THE EFFECT OF MICRO FINANCE SERVICES ON WOMEN EMPOWERMENT IN KENYA

BY

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DECLARATION

This research project is my original work and has not been presented to any other university for examination purposes.

Sign…………………………………….. Date…………………………………..

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This research project has been submitted for examination with my approval as the University of Nairobi Supervisor

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DEDICATION

This research Project is dedicated to all people who provided the needed moral support and encouragement.

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TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

LIST OF ABBREVIATIONS

BIMAS	Business Initiative and Management Assistance
KDA	K-rep Development Agency
K-Rep	Kenya Rural Enterprise Programme
KWFT	Kenya Women Finance Trust
MFI	Micro Finance Institution
NGO	Non-Governmental Organization
UNO	United Nations Organizations
WEF	Women Enterprise Fund

ABSTRACT

Micro finance plays a major role in many gender and development strategies because of its direct relationship to both poverty alleviation and to the empowerment of women. Poverty reduction has become the object of unprecedented attention globally since 1990's. In Kenya and elsewhere, micro finance institutions have been on the rise with micro credits having been portrayed as a way to reach poor people in the development process, meet the UN Millennium Development Goals, and as a new innovative strategy for alleviating poverty. Empirical indications are that the poor can benefit from micro finance from both an economic and social well-being point-of-view. Studies on micro finance services and women empowerment in Kenya remain scanty with global empirical evidence providing contradicting information. The study sought to find out the effect of micro finance services on women empowerment in Kenya. A survey design was used for this study which is best used in studies that are set to determine the status quo of given situation. The target population comprised of women who had been awarded loans from the MFIs in Kenya in the past one year. Data collections tools that were used in this study were questionnaires, which were semi-structured and enabled the researcher to collect both qualitative and quantitative data. The researcher developed the questionnaire based on the objectives of the study. The sample size in this study was 100 women chosen at random, 50 women who are clients of KWFT in Nairobi, whilst the remainder 50 women will be chosen from the same micro finance institution in Nyahururu town to represent the rural women. The study found that micro finance services have positive and significant effect on women empowerment in Kenya. The study established that micro finance services provided financial access which provided women with start-up and working capital, training, savings leading to women engagement in income generating activities and hence positive outcome on empowerment and women role in society and decision making.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

There are about three billion people, half of the world's population, living on the income of less than two dollars a day (Barr, 2005). Among these poor communities, one child in five does not live to see his or her fifth birthday (Barr, 2005). One study in 2006 showed that the ratio of income between the 5% richest and 5% poorest of the population is 74 to 1 as compared to the ratio in 1960, which was 30 to 1 (Barr, 2005). To enhance international development in the year 2000, the United Nations Organization (UNO) announced the Millennium Development Goals aimed to eradicate poverty by 2015 whilst the third goal aim at promoting gender equality and empowering women. In this regard, microfinance is the form of financial development that has its primary aim to alleviate the poverty and empower women. Government, donors and NGOs around the world responded enthusiastically with plans and promised to work together towards the realization of these goals. In the recognition of micro finance, the UNO celebrated the year 2005 as a year of micro credit, as a result this financing instrument is perceived worldwide as a very effective mean against hunger and poverty, mainly in developing countries (Hubka, 2005).

Micro finance is provision of small amount of institutional credit and saving to jointly liable low-income people, who are unable to obtain loans from formal sector banks for lack of collateral (Rahman 1999). The Grameen Bank in Bangladesh (Wright 1999) first began it in 1976. Formal sector banks do not lend to the poor, as it is difficult for them to identify the truly reliable borrowers, monitor their behaviour and to make them accountable when it needs (Morduch 2000). It is with the view to overcoming this phenomenon that the micro finance movement emerged by substituting material collateral with social collateral, organized social pressure from group members among the poor to make each member of the group responsible to and for the collective to enhance social solidarity (Morduch 2000).

According to Aguilar 1999, the aim of integrating the poor into the economic circuit through micro finance programmes is to alleviate poverty by creating income and jobs, and consequently promote development. To that end, participants of micro finance programmes are expected to invest the micro-loans in productive activities (Rahman1999) that generate enough income enabling the low-income households to exit from poverty; expand their businesses; and improve the quality of their lives (Morduch 2000).

In this regard, Webster and Fidler (1996) stated that clients of micro finance programs have higher and more stable income, increased household expenditures for basic needs, employment opportunities, nutritional intake and better children's education than they did prior to their participation . Aguilar (1999) said that the poor undoubtedly benefit from microfinance services in growing levels of health care and education expenditures, better income, and better quality of nutrition, asset holdings, and weights of preschool children.
They also become familiar with financial institutions; gain confidence; save for emergency use and build up collateral for loans; have access to market; and increased women empowerment and contraceptive use, among others.

Gulli and Berger (1999) summarized the assistance of micro finance programmes to poor households in to four major areas: Investment in productive assets for income generation; facilitating the household's livelihood activities; Protection against income shocks and reduced vulnerability; and Qualitative factors such as empowerment and building of social capital. To put poverty-reduction intervention of micro finance programmes in a nutshell, they reach the poor in need of credit, and the poor pull themselves out of poverty through income generating activities and empowerment (Gulli and Berger 1999). Empirically, however, not all micro finance programmes have led to reduction in poverty. In this regard, Rahman (1999) said that "…there are still many borrowers who become vulnerable and trapped by the system; they are unable to succeed." According to Hulme (2000), calling micro-credit 'micro debt' help us to be more realistic as it increases borrower debt-liability, and anxiety and tension among household members (Rahman 1999). Moreover, Hulme (2000) wrote, "outside Bangladesh the micro finance industry has not even scratched the surface of poverty." On top of that, Hulme (2000) and Rahman (1999) reported that the poor are very frightened about getting into debt, and female clients of micro finance service of the Grameen Bank committed suicide when they faced problems with repaying 12 loans. Possessions of debtors (pots and pans, roofing irons) were seized, while the poor have been arrested by police and even threatened with physical violence (Hulme 2000).

1.1.1 Micro Finance Services

Micro finance is a credit methodology, which employs effective collateral substitute for short-term and working capital loans to micro-entrepreneurs. The level of a country's poverty has long been linked with measures of its economic development. Little consideration was given to the social recognition of the natural resources (e.g. empowerment vs. alienation of people, sustainable use vs. depletion of the environment) (Fallavier, 1998).

Micro finance is not a new development. Some developed countries as well as developing countries have a long history of micro finance. During the eighteenth and nineteenth centuries, in number of European countries, micro finance evolved as a type of the informal banking for the poor. Informal finance and self - help have been at the foundation of micro finance in Europe. The early history of micro finance in Ireland can be traced back to 18th century. It is a history of how self-help led to financial innovation, legal banking and conductive regulation, and creating a mass micro finance movement (Aguilar, 1999). In Latin, America and south Asia, the micro finance has grown out of experiments, but the best-known start was in Bangladesh in 1976, following a widespread famine in 1974 and a hard-fought war of liberation in 1971. Its origin can be traced back in 1976, when Muhammad Yunis set up the Grameen Bank, as an experiment, on the outskirts of Chittagong University campus in the village of Jobra (Hulme, 2000).

In Kenya, the micro finance industry can be traced back to mid 1980's whereas the sector gained the status of an industry only in the last 15 years. The government of Kenya has indirectly provided a boost to the micro finance sector by promoting the small-scale enterprise sector as a means of accelerating economic growth and generating employment opportunities, thus empowering women. The government through the budget and in an endeavor to improve the livelihoods of youth and women has established youth and women fund (Women Enterprise Fund-WEF) and of late the informal sector fund as an economic stimuli programme. Vision 2030 is anchored on three pillars namely, economic, social and political aspirations which further support the effort of micro finance institutions through pro-poor interventions and women empowerment. Kenya Rural enterprise Program (K-REP) can be considered the pioneer of NGO micro finance in Kenya. According to the Central Bureau of Statistics, 1999 census; about 130 NGOs practice some form of micro finance. About 20 of them practice pure financing while the rest practice micro financing alongside social welfare activities. Some of the major players in the NGO sector are K-Rep Development Agency (KDA), Faulu Kenya, Kenya Women Finance Trust (KWFT), Business Initiative and Management Assistance (BIMAs), and Jamii Bora.

Micro finance has a huge impact on the lives of millions of poor people particularly women. Numerous scholars and NGOs have been working to take micro finance within the reach of poor people, who are still not benefited by the convectional financial system. In this project, we tried to present evidence of the important contributions made by microfinance in the eradication of poverty by increasing the income generating activities, empowerment of poor people which include women and youth to access development services such as health and education, and reduction in vulnerability.

1.1.2 Women Empowerment

Women empowerment on the other hand has lately received unprecedented support locally as well as on a global perspective. One of the prolific scholars Linda mayoux has contributed immensely in the topic of women empowerment. Empowering poor people to end their own poverty one finds the following, ‘empirical evidence has shown that women, as a group, are consistently better in promptness and reliability of repayment'. Targeting women as clients of micro-credit programs has also been a very effective method of ensuring that the benefits of increased income accrue to the general welfare of the family, and particularly the children. At the same time, women themselves benefit from the higher status they achieve when they are able to provide new income' (results, 1997)

1.2 Research Problem

In Kenya a number of research have been done on the impact of micro finance to the pro poor which include women, but little has been done on women empowerment through provision of micro credit to women. It is with this hindsight that this research is actually establishing the relationship between micro finance provision, women empowerment and the underlying variables.

Micro finance impact assessment studies have been undertaken at different levels such as individual, household, institutional and community levels. For instance, the convectional evaluation of performance of micro finance institutions with emphasis on financial sustainability and outreach give overriding emphasis to financial criteria. This conventional wisdom states that clients will automatically follow if the services of microfinance institutions are available, and high rates of repayment and repeated borrowing can be taken as proxies of client satisfaction and are indicators of positive valued service (Cohen and Sebstad, 1999). This approach suggests that financial performance indicators are sufficient to show whether or not MFIs are doing a good job, arguing that if clients are willing to pay for service, it can, then, be assumed that they are happy to pay for the services because they are doing them good. This point of view states that market is the indicator of impact.

However, this approach fails to answer the key questions of micro finance impact such as whom these programmes reach and how they make positive difference to the lives of clients. Because financial performance of an MFI does not measure changes occurred in the lives of clients. Indebted clients may repay loans even when their businesses fail and much hardship results. Thus, it is critical for micro finance impact assessment practitioners to be sensitive of the providing institution. It is in this light that this research sought to find out the impacts of micro finance on the living standards and poverty eradication of the women in Kenya.

The poor and poverty reduction has become the object of unprecedented attention at international summits in the 1990's. In Kenya and elsewhere, micro finance institutions have been on the rise since the 1990's. Micro credits have been portrayed as a way to reach poor people in the development process, meet the UN Millennium Development Goals, and as a new innovative strategy for alleviating poverty. Empirical indications are that the poor can benefit from micro finance from both an economic and social well-being point-of-view. This has been done on the basis of the assumption that by integrating the poor into productive economic activities, development would be promoted automatically through micro finance (Aguilar, 1999).

In recent years, however, policy makers, donors and practitioners have been in increasing doubt whether the desired results have been achieved (Wright, 1999). The doubts called for impact assessment studies, and as a result, a number of such research have been conducted in Asia, Latin America and Africa where the majority of the society are poor and microfinance programmes are being carried out. The objectives of most of these studies were to access the impacts of having access to micro finance services on incomes and their sources, standards of living, better health and children's education as well as better self-image and decision making power as a direct result of the loans.

These studies, however, reported mixed results like little positive change in alleviating poverty (Dunn and Arbuckle, 2001); accumulation of increased working capital by the poor, increased investment in fixed assets, self-employment, and more incomes (Wright, 1999); and increased debt liability (Rahman, 1999). Further, there is work that suggests that access to credit has the potential to significantly reduce poverty (Khandker, 1998) while on the other hand there is also research which argues that micro-credit has minimal impact on poverty reduction (Morduch, 1998). Therefore, this research sought to determine the impacts of micro finance on the livelihood of women who have benefited from the same in Kenya with samples taken as replica study.

1.3 Objective of the Study

The objective of this study was to establish the extent to which micro finance service provision has empowered women financial position in Kenya.

1.4 Value of the Study

The results of this study can be used by the micro finance service providers in the following ways: if the micro finance has had a positive effect on the living standards of women and their empowerment, then the MFIs can decide to increase the base of operation by venturing into many areas within the country so that many women can be reached by their services. Also, the MFIs may decide to increase the amount of loan that they allocate individuals so that they can accelerate the financial stability of their dependants. Further, the results can enable the service providers and the promoters to improve the micro finance products and services as well as justify investment in the sector:

The results of this study can also be used by the government to assess the impacts of the micro finance lending on the improvement on the empowerment of women. This will be important since the government will be able to know whether its prospects of reducing poverty through micro finance are being achieved as well as in administering the Women Enterprise funds specifically designed with an aim of empowering women.

The government can use this research project as a yardstick to measure the achievement of MDG on women empowerment as the deadline draws near. United Nations on the other hand, can use this research to assess the level of achievement of MDG's in Kenya in regard to poverty reduction and women empowerment as the deadline draws near. The research was conducted by choosing randomly women who have benefitted in the country. The target population was the women who had benefited from the loans obtained from the micro finance institutions. The results of the few chosen will represent the entire women population in Kenya (as a replica).

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature on the effect of micro finance services on women empowerment and has been organized under the following sub-topics theoretical review, determinants of women's empowerment, review of empirical studies and finally the summary of literature review with gaps to be filled by the study.

2.2 Theoretical Review

Various theories that guided the study are discussed below. The theories presented arguments which were used in determining the research variables and predicting the relationship between women empowerment and microfinance services.

2.2.1 Moser's Theory

Moser's theory on practical and strategic gender needs is the main theory utilized in answering the research question. The theory is employed in the first analysis part in which the effect of micro finance on fulfilling the practical and strategic gender needs of women is analysed. The practical and strategic gender needs allow for an important differentiation, which makes it possible to get a clear picture of the effect of micro-finance on the empowerment of women. In order for women to be empowered, both practical and strategic gender needs have to be fulfilled. When the practical gender needs of women are met, it is according to Moser crucial that they are transformed into strategic gender needs in order to become 'feminist' in content (Moser, 1993). It can be argued that the theory allows for an important distinction which makes it possible to analyse the effect of micro-finance on various areas within the lives of women.

The findings from the first part of the analysis are together with Nussbaum and Glover (1995) capability approach utilized in the second part of the analysis. Whereas the gender needs theory is used specifically on the empirical data in the first part of the analysis, the capability approach is merely used as an inspiration within the second part. Elements of the capability approach are used to complement the gender needs theory where it suffers from shortcomings in relation to the empowerment of women and micro-finance. It can be argued that the capability approach constitutes a useful supplement to the gender needs theory, particular in relation to women's emotional well-being and being able to use ones senses such as imagination and thought. These aspects thus constitute an important supplement to the gender needs theory, and are used in the second part of the analysis to discuss the effect of micro finance on the empowerment of women.

In relation to the gender needs theory, it can be argued that it is somehow simplified, and that in reality is difficult to split up the gender needs into practical and strategic needs. Often, the gender needs will overlap, making it complicated to create a clear division. Karl claims that there has been a tendency to firstly focus on the practical gender needs, and secondly the strategic needs, and that this distinction has proven impossible, due to the interconnectedness of the needs (Karl, 1995).

This criticism is kept in mind when applying the theory to the empirical data. The distinction between practical and strategic gender needs is nevertheless seen as useful, because it, as argued above, makes the empowerment concept more workable. It can furthermore be argued that the gender needs theory provides an open framework which is useful in giving women a voice. Since the different needs can contain many diverse aspects, which depend on the cultural context to which they are applied, the theory allows for the women to define their own needs. As previously discussed, Nussbaum's approach has been subject to a lot of criticism due to her argument that certain universal values apply to all countries and societies. The gender needs theory allows however for the women to state their opinion and to define their own needs, thereby meeting the criticism of the capability approach.

2.2.2 Power Theory of Poverty

The power theory of poverty is similar to the Maxists theory of poverty. This theory sees power in terms of who controls what and how in the political and economic structures of the system. According to this theory, the system of poverty determines the basic division of the society into two classes: the have and the have-nots (i. e. the property owners and the non-property owners). This view constitutes the fundamental nature of government, religion and culture in any given society. This theory further stated that the society has been dominated by the ruling class owners of properties who exploit the non-property owners, made possible by their ownership of the means of production. According to the proponents of this theory, the individual's position in the society depends on whether he owns the means of production or work for someone else. They held religion responsible for sustaining this power structure between the rich and the poor by denying the poor of any initiative to fight to improve their condition which prevails and subject them to poverty Nyong (1995). Thus, an effective poverty reduction programme should have exploitative property that could be addressed and dislodged.

2.2.3 The Demand-Following and Supply-Leading Hypothesis

The demand following financial theory refers to a kind of finance development that reacts positively to economic activities. The supply-leading finance on the other hand refers to the establishment of financial institution in some areas before the demand for their service is considered. Demand-following and supply-leading financial theory are rooted in the fact that the financial system may be simultaneously growth inducing and growth induced. They both emphasized that the most relevant issues for development is the efficiency with which the financial system provides financial institutions. They linked the supply of initiatives, enterprise and finance by financial institution to be the creation, transformation and expansion of industries and other development oriented ventures.

The direction of these finance theories may interact at a point in time and overtime, there may be changes in prominence played by each type as the economy develops. Hugh (2004) and Jhigan (2004). The demand-following finance theory is a situation where financial institutions establish in urban centers where the demand for their service is already intact or exist. In the supply-leading finance theory, the challenges are to identify nascent firms, promote and support same to maturity in order to boost grassroots entrepreneurship. Financial institutions here stimulate effective entrepreneurial response for positive economic development.

This position is anchored on the assumption that the growth of the financial sector is dependent on the growth and commercialization of other sectors. It does not encourage savings, hence it impedes development. Critics of the supply-leading finance theory posited that there are lots of idle funds lying waste when there are viable projects in the urban centers that need such funds to establish leading to the under-utilization of potentials/resources.

2.3 Determinants of Women's Empowerment

Micro finance programmes are assumed to contribute to empowerment of women. To assess women empowerment, decision-making role in household and community, ability to send children to school, self-esteem, and business skill of female needs to be studied. The evidence suggests that participation in a Micro finance Institutions' programme also typically strengthens the position of the woman in her family. Not only does the access to credit give the woman the opportunity to make a larger contribution to the family business, but she can also deploy it to assist the husband's business and act as the family's banker – all of which increase her prestige and influence within the household (Montegomery et al 1996).

Women's empowerment encompasses the following variables: voice, mobility, decision-making power in the household, freedom from domestic abuse, and property rights. Due to the complexity of women's disempowerment and the difficulty for overarching policies to reach the household level, micro data is used with the aim of determining links between individual, household, husband and geographical characteristics and women's empowerment. The empirical models are examined at an aggregate level, as well as at a state level. Due to cultural and demographic differences, a state-level analysis is important. The empowerment variables used are derived from the women's answers of the household surveys regarding mobility, decision-making in the household and freedom from violence. Only a few of the previous studies using SWAF have looked at the influence of individual and household characteristics on women's empowerment

(Jejeebhoy and Sathar, 2001, Jejeebhoy, 2002, Mason el al, 2003 and Ghuman et al, 2004).

2.4 Review of Empirical Studies

Micro finance is not only a possible answer to gender inequality and difficulty of obtaining loans. It encompasses much more. Siwar et al. (2011) states that micro finance increase women's access to social and income generating activities. This would be due to the better socio-economic position women gain when joining a micro finance program (Siwar et al., 2011). Also, micro finance is used as a tool to empower women in low-income countries in their households and communities, by making them self-employed (Khandker, 1998b).

According to Copestake (2002) micro finance has a polarizing effect as there is discrimination in favour of richer clients, who benefit from better access to credit, and exclusion of poorer people. If one of the aims of micro finance is to assist the "poorest of the poor" the micro finance is not always the most appropriate intervention. According to Ismawan (2000) the real idea of micro finance is to help the weakest member of civil society who in this case is the poor. However Roth (1997) has another view. He argues that micro finance programmes often treat the symptoms and not the causes of poverty. Poverty is frequently the result of powerlessness. The proponents of micro finance programmes as a panacea of poverty ignore the complex matrix of power relations that circumscribe the capacities of the poor to run micro enterprises.

However Roth (1997) argues that credit is only one ingredient in the mix of factors necessary for a successful enterprise. He is critical of the micro finance evangelists who create a vision of the rural poor as a collection of budding entrepreneurs, waiting for salvation from credit agencies, which on receipt of credit, will develop successful micro enterprises and leave poverty forever. Their promotional activity gives rise to worrying spectre of a return to a “blueprint”, implicit in the new micro finance approach to development. To respond to a potential demand for a good or service, a rural micro-entrepreneur may need access to one or more of the following: transport, communications, power, water, storage facilities, a legal system for enforcing contracts and settling disputes. Apart from infrastructure, micro entrepreneurs need access to information about market trends and skills to run their macro enterprises. Roth cites Weber (1958) who argues that hard work, skills and enthusiasm are essential ingredients for an enterprise to be successful. Non-numerate people struggle to start enterprises by themselves as it is extremely difficult for them to keep track of the flows of income in their enterprise.

Marek Markus (2003) in his research on how the social capital findings relate to micro-enterprise development and specifically to micro finance used Robert Chambers (1983) literature to help him to put together the “poverty trap”. Marek argues that poverty is a complex web of disempowering relationships, which don’t work. Households trapped in this spider’s web suffer from material poverty, vulnerability, powerlessness, physical weakness, isolation and spiritual poverty. Therefore, addressing the problem of material poverty through micro finance services is vital and critical, but it will not be enough for the poor households to escape from the poverty trap. Marek argues that it is not possible to neglect other aspects of human nature and the multi-sided nature of poverty.

Ismawan (2000) calls for differentiation between two categories of the poor. Some are able to increase their income by themselves, create activities that would enable them to move closer to or above the poverty line. Those in the second category are unable to do so and would need permanent financial support from micro finance. The latter category would include the poor who have no capacity to undertake any economic activity, either because they lack personal skills or because they are so destitute that they are in no position to develop any meaningful economic activity in the environment in which they live. Those in the first category are described as the "entrepreneurial poor". The entrepreneurial poor do not need assistance for themselves, but they do need help in setting up an activity that will eventually increase their income. In particular they need assistance in accessing the resources to develop this activity, and to some extent managerial assistance. The non-entrepreneurial poor require direct assistance to survive.

The transfer of resources in terms of credit does not only give the poor access to resources but also the economic empowerment and increased self-reliance. The goal of MFIs as a development organization is to service the financial needs of unserved or underserved markets as means of meeting development objectives. Khandker and Samad (2013) identified the following objectives in development offered by MFIs which include the following among others, to reduce poverty, to empower women or other disadvantaged, population groups, to create employment, to help existing businesses grow or diversify their activities, to encourage the development of the new businesses.

According to Otero (1999) the role of micro finance is in the 'provision of financial services to low income poor self-employed people'. These according to Otero (1999) generally include savings and credit but can also include other financial services such as insurance and payment services. In Kenya, micro finance institutions have also been seen as avenues through which development can be channelled to reduce poverty and improve peoples' livelihoods. The government and development partners and practitioners have realized that the provision of financial services such as credit to the poor and the vulnerable most of whom are women, disabled and youth (young boys and girls) can go a long way in improving their livelihoods and hence welfare (Johnson and Rogaly, 1997).

Kenya like many developing countries, has given special attention to Micro finance. It has streamlined Micro finance operation through enacting a Micro finance Bill, 2006 which seeks to provide a legal framework to the sector. The focus on micro finance followed the realization that opportunities for formal sector employment were squeezed while the informal sector was expanding (Republic of Kenya, 2006). Although women's contribution is substantial, their productivity is low due to constraints of culture and tradition (Ndeti, 2005). Most women do not possess any assets and cannot normally offer the necessary securities against loans. In addition, offering tangible security (usually land) implies involving male partners in the transaction, thereby, reducing the women's control over means of production and critical decision making.

A World Bank study found that a 10 per cent increase in borrowing had led to an increase in women's non-land assets by 2 per cent for loans from the Grameen Bank and 1.2 per cent for loans from the Bangladesh Rural Advancement Committee (BRAC) (World Bank 1998). In India, micro credit studies done on groups dealing with dairy farming have noted positive profit levels and short payback periods for loans (Lalitha and Nagarajan 2002).

Another group tried to establish that economic contribution may increase their role in economic decision making in the household, leading to greater wellbeing for women and children as well as men (Mayoux, 2000). A study by Pitt and Khandker (1995) in exploring the impact of female membership of credit programs found that women's preferences carried greater weight (compared to households where either men received the loans or in households where no loans had been received) in determining decision-making outcomes including the value of women's no land assets, the total hours worked per month for cash income by men and women within the household, fertility levels, the education of children as well as total consumption expenditure. There is much debate in the field of microfinance as to whether access to financial services benefit the “the poorest of the poor”. It has been argued that while there are now many credit institutions serving the poor, there is less experience of successfully serving the very poor, the destitute, and the disabled.

2.5 Summary of Literature Review

Several scholars have studied the concept of micro finance services and women empowerment. A study by Siwar et al. (2011) states that micro finance increase women’s access to social and income generating activities. This is due to the better socio-economic position women gain when joining a micro finance program. Khandker, (1998b) found that micro finance is used as a tool to empower women in low-income countries in their households and communities, by making them self-employed. Roth (1997) argues that credit is only one ingredient in the mix of factors necessary for a successful enterprise. He is critical of the micro finance evangelists who create a vision of the rural poor as a collection of budding entrepreneurs, waiting for salvation from credit agencies, which on receipt of credit, will develop successful micro enterprises and leave poverty forever. Locally Otero (1999) found that micro finance institutions are seen as avenues through which development can be channelled to reduce poverty and improve peoples' livelihoods. Ndeti (2005) found that although women's contribution in micro finance institutions is substantial, their productivity is low due to constraints of culture and tradition. From the above review limited studies have concentrated on the effect micro finance services on women empowerment in Kenya. This study therefore seeks to fill this research gap.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter explains the various research methods that were used to generate data in this study. This section discusses the research design, target population, sample and sampling procedure, instrumentation, data collection procedures and data analysis.

3.2 Research Design

A survey design was used for this study. This design is best used in studies that are set to determine the status quo of given situation. According to Lovell and Lawson, (1970) a survey design is concerned with gathering facts or to obtain pertinent and precise information concerning the current status of phenomenon and whatever possible to draw possible conclusions from the facts discovered. It is concerned with the generalized statistics that result when data are abstracted from a number of individual cases, (Lovell and Lawson, 1970). Simple survey design was appropriate for this study because it was designed to establish the impacts of micro finance on women empowerment.

3.3 Population

The target population comprised of women who had been awarded loans from the MFIs in Kenya in the past one year. Since process of obtaining the information on all women in Kenya who had received micro finance loans would have been long, the researcher used the snowball sampling which is a non probabilistic sampling procedure to get the sample where the researcher would need to identify only one woman who had received loan from an MFI and therefore act as a starting point for the sampling process.

The researcher used the snowball sampling to obtain the required respondents. Snowball sampling is a non-probability sampling techniques that is used by researchers to identify potential subjects in studies where subjects are hard to locate. Researchers use this sampling method if the sample for the study is very rare or is limited to a very small subgroup of the population. This type of sampling technique works like chain referral. After observing the initial subject, the researcher asks for assistance from the subject to help identify with a similar trait of interest. The process of snowball sampling is much like asking subjects to nominate another person with the same trait as the next subject.

3.4 Sample Frame

The sample size in this study was 100 women chosen at random, 50 women from an MFIs in Nairobi, whilst the remainder 50 women were chosen from a microfinance institutions in Nyahururu town to represent the rural women.

3.5 Data Collection

Data collections tools that were used in this study were questionnaires, which were semi-structured and which enabled the researcher to collect both qualitative and quantitative data. The researcher developed the questionnaire based on the objectives of the study.

3.6 Data Analysis

The data collected was analyzed by use of a simple regression analysis model using SPSS. The model developed from the study findings was to take the form of:

$$Y = \beta o + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \mu$$

Where Y represents women empowerment in Kenya through use of micro finance services which will be analyzed using the correlation coefficient R and coefficient of determination ((R^2)

X_1 represents amount of micro finance credit provided to women in a year.

X_2 represents amount saved through micro finance institution.

X_3 represents the respondents age

X_4 represents the respondent's level of education

While μ is the random error term accounting for all other variables on micro finance services on women empowerment but not captured in the model. Other data will be analysed through descriptive statistics and inferential statistics.

3.7 Data Validity and Reliability

Joppe (2000) provides the following explanation of what validity is in quantitative research where validity determines whether the research truly measures that which it was intended to measure or how truthful the research results are. Wainer and Braun (1998) describe the validity in quantitative research as "construct validity". The construct is the initial' concept, notion, question or hypothesis that determines which data is to be gathered and how it is to be gathered. They also assert that quantitative researchers actively cause or affect the interplay between construct and data in order to validate their investigation, usually by the application of a test or other process. In this sense, the involvement of the researchers in the research process would greatly reduce the validity of a test.

Data reliability was incorporated in the entire study process especially at the data collection point to include completeness of questionnaires, legibility of records and validity of responses. At the data processing point, quality control included data cleaning, validation and confidentiality. Reliability is the degree to which an assessment tool produces stable and consistent results. The most popular methods which were used in estimating reliability were the measures of internal consistency. The questionnaires were pre-tested through a pilot test with individuals from the same organizations.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter contains detailed research findings and an in depth discussion on the research findings. The research findings are presented using tables, figures and percentages. As discussed in chapter three, data was collected using closed ended questionnaires and from secondary sources. The data collected was checked thoroughly to ensure accuracy, completeness, consistency and uniformity. These was then arranged to enable tabulation. The results were then presented in cross-analysis tables, graphs and charts to facilitate comparisons and interpretation where relevant. The data collected was analyzed and interpreted in line with the objective of the study mentioned in chapter one which was to determine the effect of microfinance services on women empowerment. The chapter is divided into section 4.2 covering summary of statistics, section 4.3 covering the empirical model develop to achieve the study objective, section 4.4 on key discussions and interpretation of the study findings.

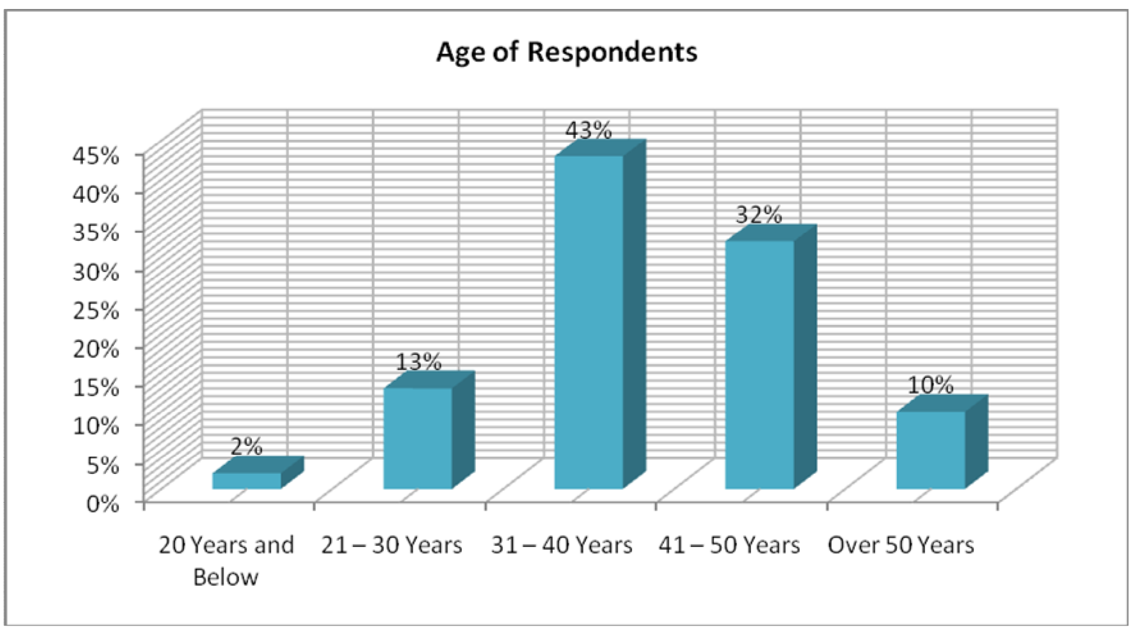
4.2 Descriptive Statistics

The study targeted a total of 100 respondents out of which the researcher managed to obtain all the 100 questionnaires representing 100% response rate. This commendable response rate was due to extra efforts that were made in administering questionnaires through interviews.

4.2.1 Age of the Respondents

The magnitude of effect on level of empowerment to a large extent depends on the age of the individual (Hunt and Kasynathan, 2001). As shown in the figure 4.1 below on the age of the respondents, 43% of the respondents were aged between 31-40 years, 32% between 41-50 years while 13%, 10% and 10% were aged between 21-30 years, over 50 years and below 20 years. This shows that the sample used by the study was well distributed in terms of age and could therefore give reliable information on micro finance and financial empowerment to women in Kenya as different generations are affected by the various factors differently.

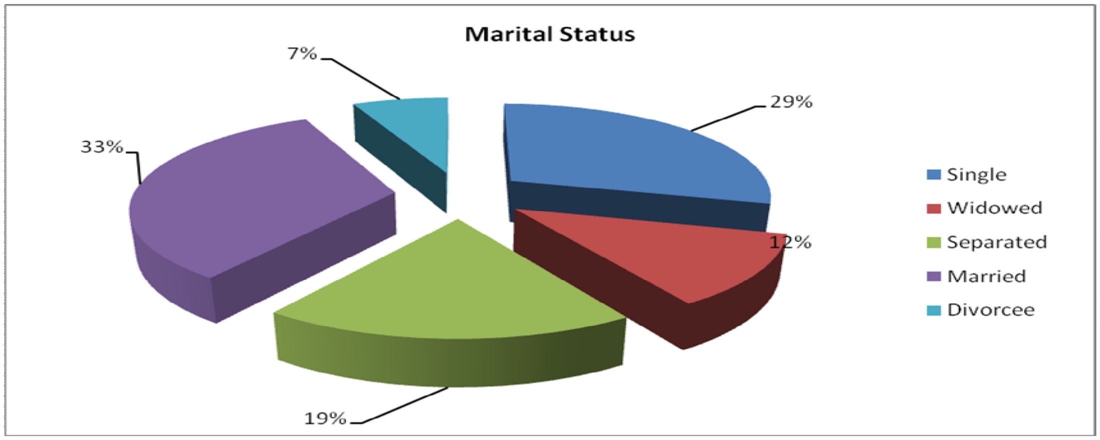
Figure 4.1: Age of the Respondents



4.2.2 Marital Status

The respondents were asked to state their marital status and the findings are as shown in figure 4.1. On the marital status of the respondents, the study found that the most of the respondents (33%) were married, 29% were single, 12% were widowed while 19% were separated. Only a small proportion of the respondents (7%) were divorced.

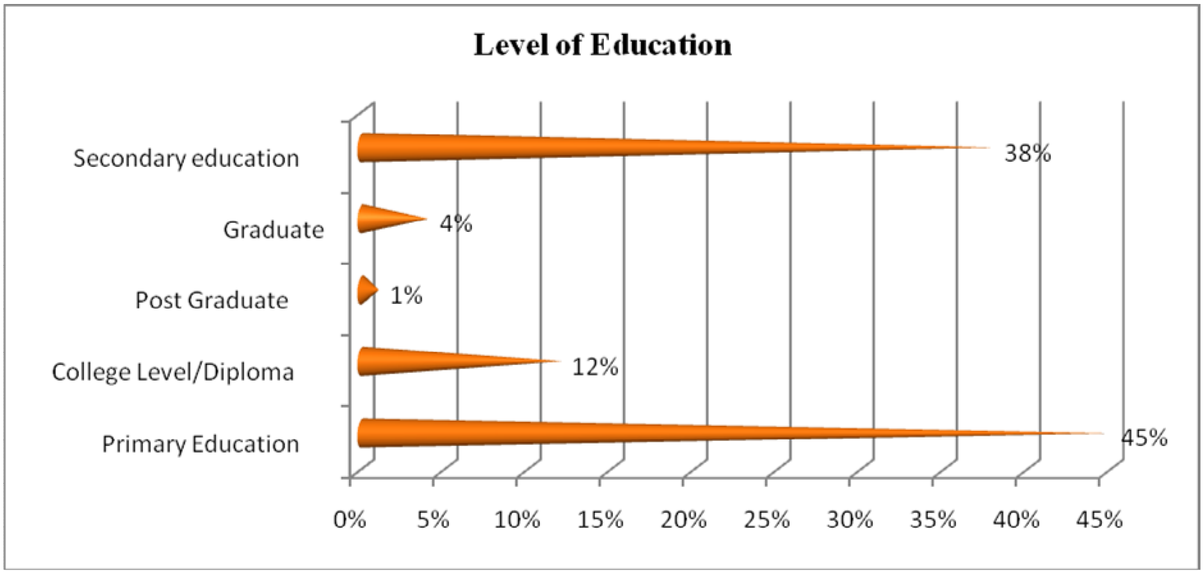
Figure 4.2: Marital Status



4.2.3 Level of Education

This question sought to establish the highest level of education of the respondents. According to the findings, the majority of respondents had a primary education level of as shown by 45% of the respondents, 28% had a secondary education, 12% had college education while a small proportion of respondents as indicated by 4 % and 1% had a graduate and postgraduate education respectively. This information shows that the respondents were of high level knowledgeable enough to give valid and reliable information based on their high level of understanding of various issues appertaining to micro finance and financial empowerment to women in Kenya.

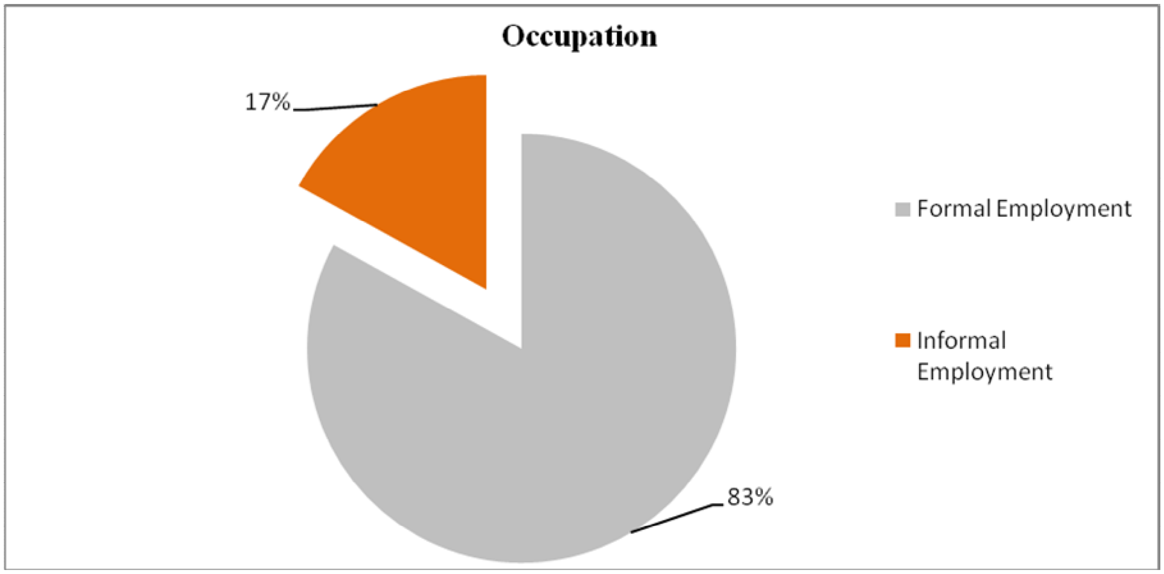
Figure 4.3: Respondents Education Level



4.2.4 Current Occupation

This part sought to establish the respondents' current occupation and the findings are as shown in figure 4.4 below. From the findings, most of the respondents at 83% were in the informal employment, while 40% were in the formal employment. This depicts that the micro finance services are more used by women in informal sector.

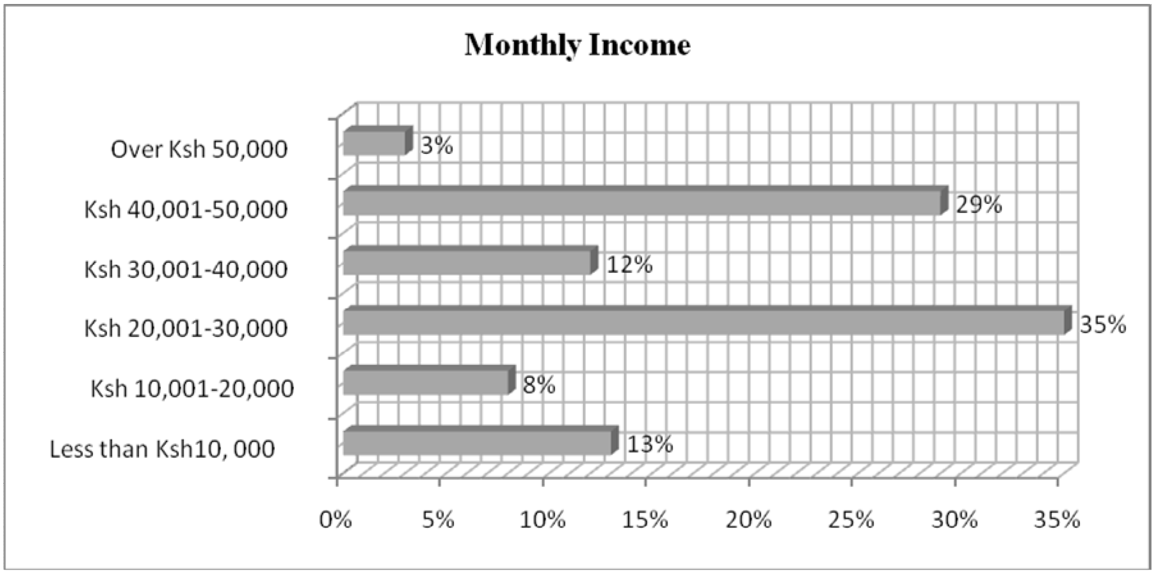
Figure 4.4: Respondents Occupation



4.2.5 Monthly Income Bracket

The respondents were asked to state the monthly income, and the results are as stipulated in the figure 5.5 below. The figure show that majority of the respondents at 35% had monthly income of Ksh20,001 to 30,000, 29% had income between Ksh40,001 to 50,000, 13% less than Ksh. 10,000, 12% Ksh. 30,000 to 40,000, 8% between Ksh. 10,000 and 20,000 while 3% had over Ksh. 50,000. This illustrates that majority of the respondents at 79% of the respondents had a substantial monthly income of over Ksh. 20,000 thus moving towards financial stability with the inception of the microfinance services at their disposal.

Figure 4.5: Respondents Occupation Monthly Income

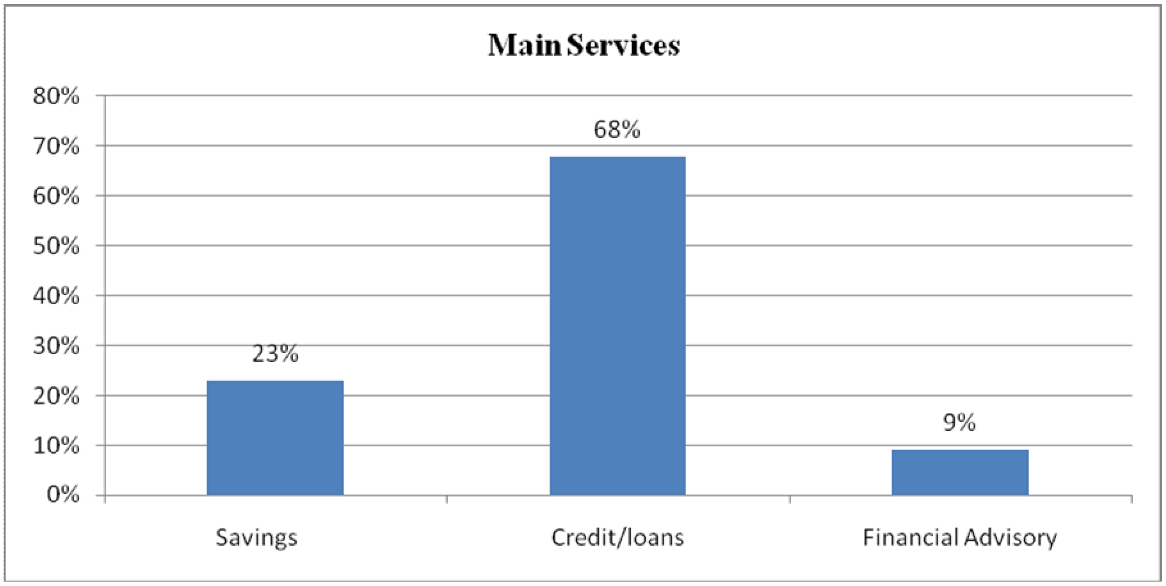


4.2.6 Benefits Derived from Micro finance Institutions

The respondents were required to indicate the year they joined micro finance so as to enable the researcher to determine whether their incomes changed after joining MFIs. According to the findings, most of the respondents at 63% had micro finance customers for over 5 years, and 37% for less than 5 years. This shows that majority of the respondents had enough experience with the organization products and services to give credible information with regard to micro finance and financial empowerment to women in Kenya.

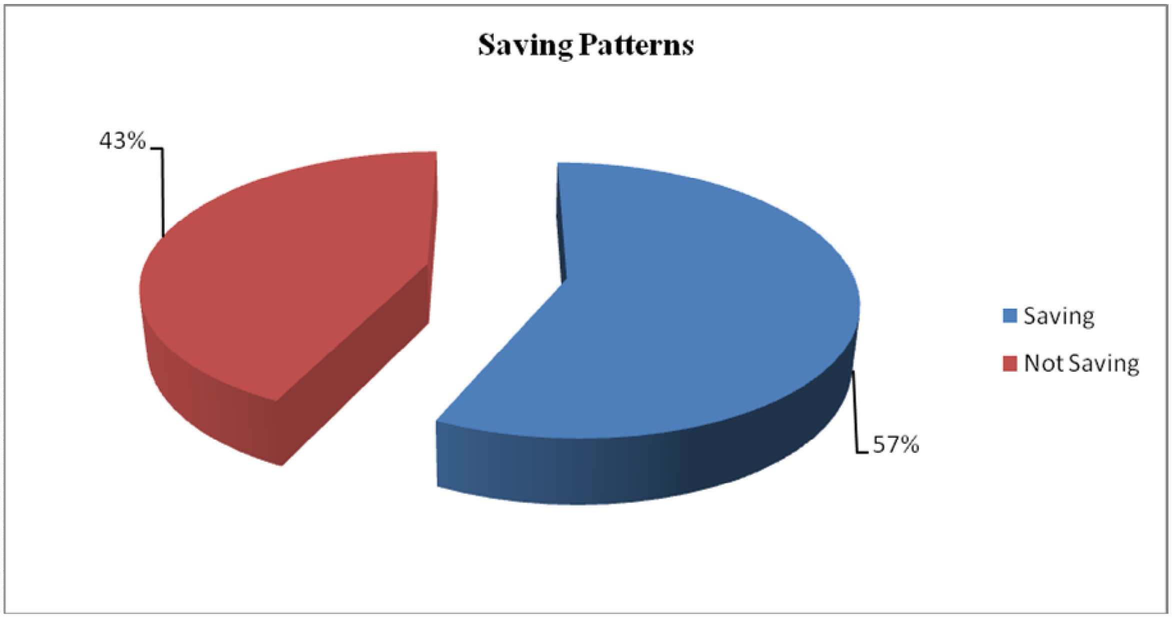
As shown in table 4.6 below, majority of respondents received credit/loans as the main services, 23% savings and 9% financial advisory. However, majority of them indicated to receive all the services.

Figure 4.6: Respondents Main Micro finance Services



The respondents were also required to indicate whether previous to joining micro finance, whether they were used to saving money. Results indicated that 57% of the respondents were not savings money while 43% were saving money or resources in form of assets. The results are shown in figure 4.7 below. However, after joining the microfinance institutions as customers, saving was compulsory for one to access credit.

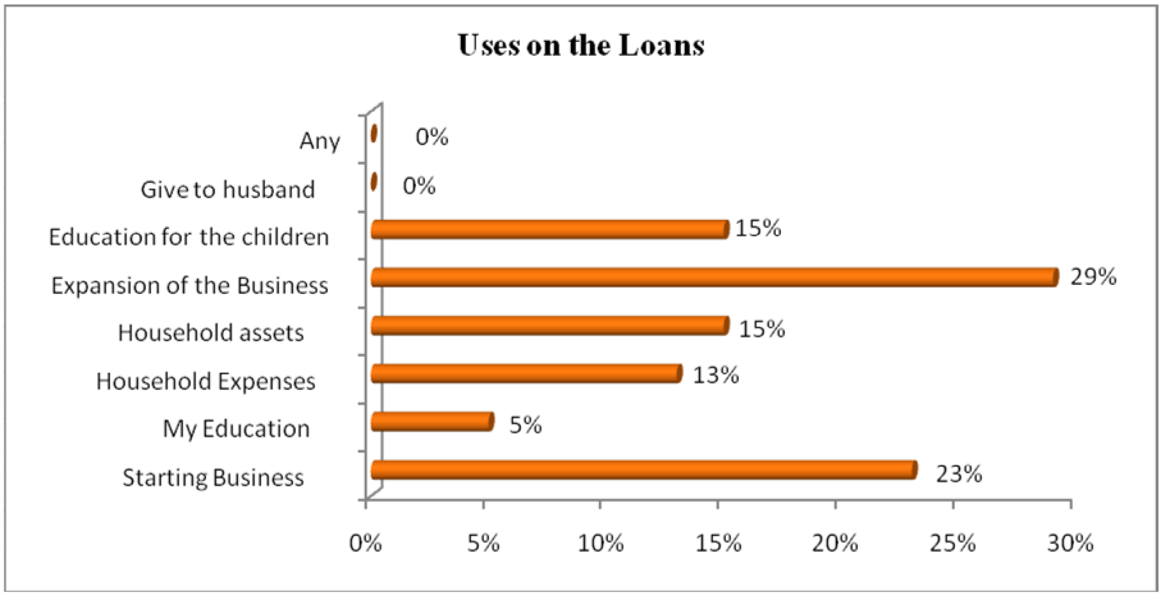
Figure 4.7: Respondents Saving Patterns



100% of the respondents indicated having received credit from the micro finance institutions but of main importance to the researcher was how the amount was applied or used. As shown in figure 4.8 below, 29% of the respondents applied the loans for business expansion, 23% for business start ups, 15% for children education and household asset acquisition, 13% for household expenses and 5% for personal education. Therefore, majority of respondents at 52% applied the loans to business startups or expansion which is a worthy course to women empowerment. This illustrates that majority of the women funded their development initiatives like started their business by taking loan from MFIs as compared to other sources.

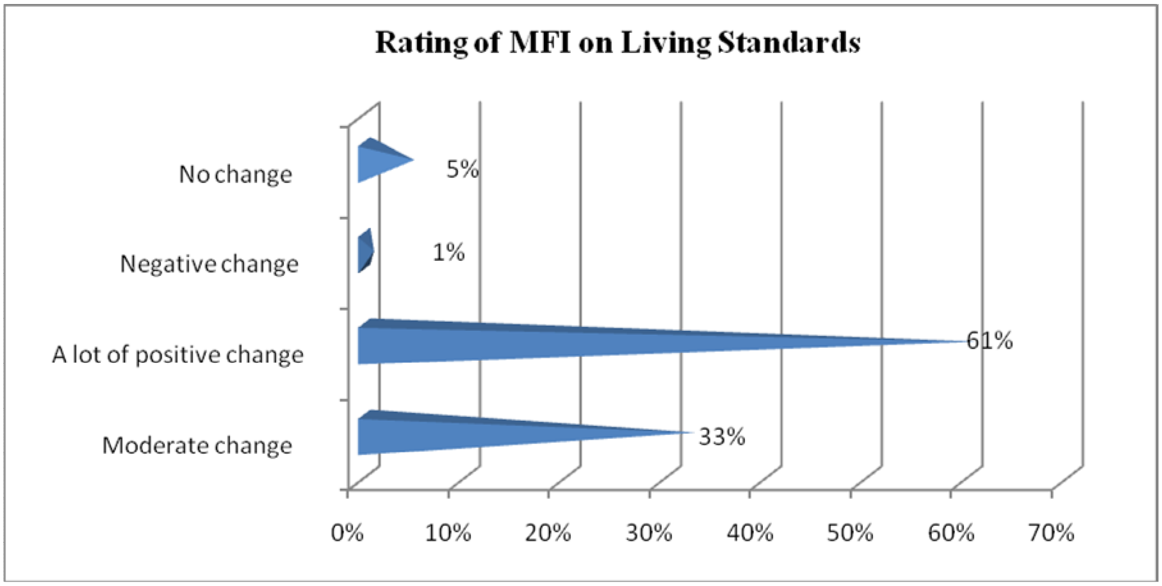
In addition the respondents further disclosed that they were able to increase their income and provided not only with the financial help to their families but also had positive impact on other factors of daily life. These poor women brought about a positive change to their financial and social situation and started taking active part in the decision making process of the family and society. The results obtained from our analysis regarding the success of increasing role in decision making process in the family, reveals that microfinance institutions are highly associated to build up of social and economic empowerment.

Figure 4.8: Respondents Use of the Loans Obtained



As shown in figure 4.9 below, 61% of the respondents indicated that micro finance services had a lot of positive change on their living standards, while 33% indicated to a moderate extent, 5% felt that their living standards had not been affected while 1% felt that the change was negative.

Figure 4.9: Respondents Rating of MFIs on Living Standards



4.2.7 Effect of Micro Finance Services and Empowerment to Women

The research sought to establish the effects of microfinance and financial empowerment to women by administering questions which were indicators of empowerment to both financial, decision making and social. The results are presented in table 4.1 below. A likert scale was used where a scale of 1 to 5 was used where5 was to a very great extent, 4 great extent, 3 moderate extent, 2 low extent and 1 to very low extent.

As shown in the table below, on average, access to a very great extent, the respondents indicated that due to micro finance services, they had been able to save more and acquire assets. To a great extent, the respondents were able to increase their incomes, improved quality of life, received training, and increased women participation in decision making, enabled mobility and self efficacy. To a moderate extent, micro finance services were able to gain self confidence and improved women position to the society. To a low extent, micro finance institutions services reduced women oppression. The main effect of micro finance services was found to be enhanced savings with mean of 5 and standard deviation of 0, increase in assets owned with score of 4.6725 and standard deviation of 0.1652, increase in income with mean of 4.2571 and standard deviation of 0.3425 and enhanced participation of women in decision making with a mean of 4.1970 and standard deviation of 0.3922.

Table 4.1: Effect of Micro Finance Services and Empowerment to Women

Indicator	**Mean**	**Standard Deviation**	**Comment**
Access to micro finance finances has led to increase in your income	4.2571	0.9326	Great extent
Your quality of life has improved due to micro finance services	3.6271	0.3425	Great extent
Due to micro finance services, place of women in society has improved	3.2910	1.2301	Moderate extent
Challenges faced by women in society have reduced as result	3.7413	0.9351	Great extent
Micro finance institutions offer informal training and skills that have contributed have empowered women	4.0000	0.0000	Great extent
Micro finance institutions have reduced cultural oppression on women	2.0831	1.6201	Low extent
Due to micro finance services, you have been able to save more	5.0000	0.0000	Very great extent

You own more assets as a result of micro finance services	4.6725	0.1652	Very great extent
Micro finance services have enabled participation of women in decision making	4.1970	0.3922	Great Extent
Micro finance services have enabled mobility of women and involvement in outside home activities	3.8271	0.6625	Great extent
Due to micro finance services, your self esteem has increased	3.7194	0.7321	Moderate extent
Self efficacy has increased among women who are members of micro finance institutions	3.9931	1.9351	Great extent

4.3 Analytical Model

The relationship between the dependent variable which was women empowerment and independent variables which were amount of credit received by women from the micro finance and amount saved through micro finance institutions representing micro finance services, respondent's age and level of education was tested and found to be linear. Respondents' age and level of education were control variables since the increase in income over years to a large extent depend on the two variables.

This analysis was meant to achieve the study general objective which was to establish the effect micro finance services on women empowerment in Kenya. Analysis of the variables was done using multiple regression analysis with help of SPSS. The results of the findings are presented below. From table 4.2 below, correlation coefficient (R) obtained was 0.8197 which shows a strong positive relationship between women empowerment, credit finance obtained from micro finance institutions, amount of savings, age and education of the respondents. The coefficient of determination (R^2) obtained is 0.6719. The coefficient of determination of 0.6719 implies that the model developed could account for 67.19% of increase in level of women empowerment.

Table 4.2: Analytical Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.8197	0.6719	0.6383	0.0072

a. Predictors: (Constant), Credit Finance, Savings, Age, Education Level

Table 4.3 below shows the ANOVA results. The table indicates a p value of 0.000 which is less than 5%. This implies that the model developed is significant at 95% confidence level and hence can be used in prediction and decision making. This implies that amount of credit finance obtained from micro finance, amount of saving through the micro finance institutions, the age of the woman and level of woman's education all have significant effect on women empowerment in Kenya.

Table 4.3: Analytical Model ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.7373	4	0.1843	2.5100	0.0000
	Residual	1.9928	92	0.0217		
	Total	2.7302	96			

a. Predictors: (Constant), Credit Finance, Savings, Age, Education Level

b. Dependent Variable: Women Empowerment

The model coefficients are shown in table 4.4 below. The model coefficients are all significant since the p values are less than 0.05. Credit finance from micro finance institutions, savings, age, education level has positive and significant relationship with women empowerment. The model developed showing the relationship between the independent variables and women empowerment is $Y = 916.86 + 4.4146X_1 + 1.5901X_2 + 0.7627X_3 + 1.1399X_4$; where Y is women empowerment as measured by increase on income, X1 is the amount of credit received from micro finance institutions, X2 is the savings amount, X3 is age and X4 education level as measured by years spent on education.

Table 4.4: Analytical Model Coefficient

Model		Coefficients	Std. Error	Standardized Coefficients	t	Sig.
1	(Constant)	916.86	0.1121		2.6006	0.0108
	Education Level (X4)	1.1399	0.0239	0.4178	0.3412	0.0000
	Age (X3)	0.7627	0.0027	0.2348	1.3314	0.0219
	Savings (X2)	1.5901	0.0111	0.0487	0.0361	0.0032
	Credit Received (X1)	4.4146	0.4506	0.0949	0.9202	0.0036

a. Dependent Variable: Women Empowerment

4.4 Summary, Discussion and Interpretations

The study examined how micro finance services led to women empowerment through control over savings and income generated from business, participation in household decision-making, ownership of assets, self esteem, self-efficacy, and mobility and in turn leads to participation in activities outside home. The results are consistent with prior research with the view that women's participation in micro finance services leads to an increased women's empowerment. In line with results established in earlier research, the results showed that there is a significant relationship between participation in microfinance services and control of savings and income generated from business. The results show that participation in micro finance services lead to women member empowerment.

The respondents for the study were well distributed in terms of age and could therefore give reliable information on microfinance and financial empowerment to women in Kenya as different generations are affected by the various factors differently. 43% of the respondents were aged between 31-40 years, 32% were aged between 41-50 years while 13%, 10% and 10% were aged between 21-30 years, over 50 years and below 20 years. On marital status of the respondents, 33% of the respondents were married, 29% were single, 12% were widowed while 19% were separated. Only a small proportion of the respondents (7%) were divorced.

On education of the respondents, 45% had primary education, 28% had a secondary education, 12% had college education while a small proportion of respondents of 4 % and 1% had a graduate and postgraduate education respectively. This implies that most of the microfinance customers are less educated with majority of them having secondary education and below. From the findings, most of the respondents at 83% were in the informal employment, while 40% were in the formal employment. This depicts that the microfinance services are more used by women in informal sector. Majority of the respondents at 35% had monthly income of Ksh20,001 to 30,000, 29% had income between Ksh40,001 to 50,000, 13% less than Ksh. 10,000, 12% Ksh. 30,000 to 40,000, 8% between Ksh. 10,000 and 20,000 while 3% had over Ksh. 50,000. This illustrates that majority of the respondents at 79% of the respondents had a substantial monthly income of over Ksh. 20,000 thus moving towards financial stability with the inception of the micro finance services at their disposal.

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On average, to a very great extent, the respondents indicated that due to micro finance services, they had been able to save more and acquire assets. To a great extent, the respondents were able to increase their incomes, improved quality of life, received training, and increased women participation in decision making, enabled mobility and self efficacy. To a moderate extent, micro finance services were able to gain self confidence and improved women position to the society. To a low extent, micro finance institutions services reduced women oppression. The main effect of micro finance services was found to be enhanced savings with mean of 5 and standard deviation of 0, increase in assets owned with score of 4.6725 and standard deviation of 0.1652, increase in income with mean of 4.2571 and standard deviation of 0.3425 and enhanced participation of women in decision making with a mean of 4.1970 and standard deviation of 0.3922.

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The findings are similar to the one of Mayoux (1999) who found out that sustainable microfinance services led to women's individual economic empowerment through stimulating women's micro enterprise development, leading to increased income under women's control. Hunt and Kasynathan (2001) also found that micro finance stimulated women empowerment through confidence, knowledge, or training that they gained by being customers of micro finance institutions. Hunt and Kasynathan (2001) further found that some of the women felt that they could take action against wrong doing after they became members of credit groups. This indicate that participating in micro finance services increases the women's self-esteem and self efficacy which lead to more active role in decision making both within the household and within the community.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of the Findings

This chapter presents a summary of the important elements of the study, discussion of major findings and interpretation of the results. This chapter further presents the conclusions drawn from the research findings as well as recommendations for improvement and suggestions for further research. The chapter is subdivided into section 5.2 on summary of the study, section 5.3 on conclusion of the study and section 5.4 on limitations of the study and section 5.5 which offers recommendations for further research.

The study sought to find out the effect of micro finance services on women empowerment in Kenya. The study found that micro finance services have positive and significant effect on women empowerment in Kenya. On average, to a very great extent, the respondents indicated that due to micro finance services, they had been able to save more and acquire assets. To a great extent, the respondents were able to increase their incomes, improved quality of life, received training, and increased women participation in decision making, enabled mobility and self efficacy. To a moderate extent, micro finance services enabled the respondents to gain self confidence and improved women position to the society. To a low extent, micro finance institutions services reduced women oppression. The main effect of micro finance services was found to be enhanced savings with mean of 5 and standard deviation of 0, increase in assets owned with score of 4.6725 and standard deviation of 0.1652, increase in income with mean of 4.2571 and standard deviation of 0.3425 and enhanced participation of women in decision making with a mean of 4.1970 and standard deviation of 0.3922.

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5.2 Conclusions

From the study findings, the study concludes that micro finance services have significant effect on women empowerment in Kenya. The study also colludes that when poor women access the microfinance services which provide them with start-up and working capital, training and savings, the women are able to engage themselves in income generating activities where they experience increased productivity which leads to a positive outcome on empowerment and their role in society and decision making.

The study also concludes that micro finance services enable women to save more, acquire assets, increase their incomes, improved quality of life, training, participation in decision making, enabled mobility, self efficacy, gain self confidence, improved women position to the society and reduced women oppression in the society. This study also concludes that most of micro finance women are in informal sector and not very educated. Therefore, by them accessing micro finance services, they empowered by enabling them to earn cash income through various types of entrepreneurial activities. These entrepreneurial activities increases their ability to contributes to their families' support which increase women's role in household decision making and control over allocation of resources within the household economic portfolio. Access to credit does not necessarily imply control and decision-making power for women members of MFIs, however, it indicates that the woman is in control of managing her work related activities and is measured by the respondent taking crucial decisions and planning in her income generating activity.

5.3 Policy Recommendations

The research recommends that MFIs to review their product and services meant for the formal sector and repackage them to suit clients from the informal sector since the informal segment forms the main part of their clients as findings indicate. The study also recommends that MFIs to enhance women training mostly in rural areas to enhance their skills on viable and sustainable investment ventures. This will ensure that more women are reached by microfinance services and hence support further empowerment.

Finally the research recommends that the government to formulate and review the existing policies on microfinance and financial empowerment to women in Kenya to incorporate the emerging issues due to volatility of the banking industry and the changes in the needs of the poor. This is because eempowerment is a difficult concept and cannot be imparted upon others; instead it must come from individuals themselves. Nevertheless, endeavours to support a person's own efforts at empowerment should be encouraged. Micro finance offers one means of doing this. However, it is important for micro finance programs to be well-designed in order to best meet the real needs of the poor women they aim to serve.

5.4 Limitations of the Study

The study was faced by numerous challenges which did not hinder the achievement of the study objectives but only called for approaches to counter then. First, the data used in this study was self reported and subjective in nature. Self-reported measures are often criticized in the literature on adults, mainly with the argument that some people are unable to report their performance accurately due to poor introspection.

Secondly, data collection and administering the questionnaires took a lot of time. This was mainly because the sample size was big and not located in the same area. The researcher had to develop ways of getting data faster like hiring data collection assists to ensure that the study was completed within the required time. In addition, some respondents did not want to give the information since it was sensitive information. A lot of assurance on confidentiality of use of the information had to be given.

The study was limited by availability of analytical variables to measure the quantitative aspects of women empowerment which was too abstract. Apart from financial empowerment, micro finance could have had an impact on the socio-economic empowerment of women which was not covered by the study.

The study was also limited in selection of the sample whereby, it was not was hard to ensure objectivity in sample selection since a list of all women micro finance customers in Kenya could not be obtained. Even where the list was obtained from the MFIs in a certain locality, getting the specific persons to respond was challenging.

5.5 Suggestions for Further Studies

Based on the findings and limitations above the study recommends that further research to be done on women from various locations as this would ensure that comprehensive and representative findings are obtained on how micro finance influences women empowerment. This study only focused on women who were in Nairobi and Nyahururu and hence the findings could not be representative. This would also assist in comparison purposes and allow for generalization of findings on all MFIs. Future research could also be done using with inclusion of more variables in the model or coding qualitative measures of empowerment as opposed to incremental income only.

It is also recommended that future study can be done on the effect of women groups and joining of saving unions on women empowerment. This was found to be the most dominant arrangement in rural areas and hence determining the relationship will be important for policy recommendations.

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APPENDICES

APPENDIX I : QUESTIONAIRE

This questionnaire is purely for academic research purpose at University of Nairobi and the information provided herein will be therefore exclusively used for the same purpose and will be kept confidential. This questionnaire is intended to achieve the objectives of the study which is to determine the effect of micro finance services on women empowerment. The questionnaire is only to be filled by women who are members of micro finance institutions.

SECTION A: BACKGROUND INFORMATION

1. Respondents Age

20 Years and Below	[ ]	21 – 30 Years	[ ]
31 – 40 Years	[ ]	41 – 50 Years	[ ]
Over 50 Years	[ ]	Specify exact years	[ ]

2. Marital Status

Single	[ ]	Married	[ ]
Widowed	[ ]	Divorcee	[ ]
Separated	[ ]		

3. level of education

Primary Education	[ ]	Secondary education	[ ]
College Level/Diploma	[ ]	Graduate	[ ]
Post Graduate	[ ]		

4. What is your current occupation?

Formal Employment	[ ]	Informal Employment	[ ]
Others	[ ]		

For others, Please specify…………………………………………………………

5. Monthly Income Bracket

Less than Ksh10, 000	[ ]	Ksh10, 001 – 20,000	[ ]
Ksh20, 001 – 30,000	[ ]	Ksh30, 001 – 40,000	[ ]
Ksh40, 001 – 50,000	[ ]	Over Ksh50, 000	[ ]

6. Which year did you join micro finance institutions? ....

SECTION B: MICRO FINANCE AND WOMEN EMPOWERMENT

7. What is the **main** service you have received from Micro finance (MFI) you are a member to?

   Savings [ ] Credit/loans [ ] Financial Advisory [ ]

8. Before joining the MFI, did you save money in cash?

   Yes [ ] No [ ]

9. Have you ever obtained loan from the micro finance institution?

   Yes [ ] No [ ]

10. Kindly indicate what you used the loan for?

    Starting Business [ ] Expansion of the Business [ ]

    My Education [ ] Education for the children [ ]

    Household Expenses [ ] Give to husband [ ]

    Household assets [ ] Any [ ]

11. What impact has micro finance finance services had on your living standard?

    A lot of positive change [ ] Moderate change [ ]

    No change [ ] Negative change [ ]

12. To what extent do the following have the following factors been contributed by access to microfinance services? Use a scale of 1-5 where 5= Very great extent; 4 Great extent; 3= Moderate extent; 2= Low extent and 1=Very low extent. Tick as appropriate.

Factors	**1**	**2**	**3**	**4**	**5**	**6**
Access to micro finance finances has led to increase in your income						
Your quality of life has improved due to micro finance services						
Due to micro finance services, place of women in society has						

improved						
Challenges faced by women in society have reduced as result						
Micro finance institutions offer informal training and skills that have contributed have empowered women						
Micro finance institutions have reduced cultural oppression on women						
Due to micro finance services, you have been able to save more						
You own more assets as a result of micro finance services						
Micro finance services have enabled participation of women in decision making						
Micro finance services have enabled mobility of women and involvement in outside home activities						
Due to micro finance services, your self esteem has increased						
Self efficacy has increased among women who are members of micro finance institutions						

13. Please indicate the amount of credit financing from the following sources in the last five years.

Year	**2013**	**2012**	**2011**	**2010**	**2009**
Amount received from Micro finances					
Annual Income					
Average amount saved to micro finance					

The End, Thank You