aside to address key critical financial difficulties facing women particularly developing good financial management technique to provide adequate responses to challenges and problems by focusing on women business processes to minimize claims and enable women growth and women empowerment.

Micro finance should in addition have clear framework to advice women on how financial management decisions are made and the procedure to be followed to make sure the right decisions are made to meet the benefit of the customers and maintain their visibility. This will enable to minimize any conflict of interest which might ruin their image and reputation.

Women should focus on planning issues to improve their effectiveness and efficiency. Operating activities which involves receivables, payments and savings should be well management to ensure efficiency and effectiveness to maintain steady cash flows to finance groups operating long term projects and goals.

5.5 Limitations for the Study

Limited time used and resource constraints, which is includes finances move from one point to another when collecting data for this study was tiresome and thus women statistics was considered and involved in this study.

Another limitation in the course of the study was the limited access to the information especially the primary data which led to the use of primary data in this study which was difficult and challenging to edit code and analyze.

The analysis multiple models involved in this study was difficult and inadequate to provide required explanation on the effects of microfinance on the women empowerment which depends on many factors from different dimensions.

5.6 Suggestions for Further Research

For this kind of research, more time need to be spent to be able to collect individual data and analyze it to provide more variables which influence the women empowerment. In addition, a comparative study is suggested to be carried out with microfinance from other counties.

The study mainly used primary data to gather information for the research project. Further researches should be done through secondary data. Primary data is the first hand and accurate but tiresome while secondary data reduces biases that would otherwise be experienced when using secondary data.

A case study can be conducted based on one of the largest county. Upon undertaking a case study, the researcher should evaluate the results to test whether there is consistency and uniformity from the past researches and this research as well. Finally the researcher should either replicate the results achieved regarding the women empowerment in Kenya.

This study also suggest that further study especially a comparative study can be conducted by comparing the factors affecting the women empowerment from different counties and provide suggestion for the same and more advanced multiple analysis model employed to show the exact relationship and differences on the empowerment.

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APPENDICES

APPENDIX I: QUESTIONNAIRE

1. Name of the Respondent
2. Age ()
3. What is your level of literacy? ()
(1) Illiterate (2) Primary (3) Secondary (4) Intermediate (5) Degree and above
4. What is your marital status? ()
(1) Married (2) Unmarried (3) Divorced (4) Widowed
5. Household size ()
 6. Are you living in your own house? (1). Yes (2). No
 7. What is your occupation?
 8. How long have you been a member of the Microfinance?
 9. What are the reasons for joining Microfinance?
 10. Are you satisfied with the services offered by the Microfinance?
 11. If yes, what is the satisfaction over the functioning of the Microfinance?
(1). Good (2). Very Good (3). Satisfactory (4). Bad ()
 12. What is the instalment period to repay your loan?
(1). Monthly (2). Weekly (3). Bi-Weekly ()
 13. What is the status of repayment? (1). Fully Repaid (2). Being Repaid ()
 14. What was your monthly income before joining Microfinance?
 15. What is your monthly income after joining Microfinance?
 16. What was your monthly expenditure before joining Microfinance?
 17. What is your monthly expenditure after joining Microfinance?
 18. What was your monthly savings before joining Microfinance?

19. What is your monthly savings after joining Microfinance?
20. For what purpose, do you utilize the loan amount? ()
- (1). Household purpose (2) Production purpose
21. Did credit facility improve after joining Microfinance? (1). Yes (2). No
22. Did you get training after joining Microfinance? (1). Yes (2). No
23. Did you learn new skills after joining Microfinance? (1). Yes (2). No
24. What is your opinion on employment generation through Microfinance? (1). Yes (2). No
25. Has self-confidence increased after joining Microfinance? (1). Yes (2). No
26. On which your awareness is improved after joining Microfinance?
27. Has better social status and decision making power been gained after joining Microfinance?
- (1). Yes (2). No
28. Is your husband dominates in the decisions? (1). Yes (2). No
29. Who will decide for which purpose loan amount be utilized? ()
- (1). Respondent (2).Husband (3). Both
30. Is participation in social activities improved after joining Microfinance? (1). Yes (2). No
31. Are you involved in any political party after joining Microfinance? (1). Yes (2). No
32. Do you feel like you are politically active after associated with Microfinance?
- (1). Yes (2). No
33. Do you feel like you got some political recognition after joining Microfinance?
- (1). Yes (2). No
34. What problems you are facing while functioning with the Micro finance?
35. Did you face any difficulties at the time of getting loan? (1). Yes (2). No
36. What is the attitude of your husband while you are functioning with the Microfinance?
- (1). Good (2).Bad (3). Fair
39. What is the attitude of your children while you are functioning with the group?

(1). Good (2).Bad (3). Fair

40. What are your suggestions to improve the functioning of the Microfinance?

**APPENDIX II: LIST OF MICROFINANCE INSTITUTIONS IN KIKUYU
CONSTITUENCY, KIAMBU COUNTY IN KENYA.**

1. Faulu Kenya DTM Limited
2. Kenya Women Finance Trust DTM Limited
3. SMEP Deposit Taking Microfinance Limited
4. Rafiki Deposit Taking Microfinance
5. Pamoja Women Development Programme.
6. SUMAC DTM Limited
7. Jamii Bora Ltd
8. UWEZO Deposit Taking Microfinance Limited