

**INFLUENCE OF MICROFINANCE INSTITUTION SERVICES
ON WOMEN LIVELIHOOD: A CASE OF JOYFUL WOMEN
ORGANIZATION IN TRANS –NZOIA COUNTY, KENYA**

BY

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DECLARATION

This research report is my original work and has not been presented to any other university.

.....

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DEDICATION

I dedicate my research project to my dear husband Mucheke Njuguna, my sons Isreal Njuguna, Joseph Gitau and daughter Veronicah Njoki for their love, patience, perseverance, support and encouragement during my studies which kept me pressing on.

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TABLE OF CONTENTS

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
LIST OF TABLES	ix
LIST OF FIGURES í	x
ABBREVIATIONS AND ACRONYMS	xi
ABSTRACT	xiii
CHAPTER ONE:	1
INTRODUCTION	1
1.1 Background of the study í í í .í í	.1
1.2 Statement of the problem í í í í í í í í í í í í í í í ...í í í í í í í í í í í	.4
1.3 Purpose of the study í	5
1.4 Research objectives í í í í í í í í í í í í í í í ...í í í í í í í í í í í	.5
1.5 Research questions í í í í í í í í í í í í í í í ...í í í í í í í í í í í í í í í	6
1.6 Basic assumptions í í í .í í í í í í ..í í í í í í í í í í í í í í í í í í í í	6
1.7 Significance of the study í ..í í í í í í	.í 6
1.8 Delimitations of the study í .í í í í í í	.7
1.9 Limitations of the study í ..í 7	7
1.10 Definition of significant terms í	8

11.1 Organization of the study	10
CHAPTER TWO	11
LITERATURE REVIEW	11
2.1 Introduction	11
2.2 Concept of MFIs and women livelihood	11
2.3 Loans acquisition and women livelihood	16
2.4 Training on MFI and women livelihood	18
2.5 Marketing in MFI and women livelihood	21
2.6 Networking in MFI and women livelihood	26
2.7 Theoretical Framework	28
2.8 Conceptual Framework	29
2.9 Knowledge gap	31
2.10 Summary of Literature	33
CHAPTER THREE	35
RESEARCH METHODOLOGY	35
3.1 Introduction	35
3.2 Research Design	35
3.3 Target Population	36

3.4 Sampling procedure and sample size	36
3.5 Data Collection Research instruments	38
3.6 Data collection Procedure	39
3.7 Piloting of Research Instruments	39
3.9 Data Analysis	40
3.10 Ethical consideration	40
3.11 Operationalization of Variables	40
CHAPTER FOUR.....	42
DATA PRESENTATION, ANALYSIS, INTERPRETATION AND DISCUSSION.....	43
4.1: Introduction	43
4.2: Questionnaire response rate	43
4.3 Demographic characteristics on respondents	44
4.3.1 Age of respondents	44
4.3.2 Marital status	45
4.3.3 Educational level	45
4.3.4 Head of household	46
4.3.5 Size of household	47
4.4 Credit access and change in women livelihood resulting from JOYWO credit	47

4.5	Loan acquisition and women livelihood	49
4.6	Training and women livelihood	53
4.7	Marketing and women livelihood	60
4.8	Networking and women livelihood	64
CHAPTER FIVE.....		68
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.....		68
5.1:	Introduction	68
5.2	Summary	68
5.3	Conclusions	73
5.4	Recommendations	75
5.5	Suggestion for further study	75
5.6	Contribution to the body of knowledge	76
REFERENCES.....		77
APPENDICES		
APPENDIX I: LETTER OF TRANSMITTAL		87
APPENDIX II: UNIVERSITY RESEARCH LETTER		88
APPENDIX III:RESEARCH CLEARANCE PERMIT		89
APPENDIX IV: RESEARCH AUTHORIZATION		90
APPENDIX V: QUESTIONNAIRE FOR WOMEN BENEFICIARIES		91
APPENDIX VI: INTERVIEW SCHEDULE FOR THE MFI (JOYWO)		96
APPENDIX VII: OBSERVATION CHECK LIST		98

LIST OF TABLES

Table 2.1 Knowledge Gap	.31
Table 3.1 Operationalization of the Variable42
Table 4.1: Response return rate	.43
Table 4.2 Age of the respondent	44
Table 4.3 Marital status45
Table 4.4 Educational level	46
Table 4.5: Head of household	46
Table 4.6 Size of household	47
Table 4.7 Correlation: JOYWO initial credit vs. change in women livelihood resulting from JOYWO credit	48
Table 4.8 Reasons for applying for a loan	..49
Table 4.9 Application for a loan while servicing another	...49
Table 4.10 Collateral used	51
Table 4.11 The terms and conditions if you do not pay your loan	52
Table 4.12 The repayment duration	53
Table 4.13 Those comfortable with terms and conditions of repayment	..53
Table 4.14 Application of loan with success54
Table 4.15 Application of loan without success	.54
Table 4.16 Source of livelihood	.56
Table 4.17 Do you have any financial knowledge	..56
Table 4.18 Who decides or controls how credit received is used	...57
Table 4.19 Control of benefits from business proceeds	...57

Table 4.20 Bank account or MPESA accountí í í í í í í í í í í í í í í í í í ..58

Table 4.21 what type of training has JOYWO offered youí í .í í í í í í í í í í í í 58

Table 4.22 Transformational type of trainingí í í í í .í í í í í í í í í í í í í59

Table 4.23 Improved livelihood as a result of training offeredí í í í ...í í í í í í í60

Table 4.24 Knowing about JOYWO productsí í í í í í í í í í í .í í í í í í í í í 60

Table 4.25 Marketing of JOYWO benefits to woman í í í í í í í í í í í í í í í í í 61

Table 4.26 Marketing benefits to womaní62

Table 4.27 JOYWO marketing is for poor women onlyí í í í í í í í í í í í í í í í í í ...63

Table 4.28 JOYWO marketing is not for poor women onlyí í í í í í í í í í í í í í í í í í .63

Table 4.30 JOYWO marketing MFI has influenced women livelihoodí í í í í í í í í ...63

Table 4.31 JOYWO marketing MFI has not influenced women livelihoodí í í í í í í í .64

Table 4.32 Forms do JOYWO women engage iní í í í í í í í í í í í í í í í í í .65

Table 4.33 JOYWO networking MFI has helped to improve women livelihoodí í í í í 66

Table 4.34 JOYWO networking MFI has not helped to improve women livelihoodí í í ..66

Table 4.35 JOYWO networking has led to formation of women groups and improved
women livelihoodí ..67

LIST OF FIGURES

Figure 2.1 Conceptual Framework í ..í 30

ABBREVIATIONS AND ACRONYMS

CIDA	:	Canadian International Development Agency
DFID	:	Department for International Development
IFAD	:	International Fund for Agricultural Development
IMF	:	International Monetary Fund
JOYWO	:	Joyful Women Organization
KREP	:	Kenya Rural Enterprise Program
MDGs	:	Millennium Development Goals
MFI	:	Microfinance Institution
MFI s	:	Microfinance Institutions
NGO	:	Non-Government Organization
UNDP	:	United Nations Development Programmes
UNIFEM	:	United Nations Development Fund for women

ABSTRACT

This study investigated the influence of MFIs on women livelihood. A case study of JOWYO Trans-Nzoia County. Women livelihood is a central to ensure socio-economic development of any nation. This study was guided by the following objectives;-to establish whether loans acquisition influences women livelihood, to determine whether training influences women livelihood, to determine MFI marketing influence on women livelihood, to find out whether networking influences women livelihood in Trans-Nzoia County, Kenya. A similar number of research questions facilitated the investigation. The target population was 8,450 women involved in MFIs. A sample of 100 women respondents was used to provide data. Descriptive survey design was adopted alongside snow ball and convenience sampling to guide the research process. Questionnaire and interview instruments were used. Questionnaire reliability was determined through a pilot test re-test technique. Instrument validity was done through piloting instruments and seeking expert's interpretation on designing effective instruments. Data collection was done after obtaining a permit from the National council of Science and Technology. Data was analyzed using descriptive statistics with the help of statistical package of social scientists (SPSS) and Microsoft Excel. The findings are presented in tabulations, frequencies, percentages and means. The key findings for objective one; Loans acquisition and women livelihood: the study sought to elaborate on the women's source of livelihood or income. It was revealed that 50% of women depend on their salary, 29% of women on farm produce and 21% of women had business as their source of livelihood. Also, on the reasons for applying for a loan indicated that 33% of the women loan was for the capital of the business, followed by 32% household needs, 27% was for health related expenses and lastly 8 for the education of the children.. Most important, the study sought to know what the respondents used as a collateral and the study found out that majority of the respondents 28% used livestock's, 25% used title deeds as well as salary, 16% said they used business or shop and finally used family property at 6%. For the second objective; Training on MFI and women livelihood: The findings indicated that the types of training JOYWO offered included 32% who had a training on loan use, 27% had training on savings, 26% had a training on business management and 15% had a training on financial control. For objective three; Marketing of MFI and women livelihood. Findings depicted that marketing of JOYWO had benefited the women since 100% said yes and in view of how marketing had benefited the women, the findings revealed that 20% had benefited by learning to access credit, 19% had known of its existence and were able to access it, 17% had improved living status, 15% had become self-reliant women as well as provided capital for their business and 10% gained good control of finance. For objective four; Networking of MFI and women livelihood. The study findings on networking included what networking forms do JOYWO women engage in, 32% of the women said that networking forms engaged was sensitizing others, 25% said networking was through projects, 24% said table banking, 10% said by training women in various income generating activities, 5% said through recruiting other women and 4% networking can be done through formation of self - help groups. The study concludes that MFI influences women livelihood at a greater extent and should be advocated at any County to improve the livelihood of women. It further recommends that loaning should be done more to poor women than those with the salaried to uplift the living standard of the women.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Worldwide, the term women livelihood has dominated many agendas in the world (UNDP 2014). Women as micro and small entrepreneurs have increasingly become a key target group for micro-finance programmes. Providing access to micro-finance is considered a precondition for not only improving women livelihood, but also for women's empowerment. Women are increasingly being recognized as better borrowers, they are starting to become of interest also to regular financial institutions. But despite the proven positive impact of providing microfinance services to female entrepreneurs in the informal sector, microfinance is just one tool among others used to address the multiple causes of financial lack, unemployment and social exclusion (Micro-credit, 2005).

The term Microcredit began to be replaced by microfinance in the early 1990. By that time the term had started to include savings, and other services such as insurance and money transfers (Basu et al, 2000). Microfinance is no longer an experiment or a wish, it is a proven success. It has worked successfully in many parts of the World ó Africa, Asia, Latin-America, Europe and North America. It is safe and profitable; indeed it is the oldest and most resilient financial system in history. The key issues in Microfinance include the realization that impoverished people need a variety of financial services, including loans, savings, money transfer and insurance which Microfinance provides. It is a powerful tool to improve livelihood through building of assets and serving as an absorber against external ties and financial shocks.

The need for development saw Kenya develop several strategies and plans such as vision 2030 and Millennium development goals has led to development of the finance sector. The need for financing of development projects has developed microfinance institutions in the country (R.O.K, 2010). Microfinance has received a lot of attention since its inception in the early 1970s perhaps, as argued by Okiocredit (2005: 30-32), due to its ability to improve livelihood and develop economies. This is through provision of credit and savings services to those earning low income. The attention has seen development of different definitions of microfinance.

According to Otero (1999: 8) microfinance is "the provision of financial services to low income earners and very poor self-employed people". On the other hand, Schreiner and Colombet (2001: 339) define microfinance as "the attempt to improve access to small deposits and small loans for less privileged households neglected by banks." Independent of the definition provided to microfinance, it is a general agreement in the economic field that micro financing causes economic development. The money or funds that are provided by microfinance institutions in terms of credit and micro loans enables those who once lacked to invest into productive activities that are bound to earn them income helping them boost their economic level and improve livelihood in the entire economy.

Microfinance institutions therefore are an opportunity for sustainable development. They make opportunities available to generate income and the ability of citizens to respond to the available opportunities are to a large extent determined by the degree or ability to access financial services that are affordable. Microfinance being able to provide such financial services is being pursued by every economy worldwide. Initially microfinance aimed at providing donor finances and financing experimental projects. This has developed to financial institutions that

provide a wide range of services and several routes to opportunities that are significant for economic development and expansion (Khan, 2005).

The concept of microfinance in most instances has been used interchangeably with microcredit implying that they have the same meaning. However microcredit and microfinance are two different concepts. In an attempt to describe the difference between microcredit and microfinance, Sinha (2008) states that, "microcredit refers to small loans, whereas microfinance is appropriate where non-governmental organizations (NGOs) and microfinance institutions (MFIs) supplement the loans with other financial services like savings and insurance."

Low-income earning individuals are seeking to improve their lives through self-employment activities. In Kenya, the need for economic development has seen the development of micro finance institutions which in normal cases start as *Chamas*. *Chamas* are small groups of individuals, who come together, collect money in a pool through continuous contributions with an aim of accomplishing an investment objective.

According to Onumah (2002), the development of *Chamas* has led to the development of banks in Kenya. For example, Equity bank developed from a micro finance institution where its major purpose was to help customers get mortgage loans for individuals who are low income earners in the society. It was initiated as Equity building society (Coetzee 2003). MF also contributes to building up physical assets. According to Marconi & Mosley (2004), clients reflected significant increases in ownership of livelihood assets such as livestock, equipment and land.

1.2 Statement of the Problem

Vital effort steps towards women livelihood have been realized in Kenya and other parts of the world since family role keep on changing and women have found themselves the head as well as the sole providers of their family livelihood. Therefore, women livelihood is all about women empowerment. As recorded MFIs focus mostly on women but it still not yet successful. Furthermore, it was revealed that about 70 percent of world's poor are women (Khan & Noreen, 2012). This making it difficult to meet their daily needs.

Betty (2006) possess that micro financing institutions have in a large extent helped the development of the Kenyan rural community. Development practitioners and policy makers have as well identified efficient microfinance services as important for a variety of reasons; helping the less privileged manage their risks, build their assets, enhance their income earning capacity, be able to develop small enterprises to generate income, and these in turn will ensure improved life. Microfinance has also positive impacts on improving livelihood and specific economic indicators such as nutrition status, women empowerment and children schooling.

Few studies have been done in Kenya revolving around microfinance. However none of these studies provide direct information on the impacts of microfinance institutions on the livelihood of women in Trans-Nzioa County.

Mjomba (2011) studied micro-finance in Kenya by specifically considering micro finance on financial empowerment of women in Kenya. This study though identified the impact of micro financing as empowering women positively, it majored on Kenya Women Finance Trust. Therefore it lacked evidence on other impacts of microfinances in Kenya. A similar study by Joy (2007) majored on the impact of microfinance on rural development with a setting of Makueni County. Although this study was a great milestone to the studies on the field of impact of micro

financing services, it narrowed down to poor households, income and poverty eradication. This study therefore lacks enough evidence to ascertain the awareness and impacts of microfinance in Kenya. That is, there remains insufficient empirical evidence to assess this claim. Several questions therefore remain unanswered.

This study proposed to interrogate the data that was collected from residents of Trans-Nzioa County in relation to these broad questions that are emerging around the issue of awareness and impacts of microfinance in Kenya, and suggests areas of purposeful focus for policy attention. It is however, not clear to what extent women are benefiting from MFIs in this study area. The researcher therefore attempted to fill the Knowledge based gap as indicated above, given that lack of finances is still affecting women's livelihood.

1.3 Purpose of the Study

The study was done to investigate the influence of Microfinance institutions on women livelihood, A case study of Trans-Nzioa County, Kenya.

1.4 Specific objectives of the Study

The study was guided by the following objectives

1. To establish the influence of MFI loans on women livelihood in Trans-Nzioa County, Kenya
2. To determine the influence of training on women livelihood in Trans-Nzioa County, Kenya
3. To determine the effect of marketing of MFIs on women livelihood in Trans-Nzioa County, Kenya
4. To find out effect of Networking of MFIs on women livelihood in Trans-Nzioa County, Kenya

1.5 Research Questions

The study was guided by the following research questions

1. How does MFI loans influence women livelihood in Trans óNzoia County, Kenya?
2. How does training influence women livelihood in Trans-Nzoia County, Kenya?
3. How does marketing of Micro finance activities affect women livelihoods in Trans ó Nzoia County, Kenya?
4. How does Networking of MFIs influence women livelihood in Trans óNzoia County, Kenya?

1.6 Basic Assumptions of the Study

The study assumed that women livelihood in Trans-Nzoia County was facilitated by the present MFIs (JOYWO). Moreover, it assumed that there are records at the sampled MFIs offices in the County and that the women who have benefited from this initiative were willing to share with us this information. In addition, it assumed that the women who had benefited from the MFI (JOYWO) to improve their livelihood in the County were willing to fill the questionnaires during the study. Also, the study assumed that the information given by the women was genuine and with no biasness.

1.7 Significance of the Study

This study was to provide information for all the micro financial institutions (MFIs). This would help in designing and implementing effective and efficient services. This current research adds to the current growing literature on women entrepreneurship, women and business growth and entrepreneurship education. Microfinance plays a great role in the lives of millions of poor people particularly women as it acts as a way of improving their livelihood.

The research findings would have some impact on policies regarding enterprise support for female entrepreneurs, enterprise education in general and specifically enterprise education for female entrepreneurs and business owners.

1.8 Delimitation of the Study

Study findings were limited to the women owned enterprises and therefore may not be applicable to the men owned enterprises because they operate under different environmental settings. The findings of this study may be applicable to all women owned enterprises and may be potent only for the women owned enterprise.

The study sets limit of Trans óNzoia County operating MFIs for women by the time of the research and it's strategies on women livelihood among women. The study population was specific to those who are affiliated to JOYWO. The study sample involved women because JOYWO basically is a women's affair and the problems to be identified are women specific meaning more views are necessary from the women themselves.

The study was limited to the women livelihood as a result of Microfinance services. The sample size will be limited to one MFIs and restricted to women beneficiaries of JOYWO. However, every effort was made to get most of the necessary information from the key stakeholders who will be available. Although there are other sources of funds but the researcher was not deal with them.

1.9 Limitations of the study

To obtain reliable information, respondents were assured of confidentiality in data collection. It was required an extra mile in expenses to visit randomly all identified women customers in the institutions as some of them were far and concentrated on those who were readily available.

Language barrier was a limitation were respondents communicated in their mother tongue and hence sought an interpreter.

1.10 Definition of basic terms

1. **.Microfinance:** Refers to all types of financial intermediation services; savings, credit funds transfer, insurance, pension remittances, provided to low-income households and enterprises in both urban and rural areas, including employees in the public and private sectors and the self-employed.
2. **Micro- finance institution:** Refers to an organization that offers financial services to the very poor. They are also specialized providers of financial services to the micro-enterprises.
3. **Sustainability:** Refers to the ability to continue any given activity into the future within the likely existing resources of an organization, as part of its ongoing budgetary and management processes.
4. **Micro finance Services:** Refer mainly to small loans; savings mobilization and training in micro enterprise investment services extended to poor people to enable them undertake self employment projects that generate income (Onuaman, 2002).
5. **Livelihood** Is a means of making a living. It encompasses people's capabilities, assets, income and activities required to secure the necessities of life

6. **Women:** This means plural of a woman or another word of female
7. **Influence:** The ability to produce change among women through MFIs hence alleviate poverty.
8. **Empowerment:** Refers to when individuals and organized groups are able to imagine their world differently and to realize that vision by changing the relations and structures of power that have been keeping them in poverty. It involves the empowered individual developing confidence in their own capacity and having control over the decisions and issues that affect their life.
9. **Financial knowledge:** This refers to the ability of women to have necessary skills to manage their businesses in financial matters and both efficiently and effectively without relying on other people.
10. **Training:** Refers to equipping women members of Microfinance with knowledge and skills necessary for their lives and businesses.
11. **Loan acquisition:** Refers to the ability of the women to access loans from MFIs
- Networking** The state of being connected to maintain direction toward a given goal.
- Marketing** The state of MFI promoting, distributing and making known their products and services

1.11 Organization of the study

The report was organized in five chapters. Chapter one covered the introductory part of the study. The background section was a presentation of the problem being identified; objectives of the study; the significance of the study. Chapter two provided an overview of both the existing literature and internal studies in the area and draws upon key themes within the literature which inform the study. It also contained the conceptual framework. Chapter three provided an overview of the design for this study, the data collection methods used and the research approaches which were questionnaire based. Chapter four provided an overview of data analysis, representation, interpretation and discussion. Whereas, chapter five gave the summary, conclusion and recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1. Introduction

In this chapter, the researcher reviewed literature related to the influence of micro financial institutions activities on the livelihood of women in Trans-Nzioa County, Kenya. It also considered areas of strategic importance related to enterprises owned by women. This chapter also considered theoretical and conceptual framework in research. The literature review gave some exploration of previous and related studies. It gave the researcher insight to the concept, forms and theories of micro finance institutions, financial intermediation and the influence on the women owned enterprises and women livelihood.

2.2 The concept of Microfinance institutions and women livelihood.

Microfinance is a form of financial development that has primarily focused on alleviating poverty through providing financial services to the poor people in the country (Sinha, 2008). Most people view microfinance as being about micro-credit that is it is involved in lending small amounts of money to the poor in order to uplift their living standard. Microfinance is not only this, but it also has a broader perspective which also includes insurance, transactional services, and importantly, savings (Brenna, 2008).

According to Schreiner (2010), microfinance is a bit of a catch all-term. In the broad perspective, it refers to the provision of financial products which are usually targeted at low-income groups. These financial services include credit, savings and insurance products. A series of neologisms has emerged from the provision of these services, name micro-credit, micro-savings and micro-insurance. The Canadian International Development Agency (CIDA) defines microfinance as, the provision of a broad range of financial services to poor, low income

households and micro-enterprises usually lacking access to formal financial institutions (Graheen, 2000). whereas microfinance is appropriate where NGOs and MFIs supplement the loans with other financial services such as savings and insurance. Therefore microcredit is a component of microfinance in that it involves the provision of credit to the poor, whilst microfinance add on non-credit financial services such as savings, insurance, pensions and payment services (Ayertey, 2008).

Livelihood comprises the capabilities, assets (stores, resources, claims and access), and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stress and shocks, maintain or enhance its capabilities and assets, and provide sustainable livelihoods opportunities for the next generation: and when it contributes net benefits to other livelihoods at the local and global levels and in the short and long terms (Chambers & Conway 1992: 7). While the above definition refers to livelihood as the way people make a living and derive meaning out of it, major refinements have been added to it by Blaikie, et al. (1994: 9-53) who stress "actors' command over resources", Sherraden's (1991) concern for resource use or exchange to satisfy needs, Ellis' (2000: 9-10) qualification of the "role of organizations, institutions, and social relations in resource access" and Bebbington's (1999: 2022) notice of "access to public services". Therefore, livelihood means: actors' behavior with respect to holding, using, and transforming assets into productive activities for a valued life & livelihood outcomes. Thus, while assets are the factors of production, representing the capacity of the holder to engage in activities and derive meaning from it, activities are the ex ante production flows of assets, and capabilities are outcomes that is the ex post flows of assets and activities (see Sherraden 1991). Carney (1998, p.4) defines a livelihood as comprising "the

capabilities, assets (including both material and social resources) and activities required for a means of living.ö

Further, microfinance as a product has several characteristics some of these as identified by Mohammed & Mohammed (2007) are that öthey entail little amounts of loans which are given to individuals and groups to help them start some income generating activitiesö. Secondly öthey involve little savings over time as it serves as security for poor households and also help them accumulate substantial capital to overcome their capital constraintsö. Thirdly, öthe loans which are given out are a short term loans, usually up to one year. Payment schedules are usually on weekly basis and installments which combine both principal and interest, and are amortized in course of timeö. Finally, öeasy access to the microfinance intermediary saves time and money of the client and permits the intermediary to have a better idea about the clients financial and social statusö.

Microcredit Summit Campaign (2012) reports that the number of the poorest clients with microcredit has grown from 7.6 million in 1997 to 137.5 million in 2010. It also found that among of those poorest clients over than 113 million were women. This number has been collected from 31,652 microfinance institutions around the world. Among the policies related to poverty alleviation, microfinance and microcredit programmes occupy a central position. Microfinance is advocated and promoted by policymakers, development agencies, government officials and politicians as an effective anti-poverty intervention, both through the functions it performs and for the potential it carries to improve the livelihoods of poor women. And herein lies the uniqueness of microfinance institutions (MFIs) compared with other financial institutions.

The theme of the 2000 Microcredit Summit Campaign spelled this out very clearly: The success of microcredit is best summarized by Noeleen Heyzer, Executive Director of the United Nations Development Fund for Women (UNIFEM): "Microcredit is about much more than access to money. It is about women gaining control over the means to make a living. It is about women lifting themselves out of poverty and vulnerability. It is about women achieving economic and political empowerment within their homes, their villages, their countries." (Microcredit Summit Campaign, 2010).

According to Okibo et al, (2014) study showed that MFI schemes were initiated to meet different objectives. The most commonly mentioned objectives include: poverty alleviation and improved living standards, offering financing to the poor, women empowerment, and the development of the business sector as a means of achieving high standards and reducing market failure. Empirical evidences and surveys give mixed results on the performance of MFIs. In some cases debatable stories have been reported, yet there have been success stories. In other cases the reasons for failures or successes have not been well documented. . Notably absent was an understanding of factors affecting growth and a lack of cumulative knowledge to adequately conceptualize and build explanatory theories of growth process on women owned enterprises (Bush et al 2006). There is a general consensus that growth of enterprises is a complex process, where growth is neither linear nor dependent on a limited number of factors. (Muteshi, 2006)

Microfinance has gained a universal consensus as an effective tool for alleviating poverty and wellbeing improvement (Bakhtiari, 2006; Ebimobowei, Sophia, & Wisdom, 2012; Imai & Azam, 2010). The dynamic growth of microfinance activities can lead to the achievement of a wide range of development objectives, including: the fulfilment of self-employment, new firms formation, and income distribution (Bakhtiari, 2006; Khandker, 2005). Microfinance also

considers as an essential approach to empower poor especially women (Swaina & Wallentin, 2009). It enables them to make their decision independently, improve the quality of their life and dignity (Narayan, 2002).

Some studies have also detected negative impacts on women's income and employment, such as increased work-loads (Vengroff and Creevey 1994) and higher social pressure to ensure loan repayment. Also, a positive impact on non-participants, such as the welfare and education of children, cannot be automatically assumed (Peace and Hulme, 1994) Creevey, Ndour and Thiam, 1995). Moreover, women often employ daughters and daughters-in-law as unpaid employees thereby increasing their workload. Finally, participation in credit schemes can lead to indebtedness that is unmanageable, simply because there are no sufficiently profitable income-earning activities in which to invest. In this situation, women may end up being even more dependant that they were before.

The role of microfinance goes beyond business investment, to include the improvement of the economic wellbeing of households. For instance, clients' health, nutrition, children education and standard of their life (Angioloni, Kudabaev, Ames, & Werzstein, 2013; Holvoet, 2004;). According to Micro- credit, (2005) argued that the role of Micro Finance Institutions activities in Kenya has Increasingly, realized organizations emerging with the sole objective was providing financial services to micro and small enterprises; for example, K-Rep, Kenya Women Finance Trust (KWFT) and Faulu Kenya. Three welfare organizations had recently spanned off their microfinance activities for instance CARE, NCKK and Plan International. Also the presence of JOYWO in Trans-Nzoia has intensified the need of the researcher to look at the gap on how the MFI have influenced women livelihood since no study has looked at this but MFI influence on women empowerment and poverty alleviation. The paper indicated that SMEs

sector was a very important organ of development in Kenya but was still evident that there was gap literature for reference by policy makers on the constraints the entrepreneurs face after acquiring MFI loans.

2.3 Loans acquisition and women livelihood

Relevant literature mainly describes factors thought to influence business growth in to two categories. The first category comprises the entrepreneurs' characteristics such as behavior, personality, attitude, then capabilities including education and training that create higher expectation in some industry sectors (Sari and Trihopoulu 2005). Other entrepreneurial factors identified by (Tarus et al 2006) are the previous management experience, family history, functional skills and relevant sector knowledge. None of these however had conclusively shown to constitute a universal success factor. Perry and Coetzer (2009), observed that women were considered in many societies as unfit to assume the responsibilities of credit, despite the fact that they take the responsibility of the survival of their families.

However, Aigbokhan and Asemota (2011) revealed that selected microfinance variables such as volume of loan last taken, cumulative loan, loan cycle, experience with the microfinance institution and education had positive significant impact on women poverty status

Loans enable women to invest in and expand their business, and in consequence they are able to employ. They are also introduced to the banking system and their productive activity is integrated into the formal financial system. Moreover, loans engage entrepreneurs in making major decisions, such as loan approvals and in improving the products and services produced (Charitoneko et al., 2008).

Through the provision of credit, many poor women become self-employed and, in turn, create employment opportunities for others. Microcredit programs extend small loans to poor women for self-employment projects that generate income, allowing them to care for themselves and their families (Microcredit summit, 2000). In addition to generating income for individual needs, microcredit loans help the self-employed expand their businesses and create jobs for others (Shahidur R. (2008)) There is a growing body of evidence showing that access to credit helps poor women work their way out of poverty (Microcredit summit, 2000) Microcredit clients throughout the world have reported real.

Moreover, Mamun et al. (2012) suggested that the Amanah Ikhtiar Malaysia should offer diversified products and services through expanding group loan size, provide fixed asset loan, working capital loan, car loan, seasonal agricultural loan, , emergency loan, consumer loan and parallel loan. In the same vein, Simeyo, L, R, O, and Odondo (2011) assumed that extending the size of the given loan will lead to improve the performance of the Kenyan women entrepreneurs. Furthermore, Godquin (2004) indicated that the Bangladeshi MFIs tend to increase automatically the size of the loan with increasing the loan cycle and age of the group borrowing.

In basic terms, microfinance makes possible a virtuous economic cycle. A small loan granted to a micro entrepreneur is invested, generates an income, the loan is repaid, the entrepreneur can then access another loan and eventually has increased purchasing power, as well as social recognition. Through access to financial resources, microfinance not only gives access to self-employment, but also contributes to the amelioration of family life and influences the social situation of poor people by promoting self-confidence and the capacity to play an active role in society. This social impact is particularly important for women and provides

impetus for their empowerment, thereby constituting a vital part of the development process and enabling poverty reduction. To sum up, microfinance has the ability to reach the poor and the vulnerable (Amin et al. 2003).

Field, Pande, and Park (2012) said that loan flexibility is a key player to stimulate microfinance clients to invest their loans more profitably and reduce financial stress in India. Moreover, the impact of microcredit in the clients' household and their micro and small enterprises lies on the size and number of the given loans at a given period. Hamdan et al. (2012) and Mokhtar (2011) also indicated that the purpose of loan usage, size and numbers are the main factors that influence borrowers' income in the Malaysian microfinance institutions. Few previous studies have indicated the need of loan acquisition by women as a result of MFIs and other sources hence there is a gap in knowledge on whether alleviation of poverty among women is influenced by MFIs Loan acquisition.

2.4 Training on MFI and women livelihood

Microfinance allows the poorest actors to exploit their skills and therefore to become productive economic agents. Such actors are becoming reliable clients of specific microfinance programs (Amin et al. 2003). Thus it is not only a matter of giving women loans, but of providing information packages, skills, etc. with the loan. A recent study provides evidence of this: Ngo and Wahhaj (2011) show that women who lack skills to undertake economic activities outside the household on their own often do not feel empowered by loans. In such situations, women may actually find themselves disempowered, because husbands take full control of the loans and thus strengthen their own already strong bargaining power in the household. The organizational culture of MFIs pays attention to all these issues.

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). This led to development of the NGOs training intervention programmes. However, a gap still exists in empirical literature of effect such programmes have had on the performance of women in enterprises. Some studies confirm that skill training and tertiary education have positive effect on enterprise performance (Akanji, 2006; Kuzilwa, 2005).

The issue of effectively educating rural women to understand the financial systems becomes critical (Akudugu, 2009). The perceptions people hold about a system has been found to influence the decision to participate in it. When people are not well informed they can act in ways that are not beneficial to their livelihoods. For instance, a study by Akudugu in (2009) showed that women in the Upper East region who perceived that high education is a requirement for accessing credit from financial institutions were less likely to be successful when they attempt to access credit.

Non-financial services with conditionalities to credit access, such as carefully designed adult literacy and business training programmes, can facilitate women's access to better jobs and income-generating opportunities and are perhaps the most effective means of promoting gender equality (ILO,2007). One of the reasons is that women are not well trained and lack the new knowledge and skills required to build their confidence/self-esteem to pursue a new enterprise. Or even if they have had training, they do not have access to the other resources needed to make the enterprise profitable (e.g. repair and spare parts shops, sources of mushroom spawn, vaccines).

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). 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).

Taking cognizance of the peculiar situations of most women in developing countries in terms of poverty, low educational levels and other societal discriminations (Porter et.al., 2005; Roomi et.al., 2008); training is a very important micro-finance factor for women entrepreneurs as it would provide the skills and experience needed for business (Akanji, 2006, Cheston et.al., 2002; Kuzilwa, 2005).

Empowerment of women is crucial for the emancipation of poverty and meaningful participation of entrepreneurship development. Women continue to remain under represented and their success often remains invisible and unacknowledged. It is assumed that increasing women's access to micro finance will enable women to make a greater contribution to household income and this, together with other interventions to increase household well being, translate into improved well being for women and ability to bring about wider changes in gender inequality (Biswas, 2008).

According to Amin et al. (2003) stated that many microfinance programmes fail because once an activity becomes commercialized, men take over. In the context of Pakistan, Zaidi et al. (2007) note that women's empowerment across a range of indicators of decision-making actually decreased and the reasons were unclear. Rahman's study (1999) also showed that 40 to 70 per

cent of the loans disbursed to women were used by the spouse and that tensions within the household increased.

In a similar vein, Ngo and Wahhaj (2011) note that in situations where microloans are given to women who do not have the ability to engage in economic activities autonomously or to have autonomous control of the resources, microfinance projects do not empower women. Taking microcredit loans may simply sustain women in their existing situation (Cornwall and Edwards 2010). Microfinance can also encourage further engagement with the local loan shark. In Andhra Pradesh, for example, the poorest households have increased their engagement with local loan sharks to pay off microloans they obtained all too easily from their local MFIs (Ghokale, 2009).

However, it has been noted that women entrepreneurs, especially in developing countries, do not have easy access to microfinance support for their entrepreneurial activity and as such have low business performance than their men counterparts. Since their rate of their participation in the informal sector of the economy is higher than that of men microfinance factors could have positive effect on enterprise performance (Ekpe et.al., 2010). No previous studies have clearly indicated the importance of training of women on MFIs, so as to have the right knowledge, skills and attitudes about it, what it can do for them on alleviation of poverty and how they can maintain their business sustainably. Therefore, there is a gap in knowledge on whether training on MFIs influences poverty alleviation among women.

2.5 Marketing of MFI and women livelihood.

Over 3,300 microfinance institutions reached 133 million clients with a microloan in 2006. 93 million of the clients were among the poorest when they took their first loan. 85 percent of these poorest clients were women (Microcredit Summit Campaign Report 2007).

The aim of microfinance according to Otero (1999) is not just about providing capital to the poor to combat poverty on an individual level, it also has a role at an institutional level. It seeks to create institutions that deliver financial services to the poor, who are continuously ignored by the formal banking sector. Littlefield and Rosenberg (2004) stated that "the poor are generally excluded from the financial services sector of the economy so MFIs have emerged to address this market failure". By addressing this gap in the market in a financially sustainable manner, an MFI can become part of the formal financial system of a country and so can access capital markets to fund their lending portfolios, allowing them to dramatically increase the number of poor people they can reach (Otero, 1999).

Marketing campaigns directed at women can positively influence both men and women's attitudes on women's status and employment in the community by helping male community members to accept economic opportunities for women, by building women's self-confidence and by facilitating community approval of women's projects (ILO, 2008).

According to Warue N. Beatrice, (2010) Target market is a group of potential clients who share certain characteristics, tend to behave in similar ways and are likely to be attracted to a specific combination of products and services. A target market represents a defined market segment that contains identifiable clients who demand or represents a potential demand for microfinance services. Selecting Target Market In selecting a target market for microfinance services, MFIs need to determine their own objectives, understand what motivates a group of client and assess whether the target market can be reached in a way that will eventually be financially sustainable. The market must be chosen based on effective demand for financial services and the capacity within that market

Target market can be identified by the characteristic of the clients (poverty level, gender, ethnicity, religion, etc) .The MFIs wants to serve and the type or level of business activity (e.g. existing businesses, growth oriented businesses or specific economic sector) it wishes to support. Also the client cash flow and capacity for debt must match the services being offered. Once target market is selected, it is important to determine if that market is being reached and what impact the provision of financial services has on that market. This is done by carrying out impact analysis.

The decision making process on target market must keep in mind the two long-term goals of microfinance.

- (i) Outreach ó Serving those who have been consistently underserved by financial institutions such as women, the poor and indigenous and rural populations.
- (ii) Sustainability ó Generating enough revenue to cover the costs of providing financial services

For example, if an MFI s objective is to reach the very poor with financial and other services, its target market will differ from an MFI that wished to serve the economically active poor with only financial services.

Warue N. Beatrice, (2010) stated that direct targeting refers to the allocation of a specific amount of funds to provide credit to a particular sector of the economy or population. Directed targeting is founded on the belief that because certain groups (the poor, specific caste) or sectors (Agriculture, fisheries) are unable to access credit (or to access it out affordable prices), credit must be made accessible through a government or donor mandate. Direct targeting generally leads to:- (i) Credit diversion and low payment. (ii) Results in substantial costs of monitoring eligibility and compliance (iii) Potential clients who have profitable but unfinanced or

underfinanced businesses may be excluded because they do not fit the profile. (iv) People who do not match the qualifications and receive credit may not have entrepreneurial skills or a profitable venture in the need of financing.

Indirect targeting means that products and services are designed for and aimed at people who are beyond the normal frontiers (the limit or a border between known and unknown) of formal finance, instead of mandating specific funds to particular groups who fit a narrowly defined profile. Indirect targeting focuses on those who cannot take advantage of income-generating opportunities because of market imperfections or other barriers to financial services. Self-selection takes place by virtue of the design at microfinance services. The terms and Conditions are such that unwanted clients will not be interested because:-

(i) The products are less attractive (ii) The set of requirements imposed to access the services will seem too burdensome This happens because populations outside the target group have other alternatives for financial services that the target group does not have. E.g. (i) An MFI that seeks to provide the very poor with credit should design its loan product such that, the relatively high interest rates and small size of loans are attractive only to the very poor. (ii) MFI may also require group guarantees and weekly attendance at group meetings. More affluent (having plenty of money and other possessions) clients usually see this as an inconvenience, which makes the credit attractive only to the poor. The difference between direct and indirect targeting lies in the means that the MFI uses, rather than in the target group. Both reach the same population groups or economic sectors but direct targeting imposes eligibility criteria while indirect targeting designs appropriate products and services.

The importance of adequate cash flow and the capacity to service debt When identifying their target market MFIs must consider existing clients and potential clients cash flow as well as

their ability to repay loans. Debt capacity is the amount of additional debt a client can take on without running the risk of inadequate cash flow and consequent loan default. Warue N. Beatrice, (2010) emphasizes that The capacity of client to generate enough cash to repay the loan on time should determine the size of the potential market. Lenders are able to recover loans on scheduled only when the repayment capacity of the borrower equals or exceeds debt service, which includes principal and interest due for payment. Borrowers are able to repay their loans on time without suffering hardship only when their repayment capacity equals or exceeds the debt service due according to the loan contract.

Warue NBeatrice, (2010) argues that MFIs should estimate the size of the market for microenterprises that can benefit from financial services, lest self-reportedly credit need be confused with debt capacity and effective demand. Due to the costs involved in starting delivery of financial services in a given area; its important to know; (i) What kind of financial services will both benefit households or enterprises have high Likelihood of good repayment to the lender. (ii) How much effective demand for the products) will there be initially, and how expandable will there be initial, and how expandable will that market be. These questions can be answered by understanding limited survey work. It s important to estimate the market size to ensure that in the long term, enough demand exists to warrant the MFI s continued existence.

Identifying the target market Profit-oriented companies either invest in identifying specific segments of the market for a product they want to sell or design products especially with a market segment in mind. For donors or development organizations that want to achieve development goals. The target market is identified because it is underserved and disadvantaged in some way that slows development. The goal is not simply profit but rather a more equitable service to groups that can make productive use of them (Warue N. Beatrice, 2010).

For MFIs, understanding the characteristics of the target market helps design products and services that attract different groups (as opposed to targeting them directly). This became an interactive process as the MFI learns more about the target market and its needs. While it is usual to broaden the client base over time, most successful microfinance projects begin with a narrowly defined group of clients to establish a market niche and develop a thorough understanding of this client base. The target market for MFs generally takes into consideration a combination of two factors. 1. Characteristics of the population group, including level of poverty. 2. The type of micro enterprises being financed. 3. Characteristics of the population group. Therefore, no previous studies have looked at marketing of MFIs as a way of reaching out to women livelihood but it has looked at MFI and poverty alleviation.

2.6 Networking of MFI and women livelihood

The microfinance network is a global association of institutions committed to improving the quality of life of the poor through the provision of credit, savings and other financial services. The members of the network believe in the establishment of suitable and profitable institutions that operate on commercial principles and serve large numbers of clients who are not currently served by traditional financial institutions. The network's aim is to:- (i) Promote microfinance institutions to embrace a commercial strategy as a means to achieve social goals in a sustainable way. (ii) Influence the microfinance community and financial system to incorporate these double bottom line values (Ledgerwood, 2006).

Women workers throughout the world contribute to the economic growth and sustainable livelihoods of their families and communities (ILO, 2008) The impact of MF on livelihoods is focused in terms of the changes to livelihoods assets and the use of livelihood assets to cope

with vulnerability. The provision of MF can assist the poor find the means to protect their livelihoods against shocks and to build up and diversify their livelihood activities (Johnson & Rogaly, 1997). Chowdhury, Mosley & Simanowitz (2004) argued that if MF is to fulfill its social objectives of bringing financial services to the poor, it is important to know the extent to which its wider impacts contribute to poverty reduction. Social networks play an important part in helping clients escape from poverty. Access to social networks provides clients with a defense against having to sell physical and human assets and so protect household assets.

MF projects can reduce the isolation of women as when they come together in groups they have an opportunity to share information and discuss ideas and develop a bond that was not there previously (Hulme & Mosley, 1996).

However, Chowdhury & Bhuiya (2004) found that violence against women actually increased when women joined the program, as not all men were ready to accept the change in power relations, and so resorted to violence to express their anger.

MFI women's groups should be utilized to promote and strengthen women's networks and not merely as a means of lowering programme costs. Women's groups are useful vehicles for non-financial service delivery, such as literacy and health programmes. Groups also encourage linkages between women and other active community associations and the larger civil society network as a whole (ILO, 2008).

Joining a group implies an expansion of each individual's social network. Besides meeting new people it requires a new way of interaction by finding consensus and compromises. Also, through microfinance people increase, maintain, and change their social networks and interactions. (Bhuiyan, Abul Bashar et al. 2012). Networking in MFI is vital to

women livelihood but so far few studies have been carried out on it so presenting a gap for this study.

2.7 Theoretical framework

This study is premised on the theory of Economic Welfare Pigou (1932). Welfare is a state of the mind which reflects human happiness and satisfaction. Pigou regards welfare as the sum total of individual's welfare. He divided welfare into economic and non-economic welfare. Economic welfare is that part of social welfare which can directly or indirectly be measured in money while non-economic welfare is the part determined by improvements arising from utilization of income earning. In economic welfare, assumed that expenditures incurred on different consumption goods provide the same amount of satisfaction, but in actuality it is not so because when the utility of purchased goods starts diminishing the non-economic welfare declines which results in reducing the total welfare.

Pigou establishes that there is close relationship between economic welfare and national income because both of them are measured in terms of money. The effect of national income on economic welfare can be studied in two ways; firstly, by change in the size of national income and secondly by change in the distribution of national income (Jhingan, 1989). The Kenya MFIs initiatives underscores a % of the national income for welfare improvement and increase in access to new businesses both formal and informal entrepreneurship. This results in welfare satisfaction of the County's women population. Such satisfaction is explained by the quality of their life and expenditure of their disposable income on both durable and non-durable goods.

Proper management of MFIs will also be determined by the number of the Businesses established by MFI and their impact in improving lives. In the light of economic welfare, MFI like other poverty Mitigation strategies, they uplifts livelihoods of societies so long as its

objectives are met. Therefore the study adopted this theory to reveal how economic welfare through MFIs to women in the County can increase national income since ever business is taxed. Therefore, the theory is not clear if the MFIs really Benefits the women as individual in the course of alleviating poverty and women livelihood.

2. 8 Conceptual framework

This study developed the following conceptual framework (figure 2.1) that illustrates how the dependent variables relate to the independent variables. The independent variables included MFIs elements which were Loans acquisition, Training, Marketing, and Networking MFIø. Moreover, the dependent variables are women livelihood indicators like, loan size and access, loan repayment, loan interests and loan usage, increased Knowledge and skills, women empowerment, employment, reduced dependency syndrome, and literacy.

Conceptual framework of the study

Independent variables

Dependent Variable

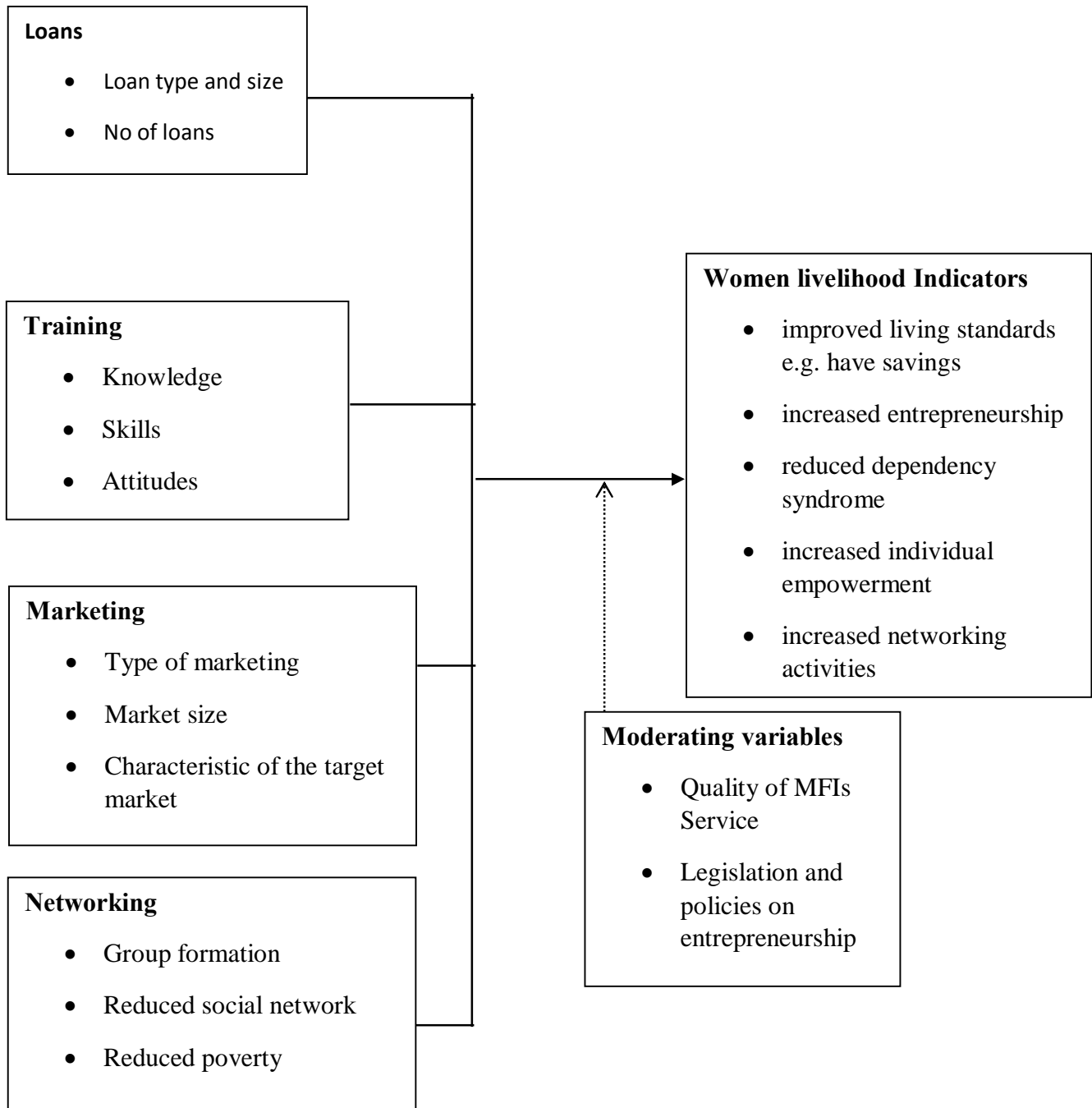


Figure 1: conceptual framework showing the influence of MFIs services on women livelihood.

2.9 Knowledge gap

Table 2.1 Knowledge gap

Variable	Source	Finding	Gap
Loans	Ngo and Wahhaj (2011)	In situations where microloans are given to women who do not have the ability to engage in economic activities autonomously or to have autonomous control of the resources, microfinance projects do not empower women	It looked at the factors like Microloans and microfinance projects not empowering women and not interested with women Loan acquisition and repayment procedures at the Sub-County level.
Training	Ekpe et.al., (2010)	Since their rate of their participation in the informal sector of the economy is higher than that of men microfinance factors could have positive effect on enterprise performance.	It looked at how women participation in the informal sector is higher than men but interested in the training of the women on MFIs

Marketing	(Microcredit Summit Campaign Report 2007)	Over 3,300 microfinance institutions reached 133 million clients with a microloan in 2006. 93 million of the clients were among the poorest when they took their first loan. 85 percent of these poorest clients were women.	It looked at awareness from MFIs perspective but interested in the awareness of women on MFIs
Networking	Chowdhury, Mosley & Simanowitz (2004)	Argued that if MF is to fulfill its social objectives of bringing financial services to the poor, it is important to know the extent to which its wider impacts contribute to poverty reduction	It looked at how MF aid in poverty reduction but not interested in how networking can aid in women livelihood through MFI

2.10 Summary of Literature Review

Most people view microfinance as being about micro-credit that is it is involved in lending small amounts of money to the poor in order to uplift their living standard. Microfinance is not only this, but it also has a broader perspective which also includes insurance, transactional services, and importantly, savings (Brenna, 2008).

However, Aigbokhan and Asemota (2011) revealed that selected microfinance variables such as volume of loan last taken, cumulative loan, loan cycle, experience with the microfinance institution and education had positive significant impact on client s poverty status. However, more research needs to be done in regard to whether micro financing has effect on women livelihood.

Also, providing access to micro- finance for women is considered to be a precondition for improved livelihood and women empowerment (Mayoux, 1997). Loans enable women to invest in and expand their business, and in consequence they are able to employ. They are also introduced to the banking system and their productive activity is integrated into the formal financial system. Moreover, loans engage entrepreneurs in making major decisions, such as loan approvals and in improving the products and services produced (Charitoneko et al., 1998).

However, 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). Taking cognizance of the peculiar situations of most women in developing countries in terms of poverty, low educational levels and other societal discriminations (Porter et.al ., 2005; Roomi et.al., 2008); training is a very important micro-

finance factor for women entrepreneurs as it would provide the skills and experience needed for business (Akanji, 2006, Cheston et.al. , 2002; Kuzilwa, 2005).

According to Warue N. Beatrice, (2010) Target market is a group of potential clients who share certain characteristics, tend to behave in similar ways and are likely to be attracted to a specific combination of products and services. Target market can be identified by the characteristic of the clients (poverty level, gender, ethnicity, religion, etc) .The MFIs wants to serve and the type or level of business activity (e.g. existing businesses, growth oriented businesses or specific economic sector) it wishes to support. Marketing can be direct or indirect marketing. MFIs should estimate the size of the market for microenterprises that can benefit from financial services, lest self-reportedly credit need be confused with debt capacity and effective demand.

The microfinance network is a global association of institutions committed to improving the quality of life of the poor through the provision of credit, savings and other financial services. The network s aim is to:- (i) Promote microfinance institutions to embrace a commercial strategy as a means to achieve social goals in a sustainable way. (ii) Influence the microfinance community and financial system to incorporate these double bottom line values (ledgerwood 2006). Joining a group implies an expansion of each individual's social network. Besides meeting new people it requires a new way of interaction by finding consensus and compromises. Also, through microfinance people increase, maintain, and change their social networks and interactions. (Bhuiyan, Abul Bashir et al. 2012).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discussed the research design, target population, sample size and procedures, data collection instruments, data collection procedure, data analysis techniques and ethical consideration for the study and operationalization of variables

3.2 Research Design

Patton (2011) describes a research design as a structure that is followed in the process of conducting research. It constitutes the blue print for collection, measurement and analysis of data. Consequently, Francis (2010) defines research as an organized and systematic way of carrying out research. This study employed descriptive survey research design. According to Koul (1990), descriptive research studies are designed to obtain pertinent information concerning current status of phenomenon. Descriptive studies have been classified into 3 categories; survey studies, interrelationship studies, and developmental studies. Survey research was employed in the research as an attempt to collect data from members of a population in order to determine the current status of that population with respect to one or more variables. The design showed how the research is set up, what happens to the subjects and what methods of data collection are used. According to Cohen and Manion (1994), survey studies are designed to determine the nature of an existing state of affairs. Survey method is suitable for the study because a survey study is a self report study which requires collection of quantifiable information from the sample. The specific sample survey employed by the study is the sample survey which studies a population

through sampling method in order to not only discover the relative distribution and incidences but also the interrelationship of sociological and psychological variables (Kerlinger, 2004).

3.3 Target Population

Mugenda & Mugenda (2003) defines population as an entire group of individuals, events or objects having common observable characteristics. Therefore, this section looked at the population the researcher wished to study and it is from the results of this group that the results were generalized to the entire population of Trans-Nzoia County. The study targeted JOYWO officials, and women beneficiaries of the mentioned MFI in Trans-Nzoia County. The population of interest consisted of all women entrepreneurs who were members of JOYWO microfinance institutions within Trans-Nzoia County, Kenya. The women who were considered as entrepreneurs, were those who owned and run businesses and had a physical presence (shop, workshop, house from where the business operates) with contact details which will enabled the researcher to trace them and collect the questionnaires.

Moreover, according to the 2009 Kenya Population and Housing Census, Trans-Nzoia County had a total of 411,585 female households. The study focused on women beneficiaries of an MFI that is JOYWO with a total number of beneficiaries of 8,450 in Trans-Nzoia County.

3.4 Sampling Procedure, and sample Size

A sampling frame is a list where we obtain the membership of MFI properties that can identify every single element to be included in the sample (Martyn, 2008). The study adopted snowball and convenience sampling design to sample the MFI population under study. Convenience sampling means to select on first come, first served basis, those who happen to be available at the time of data collection. Snowball sampling involves use of social networks and the fact that friends tend to have similar characteristics (Willis Y. Oso and David Onen, 2009).

The sampling procedure facilitated obtaining a sample size of the women beneficiaries of JOYWO and JOYWO officials under study. First, the official of MFIs (JOYWO) were sampled purposively. Purposive sampling is deemed appropriate for selecting officials because it entails identifying individuals who have the required information (Payne & Payne, 2004). Secondly the study sampled women based JOYWO MFI provided data that will be determined by using the Yamane formula (Yamane, 1967).

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = sample size

N = Target population size

e = Precision level (0.005)²

To determine the household sample for the entire women assisted by the MFI in the county using the 90% precision/ confidence level that is appropriate for social research as follows:

$$n = \frac{8450}{1 + 8450(0.005)^2} = 100 \text{ \% women}$$

JOYWO

$$\frac{8450}{100} \times 100 = 8450 = \text{women}$$

8,450

The sample size in the study therefore was 100 women and 10 JOYWO official hence the sample size was 110 while the target population in this study was 8,450. Purposive sampling was

administered at JOWYO in Trans-Nzoia County. Hence, 100 questionnaires were administered to JOYWO women beneficiaries to provide the relevant data.

3.5 Data Collection Instruments

This refers to the tools that were used to collect data from the population. This study, comprised of questionnaires, interview and observation schedule. Diverse types of data were collected by the use of three instruments. This led to triangulation of sources and methods that enhanced credibility of data collected.

Questionnaires formed the major source of primary data to be used in the study. The information collected from the source obtained through the use of questionnaires developed by the researcher and approved by the supervisor. The questionnaires in the study were filled by the sampled women that have benefited from the MFI under study (JOYWO) in the County. Questionnaires obtained limited biased information.

Interviews refers to face to face or interpersonal conversation in which one individual (interviewer) asks the other individual (respondent) questions designed to obtain in-depth answers which are firsthand information, to seek clarification and reduce ambiguity in response.

Observation Schedules refers to situations where the observable scenes are documented. It comprised lead statements on the issue to be looked out for during the field visits. Data acquired via this instrument was used to support and/or cross-check data acquired through the questionnaires. The observation schedule provided the researcher with first-hand information of records and information that could not be captured through questionnaires and interviews.

3.6 Data collection procedure

Data collection procedure simply refers to the steps that were used in the study while collecting the data from the respondents. It is a step by step process that guided the study while the field work was being undertaken (Kothari, 2008). A letter was requested from the University to collect data. This enabled the respondents to agree to participate in the study. This eluded any suspicion from the respondents compared to if the study could have been conducted without. Questionnaires were administered on the sampled households based on the list of respondents obtained from the MFIs offices. Interviews on the other hand were conducted as per the dates that were agreed on by the MFI officials. The questionnaires were conducted for a period of 30 minutes.

3.7 Piloting Research Instruments

Pilot study was carried out on a sample that was not part of the main study. Piloting helps eliminate ambiguous questions as well as determine the soundness and resoluteness of the research instruments. This procedure was undertaken among the women in the neighbouring Uasi-Gishu County. The questionnaires, interview and observation schedule were administered and the collected data analyzed to see if the outcomes were indeed the expected ones

a. Validity of the research Instruments

Validity was checked by piloting instruments to ascertain that responses were correct and where vague responses are provided, the item was reviewed to enhance clarity. The instruments validity were further improved by seeking assistance from the supervisor on instruments clarity.

b. Reliability of Instruments

According to Kombo and Tromp (2006), reliability is a measure of how consistent the results from a test are. This study employed the test-re-test to measure the internal consistency of the questionnaires by piloting instruments twice. The first test was done and the second test a week after. Findings were compared.

3.9 Data Analysis

The data collected was analyzed by using descriptive analysis. Descriptive statistics such as measures of central tendency and percentages was used. This analysis allowed distinct comparisons of outcomes and conclusions were made from the findings. Quantitative statistics such as Pearson correlation was used to determine the relationship of the dependent and independent variable. This was achieved through the use of Statistical Package for Social Scientists (SPSS) . The data from questionnaires was coded, entered, cleaned and analysed using Statistical Package of Social Sciences (SPSS). The study run frequencies, means, cross tabulations and Pearson correlation to check whether there is relationship between the influence of MFIs on women livelihood. The output was presented in frequencies, percentages, means, tabulations and graphs. The interview and observation data were subjected to content analysis to describe, decode, translate, and develop understanding through a detailed description of the situation.

3.10 Ethical Considerations

Before the study was done, permission was sought from the National Council of Science and Technology (NCST) in Nairobi for data collection. This was facilitated through a letter of introduction from the University of Nairobi outlining why the study should be carried out. The letter also confirmed that the study was solely meant for academic purposes. It was declared that

identity of the respondents would not be revealed in any manner or data collected would not be revealed to any unauthorized person; since it would lead to breach of confidence. The researcher provided information on the nature and purpose of the study. The respondents were briefed as a way of providing sufficient information before they decided to participate. Errors due to omission or commission during compiling of the report were accepted.

3.11 Operationalization of variables

Table 3.1 Operationalization of variables

Study objectives	Variables	Indicators
1. To establish whether acquisition of loans influences women livelihood	Independent variable - Loan acquisition Dependent variable - increased entrepreneurship	Number of loans acquired by the women Increased access to micro-credit services
2. To determine whether Training influences women livelihood in Trans-Nzoia County, Kenya	Independent variable- Training on MFIs Products Dependent variable- Individual empowerment	Adequate knowledge and skill on financial and business management. Positive attitude change towards MFI products
3. To determine whether marketing of MFIs influence women livelihood in Trans Nzoia County, Kenya	Independent variable - marketing MFIs activities Dependent variable - better living standards	Increased women participation in MFIs activities -Household improvement
4. To find out whether Networking of MFIs influence women livelihood in Trans Nzoia County, Kenya	Independent variable - Networking in MFI Dependent variable - reduced dependency syndroms and isolation	-Self - employment and ability to employ others -Women empowerment

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS INTERPRETATION AND DISSCUSSION

4.1: Introduction

This chapter presents the findings, results and discussions of quantitative data analysis of the study emanating from the study. It is divided into two major sections. The first section describes the demographic characteristics of the respondents, covering their age and marital status, education levels, size of households and the head of the household. The second section of the chapter provided results and discussions which were based on the four major research questions of the study. For the purpose of this preliminary analysis, descriptive statistic was frequently used to describe the genera characteristics of the data collection.

4.2 Questionnaire response rate

Out of 110 questionnaires dispatched, 100 were dully filled and returned. The response rate is shown in the table 4.1

Table 4.1 Response return rate

Dispatched	Returned	Percentage
110	100	100.0
Total	100	100.0

Source: Author 2015

Table 4.1 shows that the percentage of return rate was 110 (100%). According to Nachimais and Nachimias (1985) (80%) to (90%) return rate is enough for a descriptive survey study. Fincham confirms that lack of response from questionnaires administered results into non response bais. Moreover, there is a high probability of undermining the reliability and validity of the Key findings of the study. If there is an overall response rate of 30%-20% there is a great risk of non-

response bias. Furthermore, a response of 100% is good enough to make a comprehensive and in-depth analysis of the survey conducted

4.3 Demographic characteristics on respondents

This section discusses the demographic characteristics of the respondents based on age and marital status, educational levels, size of the households and the head of the household.

4.3.1 Age of the respondents

The study sought to establish the age of the respondents since its findings would assist the study to categorize respondents based on the age and the findings are shown in table 4.2 below

Age	Frequency	Percentage
16-25yrs	8	7.8
26-35yrs	38	36.9
36-45yrs	36	35.0
46-55yrs	8	7.8
over 50 yrs	10	12.5
Total	100	100.0

Source: Author 2015

Table 4.2 shows that majority of the respondents were aged between 26-35yrs (36.9%), followed by aged between 36-45 years (35%), over 50 years(12.5%), while aged between 16-25 years and 46-55year (7.8%). This showed that there were more women aged between 26-35years accessing loans.

4.3.2 Marital status

Marital status of the respondents was sought since its finding would assist the study to categorize respondents based on marital status and findings are shown in table 4.3 below. This was important as it helped to give data marital status scheme and find out factors influencing women livelihood.

Table 4.3 Marital Status

Marital status	Frequency	Total
Married	61	61.0
Single	22	22.0
Others	17	17.0
Total	100	100.0

Table 4.3 shows that majority of the respondents marital status were married (61%), singles (22.0%) and other including widowed, divorced or separated (17%). These shows that most of the respondents were have stable marriages.

4.3.3 Education level

The study sought to know the educational level of the respondents. The results were summarized as in table 4.4

Table 4.4 Education level

Education level	Frequency	Percentages
Primary	27	27
Secondary	19	19
Tertiary	21	21
University	33	33
Total	100	100

Source: Author 2015

In terms of educational attainment, table 4.4 shows a comparison in levels of education between the women respondents. It depicts a scenario whereby most women 33% had university education, followed by 27% primary school leavers. Tertiary education the women recorded 21% and lastly for secondary education 19%. This showed that most of the respondent were literate.

4.3.4 Head of Household

The study further sought to know the head of the household and the findings are as shown in table 4.5

Table 4.5 Head of Household

Head of household	Frequency	Percentages
Husband	61	61
Myself (woman)	39	39
Total	100	100

Source: Author (2015).

Table 4.5 shows that the households headed by husbands were 61% while 39% woman. This revealed that most families are headed by men as compared to women.

4.3.5 Size of household

The study sought to determine the size of households that were in the area of study and the results are presented as in table 4.6

Table 4.6 size of household

Size of the household	Frequency	Percentage
+1-2	12	12
+3-4	30	30
+5-6	36	36
+7-8	12	12
+9-10	0	0
Over 11	10	10
Total	100	100

Source: Author (2015).

Table 4.6 show that size of household majority ranged between 5-6 household (36%), followed by 3-4 households (30%), 1-2 households (12%), 7-8 households (12%), were over 11 household (10%)as well as +9-10 household had no response. This means that most families had 5-6 members of the family.

4.4 Credit access and change in women livelihood resulting from JOYWO credit

To further illustrate the existing relationship between the independent and dependent variables that is MFI influence on women livelihood, the study sought to find out the relationship between credit access and women livelihood, only JOYWO credited women were considered in the first objective that states "To establish whether loans acquisition influences

women livelihood in Trans óNzoia County, Kenya. The findings are summarized in table4.7 below.

Table 4.7: Correlation: JOYWO Initial credit vs. Change in women livelihood resulting from JOYWO credit

statement		JOYWO initial funding	change in women livelihood
JOYWO initial credit	Pearson	1	-.007
	Correlation		
	Sig. (2- tailed)		.943
	N	100	100
change in women livelihood	Pearson	-.007	1
	Correlation		
	Sig. (2- tailed)	.943	
	N	100	100

Source: Author 2015

In this regard Table 4.7 shows that the Initial JOYWO credit and change in women livelihood resulting from the credit were correlated in order to ascertain direction and strength of association or relationship. The result $R = .943$ is significant at 95% confidence level indicating that there is a direct, strong and positive correlation between access to JOYWO credit and change in women livelihood witnessed by women in their enterprises. Similarly, Ayertey, (2008) states that therefore microcredit is a component of microfinance in that it involves the provision of credit to the poor, whilst microfinance add on non-credit financial services such as

savings, insurance, pensions and payment services. Microfinance also considers as an essential approach to empower poor especially women (Swaina & Wallentin, 2009). It enables them to make their decision independently, improve the quality of their life and dignity (Narayan, 2002).

4.5. Loan acquisition and women livelihood

The study sought to find out whether loan acquisition influenced women livelihood and to start with the study sought to establish the reasons women applied for a loan as shown in table 4.8

Table 4.8 Reasons for applying for a loan

Statement	Frequency	Percentage
Capital for business	33	33
Household needs	32	32
Education of children	8	8
Health related expenses	27	27
Total	100	100

Source: Author (2015).

Table 4.8 indicated that 33% was for the capital for business, followed by 32% household needs, 27% was for health related expenses and lastly 8% for the education of the children. This was to show that most of the women applied for loans to start up a business and uplift their living standards. This concurs with Charitoneko et al., (2008), who stated that loans enable women to invest in and expand their business, and in consequence they are able to employ. They are also introduced to the banking system and their productive activity is integrated into the formal

financial system. Moreover, loans engage entrepreneurs in making major decisions, such as loan approvals and in improving the products and services produced.

Significantly, the study sought to know how applying for a loan while servicing another was done by the women. The results are summarized in table 4.9

Table 4.9 Application for loan while servicing another

Statement	Frequency	Percentage
Yes	49	49
No	51	51
Total	100	100

Source: Author (2015).

Table 4.9 revealed that most respondents 51% said No while 49% said yes. This meant that most of the respondents had not applied for another loan while servicing another. Similarly,

Aigbokhan and Asemota (2011) revealed that selected microfinance variables such as volume of loan last taken, cumulative loan, loan cycle, experience with the microfinance institution and education had positive significant impact on women livelihood.

Moreover, the study sought to know what the respondents used as a collateral and the finding are as shown in table 4.10

Table 4.10 Collateral used

Statement	Frequency	Percentage
Livestock	28	28
Title deed	25	25
Family property	6	6
Salary	25	25
Business or shop	16	16
Total	100	100

Source: Author (2015).

The findings in table 4.10 indicated that majority of the respondents 28% used livestock, 25% used title deeds as well as salary, 16% used business or shop and finally family property at 6%.. this shows that most women used their livestock (family property) to service their loans. This is in line with Warue N. Beatrice (2010) MFI may also require group guarantees and weekly attendance at group meetings

Moreover, the study sought to determine the terms and conditions of repayment of the loan and the results are shown in table 4.11

Table 4.11 The terms and conditions if you do not pay your loan in time

Statement	Frequency	Percentage
use collateral	5	5
property auctioning	38	38
Guarantors	10	10
Fined	30	30
given verbal and written warning	13	13
grace period	4	4
Total	100	100

Source: Author (2015).

The findings in table 4.11 clearly revealed that most of the women 38% had property auctioning if they did not pay their loan in time, 30% had to be fined, 13% had to be issued with verbal and written warning, 10% had their guarantors settle their loan, 5% had to use collateral and 4% had to depend on the grace period given. Similarly, Warue N. Beatrice, (2010) emphasizes that the capacity of client to generate enough cash to repay the loan on time should determine the size of the potential market. Lenders are able to recover loans on scheduled only when the repayment capacity of the borrower equals or exceeds debt service, which includes principal and interest due for payment. Borrowers are able to repay their loans on time without suffering hardship only when their repayment capacity equals or exceeds the debt service due according to the loan contract.

Furthermore, the study sought to find out duration of repayment. The findings are shown in table 4.12

Table 4.12 The repayment duration

Statement	Frequency	Percentages
1 year	48	48
2yrs	47	47
+3yrs and above	5	5
Total	100	100

Source: Author (2015).

From the table above, the study revealed that 48% of women pay their loan within a year, 47% of women repay their loan within two years and 5% within 3 and above years. This means that majority of the women paid their loans in time. This concurs with Warue (2010) she argued that the kind of financial services would benefit both households and enterprises have high likelihood of good repayment to the lender.

On the other hand, the study sought to Know if the respondents were comfortable with terms and conditions of repayment. The findings are shown in table 4.13

Table 4.13 those comfortable with terms and conditions of repayment

Statement	Frequency	Percentages
Yes	87	87
No	13	13
Total	100	100

Source: Author (2015).

Table 4.13 shows that 87% said yes while 13% said No. this meant that most of the respondents agreed with the terms and condition of loan repayment.

Microcredit programs extend small loans to poor women for self-employment projects that generate income, allowing them to care for themselves and their families (Microcredit summit, 2000). In addition to generating income for individual needs, microcredit loans help the self-employed expand their businesses and create jobs for others (Shahidur R. (2008). In the same vein, Simeyo, L, R, O, and Odondo (2011) assumed that extending the size of the given loan will lead to improve the performance of the Kenyan women entrepreneurs. Table 4. 14 how long have applied for loan with success revealed that 59% of women had applied for a loan successfully 2 ó 3 times while 41% of women had applied for a loan successfully once. This showed that most of the women had applied for a loan more than twice and were given

Table 4. 14 Application of loan with success

Statement	Frequency	Percentages
+1times	41	41
+2-3 times	59	59
Total	100	100

Source: Author (2015).

The study sought to know how long have you applied for loan without success. The findings are shown in table 4.15

Table 4.15 Application of loan without success

Statement	Frequency	Percentages
+1times	19	19
None	81	81
Total	100	100

Source: Author (2015).

While Table 4.15 shows that 81% of women confirmed that none had applied for a loan without success while 19% had applied once without success. This seconds the finding that most women applied for the loan with success.

The study sought to find out source of livelihood of women under JOYWO whereby the results are shown in table 4.16.

Table 4.16 source of livelihood

Statement	Frequency	Percentage
Salary	21	21
Farm produce	29	29
Business	50	50
Total	100	100

Source: Author (2015).

Table 4.16 revealed that 50% of women depend on their salary, 29% of women on farm produce and 21% of women had business as their source of livelihood. Most women depended on their salary for their livelihood

Moreover, the study sought to know if the women had any financial knowledge. The results as shown in table 4.17

Table 4.17 do you have any financial knowledge

Statement	Frequency	Percentages
Yes	77	77
No	23	23
Total	100	100

Source: Author (2015).

Table 4.17 revealed that 77% of women had financial knowledge while 23% of women had no financial knowledge. This showed that most women had banking and financial knowledge.

Moreover the study sought to know who decides or controls how credit received is used. Table 4.18 shows the results.

Table 4.18 who decides or controls how credit received is used

Statement	Frequency	Percent
Self	67	67
Husband	9	9
Both	24	24
Total	100	100

Source : Author 2015

Table 4.18 indicated that 67% of women themselves decides how credit received is used, followed by 24% of had decided with their husband (both) and lastly 9% of women said their husbands had to decided. Contrary to, Perry and Coetzer (2009), observed that women were considered in many societies as unfit to assume the responsibilities of credit, despite the fact that they take the responsibility of the survival of their families.

Furthermore, the study sought to find out who decides how benefits from business proceeds are used. The results as summarized as shown in table 4.19

Table 4.19 Control of benefits from business proceeds

Statement	Frequency	Percentages
Self	67	67
Husband	5	5
Both	28	28
Total	100	100

Sources: Author 2015

Table 4.19 showed that 67% of women themselves decides how business proceeds received is used, followed by 28% of women whereby decisions on business proceeds are done by both, that is husband and wife and lastly 5% of women said husbands decide.

The study sought to know if the respondents had bank or mpesa accounts. The results are summarized below in table 4.20

Table 4.20 bank account or MPESA account

Statement	Frequency	Percent
Bank account	31	31
Mpesa account	45	45
Both	24	24
Total	100	100

Also, the study found out that in table 4.20 45% Of women had Mpesa Accounts, 31% had bank accounts and 24% had both.

4.6 Training and women livelihood

The study sought to find out how training influences women livelihood. First, the study sought to know the types of training JOYWO had offered. The findings are summarized in table 4.21.

Table 4.21 what type of training has JOYWO offered you

Statement	Frequency	Percentage
loan use	32	32
business management	26	26
financial control	15	15
Saving	27	27
Total	100	100

Source: Author (2015)

Table 4.21 indicated that the types of training JOYWO offered included 32% had a training on loan use, 27% had training on savings, 26% had a training on business management and 15% had a training on financial control. This revealed that JOYWO had trained the women majorly on loan use. Similarly, training is a very important micro-finance factor for women entrepreneurs as it would provide the skills and experience needed for business (Akanji, 2006, Cheston et.al. , 2002; Kuzilwa, 2005).

Consequently, the study sought to know which of the training offered had transformed the women. The findings are as shown in table 4.22

Table 4.22 Transformational type of training

Statement	Frequency	Percentage
creating business opportunities	24	24
laon repayment	5	5
business management	4	4
financial control	42	42
access credit	17	17
Loan use	8	8
Total	100	100

Source: Author 2015

Table 4.22 revealed that 42% of the women had been transformed in their financial control, followed by 24% of those women who had been transformed as it created business opportunities, 17% had been transformed in access of credit was much easier and flexible, 8% had been transformed on loan use, 5% had been transformed on loan repayment, and 4% had been transformed on business management

Thirdly, the study sought to determine if women's livelihood had improved as a result of the training. The results are as shown in table 4.23

Table 4.23 Improved livelihood as a result of training offered

Statement	Frequency	Percentage
Yes	79	79
No	21	21
Total	100	100

Table 4.23 shows that 79% of women said yes and 21% said No. the findings shows that most of women livelihood improved as a result of training offered.

4.7 Marketing and women livelihood

The study sought to find out how marketing of JOYWO influenced women livelihood. First, the study sought to find out how the women knew about JOYWO products. The results are as shown in table 4.24.

Table 4.24 Knowing about JOYWO products

Statement	Frequency	Percentages
Friends	27	27
JOYWO itself	42	42
JOYWO members	10	10
media l	21	21
Total	100	100

The study found out in table 4.24 that most of the women 42% come to know about JOYWO products through JOYWO itself, followed by 27% from friends, 21% media and 10% JOYWO members. Similarly, ILO, (2008) argued that marketing campaigns directed at women can positively influence both men and women's attitudes on women's status and employment in the community by helping male community members to accept economic opportunities for

women, by building women's self-confidence and by facilitating community approval of women's projects

Also table 4.25 depicts that marketing of JOYWO had benefited the women since 100% said yes. It as shown in table 4.25

Table 4.25 Marketing of JOYWO benefits to woman

Statement	Frequency	Percentages
Yes	100	100
No	0	0
Total	100	100

Moreover, the study sought to know marketing benefits to women. The finding are as shown in table 4.26.

Table 4.26 marketing benefits to woman

Statement	Frequency	Percentage
its known hence accessible	19	19
to be a self reliant woman	15	15
provided capital for my business	15	15
good control of finance	10	10
it has uplifted my status	17	17
learnt how to access credit	20	20
gained dividence	4	4
Total	100	100

In the view of how marketing had benefited the women, table 4.26 the findings revealed that 20% had benefited by learning to access credit, 19% had known of its existence and were able to access it, 17% had improved living status, 15% had become self-reliant women as well as provided capital for their business and 10% gained good control of finance. Majority of the women benefited through their ability to access loans from JOYWO.

In addition, the study sought to establish if JOYWO marketing was for poor women only. the findings are as shown in table 4.27

Table 4.27 JOYWO marketing is for poor women only

Statement	Frequency	Percentages
strongly agree	17	17
Agree	27	27
Un-decided	0	0
Disagree	25	25
Strongly disagree	31	31
Total	100	100

Table 4.27 shows that 31% strongly disagreed, 27% agreed, 25% disagreed, and 17 strongly agreed. This revealed that most of the women viewed marketing as not for poor women only.

Inversely, the study sought to know if JOYWO marketing is not for poor women only. The findings are as shown in table 4.28

Table 4.28 JOYWO marketing is not for poor women only

Statement	Frequency	Percentages
strongly agree	36	36
Agree	24	24
Un-decided	17	17
Disagree	23	23
Strongly disagree	0	0
Total	100	100

Table 4.29 showed that 36% strongly agreed, 24% agreed, 23% disagreed and 17% undecided. This meant that marketing of JOYWO was not for poor women only.

Furthermore, the study to find out if JOYWO marketing MFI has influenced women livelihood, the result are summarized in table 4.30

Table 4.30 JOYWO marketing MFI has influenced women livelihood

Statement	Frequency	Percentage
strongly agree	37	37
Agree	59	59
Un-decided	0	0
Disagree	4	4
Strongly disagree	0	0
Total	100	100

Table 30 revealed that 59% agreed, 37% strongly agreed, 4% had disagreed. This established that JOYWO marketing had influenced women livelihood.

On the other hand, the study sought to establish if JOYWO marketing MFI has not influenced women livelihood. The findings are as in table 4.31

Table 4.31 JOYWO marketing MFI has not influenced women livelihood

Statement	Frequency	Percentage
strongly agree	0	0
Agree	4	4
Un-decided	14	14
Disagree	21	21
Strongly disagree	61	61
Total	100	100

Table 4.31 showed that 61% strongly disagreed, 21% disagreed, 14% were un-decided, and 4% agreed. The findings established that most were not of the idea that JOYWO marketing MFI has not influenced women livelihood.

4.8 Networking and women livelihood

The study sought to establish if networking has influenced women livelihood. First, the study sought to determine forms of networking womens in JOYWO engage in. the result are as shown in table 4.32

Table 4.32 Forms that JOYWO women engage in

Statement	Frequency	Percentage
Sensitizing others	32	32
Recruiting other women	5	5
Training women in various income generating activities	10	10
Table banking	24	24
Projects	25	25
Formation of self help groups	4	4
Total	100	100

Table 4.32 what networking forms do JOYWO women engage in, it indicated that 32% of the women said that networking forms engaged was sensitizing others, 25% said networking is through projects, 24% said table banking, 10% said by training women in various income generating activities, 5% said through recruiting other women and 4% networking can be done through formation of self - help groups. This concurs with ILO, (2008) stated that MFI women's groups should be utilized to promote and strengthen women's networks and not merely as a means of lowering programme costs. Women's groups are useful vehicles for non-financial service delivery, such as literacy and health programmes. Groups also encourage linkages between women and other active community associations and the larger civil society network as a whole.

The study sought to know if JOYWO networking MFI has helped to improve women livelihood. The findings are as shown in table 4.33.

Table 4.33 JOYWO networking MFI has helped to improve women livelihood

Statement	Frequency	Percentage
Strongly agree	27	27
Agree	73	73
Undecided	0	0
Disagree	0	0
Strongly disagree	0	0
Total	100	100

Table 4.33 indicated that 73% agreed as well as 27% strongly agreed. This revealed that most of the women agreed to the fact that JOYWO networking MFI has helped to improve women livelihood

Contrariwise, the study sought to know if JOYWO networking MFI has not helped to improve women livelihood. The results are summarizes in table 4.34

Table 4.34 JOYWO networking MFI has not helped to improve women livelihood

Statement	Frequency	Percentage
Strongly agree	0	0
Agree	0	0
Undecided	37	37
Disagree	38	38
Strongly disagree	25	25
Total	100	100

Table 4.34 revealed that 38% disagreed, 37% were un-decided, 25% strongly disagreed. Moreover, the study sought to find out if JOYWO networking had led to formation of women groups and improved women livelihood, indicated that 68% strongly agreed and 32% agreed.

Table 4.35 JOYWO networking has led to formation of women groups and improved women livelihood

Statement	Frequency	Percentage
Strongly agree	68	68
Agree	32	32
Undecided	0	0
Disagree	0	0
Strongly disagree	0	0
Total	100	100

Source: Author 2015

Table 4.35 indicated that 68% strongly agreed and 32% agreed. The findings revealed that JOYWO networking had lead to formation of women group and improve women livelihood

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1: Introduction

This study investigated the influence of micro-finance institution on women livelihood. A case study of JOYWO Trans-Nzoia County, Kenya. The information was collected using questionnaires, interview schedule and observation check list. The questionnaires were administered to 100 women in Trans-Nzoia County who were credit beneficiaries of JOYWO. While interviews involved 10 JOYWO officials that were selected purposively.

Data processing and analysis involved checking for completeness of questionnaire, verifying consistency, data coding and entry, computation. The outputs were largely descriptive analysis. This chapter summarized the findings of the study, drew conclusions, made recommendations and contributions to the body of knowledge.

5.2 Summary

The main finding of the study are summarized as follows:

Characteristics of Respondents

Most married women were 32.0% and aged 36-45 years, most single women were 10.0% and aged over 50 years, other including widowed, divorced were 9.0% aged 26-35 years. In terms of educational attainment, it depicts a scenario whereby more women 33% had university education, followed by 27% primary school leavers. For tertiary education the women recorded 21% and lastly for secondary education 19%. On the issue of the head of household showed that 61% of women said their households were headed by their husbands while 39% were woman. On the size of household majority ranged 5-6 household of 36% while the least was over 11 household of 10% as well as +7-8 household had no response.

MFI Credit access and women livelihood

To further illustrate the influence MFI on women livelihood, the study focused on initial credit access to women livelihood, only JOYWO credited women were considered and it was revealed that there was a direct, strong and positive relationship between JOYWO initial credit access and the change in women's livelihood. This means that JOYWO credit access has much influence on the women livelihood since most of the women applied for the loan specifically for business and this helped the salaried women in income generation.

Loans acquisition and women livelihood Loan acquisition

To begin with the study looked at awareness of JOYWO products as explained by the respondent and JOYWO officials whereby it was revealed that 100% that is all women respondents recorded that all women were aware of JOYWO products. Also, the JOYWO official admitted that they had created awareness and most women of Trans-Nzoia County over 70% were aware of their products.

Moreover, to inquire further the study sought to find out who introduced them to JOYWO. The finding showed that 50% of women were introduced to JOYWO by their staff, 42% knew about it through their own volition and 8% through media.

Furthermore, the respondent were sought to elaborate on their source of livelihood or income. It was revealed that 50% of women depend on their salary, 29% of women on farm produce and 21% of women had business as their source of livelihood.

To understand further, the study sought to know the reasons for applying for the loan, which indicated that 33% was capital for business, followed by 32% household needs, 27% was for health related expenses and lastly 8 for the education of the children.

Significantly, on applying for a loan while servicing another revealed that most respondents 51% said No while 49% said yes.

Most important, the study sought to know what the respondents used as a collateral and the study found out that majority of the respondents 28% used livestock, 25% used title deeds as well as salary, 16% said they used business or shop and finally used family property at 6%

Moreover, the terms and conditions of repayment of the loan in time clearly revealed that most of the women 38% had property auctioning if they did not pay their loan in time, 30% had been fined, 13% had been issued with verbal, then written warning, 10% had their guarantors settle their loan, 5% used collateral and 4% had to depend on the grace period given.

Also, on what is the repayment duration it was revealed that 48% of women pay their loan within a year, 47% of women repay their loan within two years and 5% within 3 and above years. On the other hand, the study sought to know if the respondents were comfortable with terms and conditions of repayment 87% said yes while 13% said No. The study sought to know how long the respondents have applied for loan with success and it revealed that 59% of women had applied for a loan successfully 2 ó 3 times while 41% of women had applied for a loan successfully once. While, findings on how long they had applied for loan without success showed that 81% of women confirmed that none had applied for a loan without success while 19% had applied once without success.

Moreover, findings on having any financial knowledge revealed that 77% of women had financial knowledge while 23% of women had no financial knowledge. To understand further, findings on who decides or controls how credit received is used revealed that 67% of women

themselves decided how credit received is used, followed by 24% of had decided with their husband (both) and lastly 9% of women said their husbands decided.

Furthermore, those who decided how benefits from business proceeds were used, showed that 67% of women themselves decided how business proceeds received were used, followed by 28% of women who said that decisions on business proceeds were done by both, that is husband and wife and lastly 5% of women said that their husbands decided. Also, the study found out that 45% of women had Mpesa Accounts, 31% had bank accounts and 24% had both. Lastly, findings on if the women owned any property, 83% of women said yes and 17% of women said no.

Training on MFI and women livelihood

The respondents admitted that JOYWOW had been providing training on different issues. The findings indicated that the types of training JOYWOW offered included 32% who had a training on loan use, 27% had training on savings, 26% had a training on business management and 15% had a training on financial control.

Consequently, the study sought to know which of the training had transformed the women. The findings revealed that 42% of the women had been transformed in their financial control, followed by 24% of those women who had been transformed as it created business opportunities for them, 17% had been transformed in access of credit was much easier and flexible, 8% had been transformed on loan use, 5% had been transformed on loan repayment, and 4% had been transformed on business management.

The study determined if women's livelihood had improved as a result of the training and it was revealed that 79% of women said yes and 21% said No.

Marketing of MFI and women livelihood.

Firstly, the study found out that most of the women 42% come to know about JOYWO products through JOYWO itself, followed by 27% from friends, 21% media and 10% JOYWO members. Secondly, on finding out if marketing of JOYWO benefited them as individual woman depicted that marketing of JOYWO had benefited the women since 100% said yes. Thirdly, in view of how marketing had benefited the women, the findings revealed that 20% had benefited by learning to access credit, 19% had known of its existence and were able to access it, 17% had improved living status, 15% had become self-reliant women as well as provided capital for their business and 10% gained good control of finance.

Fourthly, the study sought to know if marketing of JOYWO is for poor women only, 31% strongly disagreed, 27% agreed, 25% disagreed, and 17 strongly agreed. Inversely, the study sought to know if JOYWO marketing is not for poor women only, 36% strongly agreed, 24% agreed, 23% disagreed and 17% un-decided. Furthermore, the study sought to find out if marketing the MFI (JOYWO) had influenced women livelihood, it was revealed that 59% agreed, 37% strongly agreed, 4% had disagreed. On the other hand, the study sought to find out if marketing the MFI(JOYWO) had not influenced women livelihood, 61% strongly disagreed, 21% disagreed, 14% were un-decided, and 4% agreed.

Networking of MFI and women livelihood.

The study findings on networking included networking forms that JOYWO women engaged in, 32% of the women said that networking forms engaged in, involved sensitizing others, 25% said networking was through projects, 24% said table banking, 10% said by training

women in various income generating activities, 5% said through recruiting other women and 4% networking can be done through formation of self - help groups

Besides that, JOYWO networking MFI had helped to improve women livelihood, indicated that 73% strongly agreed as well as 27% agreed. Contrariwise, on if JOYWO networking MFI has not helped to improve women livelihood revealed that 38% disagreed, 37% were un-decided, 25% strongly disagreed. Moreover, on if JOYWO networking has led to formation of women groups and improved women livelihood, 68% strongly agreed and 32% agreed. As well, on if JOYWO networking has led to poverty alleviation and improved women livelihood showed that 70% agreed and 30% strongly agreed,

On the other hand, the study sought to find out if JOYWO funds are given to poor women only. It indicated that majority 45% strongly disagree, 17% were un-decided, 16% agreed, 12% strongly agreed and 10% disagreed. Also, the study sought to know if JOYWO funds are not given to poor women only, it indicated that 36% strongly agreed, 33% were un-decided, 31% agreed.

5.3 Conclusions

The study found out that JOYWO as a Microfinance institution had influenced women livelihood to a significant extent. Both the respondents and JOYWO officials attested of the awareness created about JOYWO and how it had been done by JOYWO itself. This increasing knowhow of JOYWO products. The study drew a conclusion that most of the women's source of livelihood comes from their salaries but coupled with their business income. Most of them applied for a loan to facilitate the capital for their business whereby many admitted that after accessing the loan, the credit profits they usually use them for other reasons like education for their children and other issues.

Significantly, on applying for a loan while servicing another it is concluded that most respondents do not service another loan while having another. Therefore, they mostly use livestock as their collateral when time for repayment of the loan approaches. Also many admitted being comfortable with terms and condition of repayment which has aided in women acquiring loans successfully with a time span of 2-3 times while majorly used property auctioning for their terms and conditions of repayment of the loan. Contrary, most women were able to repay their loans within one year as well as mostly they were able to apply for the loan and acquire it and they had financial knowledge. Moreover, they were the one who decided how the credit received was to be used as well as the benefits accruing since their husband had the last say on it. Most of them had Mpesa Accounts and others had bank accounts and most of them agreed of having properties.

Furthermore, on training and women livelihood the respondents admitted that JOYWO had been providing training on different issue covering the types of training JOYWO offered mostly was training on loan use. The study concluded the training had majorly transformed the women in their financial control as well as the training had improved women's livelihood.

Also, on marketing and women livelihood it concluded that marketing of JOYWO had benefited woman since most of them could access credit and marketing of JOYWO is not only for the poor. In addition JOYWO marketing MFI had influenced women livelihood.

Finally, on networking and women livelihood the study findings concluded that mostly networking forms that JOYWO women engage in was sensitizing others. Also concluded that JOYWO networking MFI has helped to improve women livelihood since JOYWO networking has led to formation of women groups and improved women livelihood hence has led to poverty alleviation and improved women livelihood

5.4 Recommendations

Based on the findings of this study, the following are the recommendations.

- I. Loan acquisition should be more poor women oriented and follow up should enable JOYWO and other MFI maintain their clients
- II. MFI has the ability to influence women livelihood so the study recommends that women are training on appropriating their loans to the specific activity that they have applied for.
- III. On marketing JOYWO should focus much of poor women than other who are on a payroll some type of pay and encourage credit access.
- IV. Networking is important and JOYWO official should focus on collaborating with other MFIs to realize greater impact on women livelihood.

5.5 Suggestions for further study

- i. Loan acquisition should be more poor women oriented and follow up should enable JOYWO and other MFI maintain their clients so as to be able to alleviate poverty and revamp the life of women in the County.
- ii. Training women on the appropriate use of the loans they have applied for and follow ups should be done to ensure accountability.
- iii. On marketing JOYWO should focus much of poor women than other who are on a payroll somehow this will have direct improvement to the women's livelihood.

- iv. Networking is important and JOYWO official should focus on collaborating with other MFIs to realize greater impact on women livelihood. The recommendations will in an immense way assist the JOYWO officials and other MFI stakeholder to improve in their service delivery of women livelihood.

5.6 Contribution to the body of knowledge

Table 5:1 Contribution to the Body of Knowledge

Objective	Contribution
1. To establish whether loans acquisition influences women livelihood in Trans óNzoia County, Kenya	The stakeholders can understand how loan access can influence women livelihood.
2. To determine whether training on MFIs influences women livelihood in Trans-Nzoia County, Kenya	Training on MFI will enhance knowledge on laon use, and financial control.
3. To determine whether marketing of micro finance institutions influences women livelihood in Trans óNzoia County, Kenya	Marketing of MFI will enhance credit access in addition as JOYWO marketing of MFI influences women livelihood
4. To find out whether networking influence women livelihood in Trans óNzoia County, Kenya.	Networking is essential for women livelihood and hence require collaboration.

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APPENDIX I
A LETTER OF TRANSMITTAL

University of Nairobi
P.O Box 30197(00100)
Nairobi
Mobile : 0714730173

19th March, 2

To National Council of science and Technology (NCST),
Nairobi.

Microfinance Institution / Loanees

RE: REQUEST TO PARTICIPATE IN A RESEARCH PROCESS

I am a student in the University of Nairobi pursuing a Master of Arts degree in Project Planning and Management. I am undertaking research on influence of MFIs on women livelihood. A Case Study JOYWO, Trans-Nzoia County, Kenya. I kindly request you to participate in this study and your responses to items in the questionnaire will be treated with uttermost confidentiality, and will not be used for any other purposes except this study.

Yours faithfully,

FIONA N. MUCHEKE

L50/73530/2014

APPENDIX II: UNIVERSITY RESEARCH LETTER





UNIVERSITY OF NAIROBI
COLLEGE OF EDUCATION AND EXTERNAL STUDIES
SCHOOL OF CONTINUING AND DISTANCE EDUCATION
P.O BOX 30197, 00100
NAIROBI

TO WHOM IT MAY CONCERN,

This is to certify that the bearer **Natulo Muceke Fiona**, ID Number, **21423515** has applied to the National Council of Science and Technology for a research permit in Master of Arts in Project Planning and Management degree in a research topic, *"Influence of Micro- Finance Institutions on Women Livelihood: A Case study of Trans Nzoia County, Kenya.*

I would like to request your office to allow her undertake the study as the permit is being processed since this is the most convenient time to visit the research site.



Yours Faithfully



MR. JULIUS C. KORINDO, RA,
RESIDENT LECTURER
DEPARTMENT OF EXTRA-MURAL STUDIES

APPENDIX III: RESEARCH CLEARANCE PERMIT

CONDITIONS

- 1. You must report to the County Commissioner and the County Education Officer of the area before embarking on your research. Failure to do that may lead to the cancellation of your permit**
- 2. Government Officers will not be interviewed without prior appointment.**
- 3. No questionnaire will be used unless it has been approved.**
- 4. Excavation, filming and collection of biological specimens are subject to further permission from the relevant Government Ministries.**
- 5. You are required to submit at least two(2) hard copies and one(1) soft copy of your final report.**
- 6. The Government of Kenya reserves the right to modify the conditions of this permit including its cancellation without notice.**


REPUBLIC OF KENYA

National Commission for Science, Technology and Innovation

RESEARCH CLEARANCE PERMIT

Serial No. A 5292

CONDITIONS: see back page



THIS IS TO CERTIFY THAT:

MS. FIONA NATULO
of UNIVERSITY OF NAIROBI, 1017-30200
Kitale, has been permitted to conduct
research in Transzoia County

on the topic: INFLUENCE OF MICROFINANCE INSTITUTIONS ON POVERTY ALLEVIATION AMONG WOMEN: A CASE STUDY OF TRANS - NZOIA COUNTY, KENYA

for the period ending:
6th November, 2015

Permit No : NACOSTI/P/15/9814/6018
Date Of Issue : 10th June, 2015
Fee Received :Ksh 1,000



Director General
National Commission for Science, Technology & Innovation

Applicant's Signature

APPENDIX IV: RESEARCH AUTHORIZATION



NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471,
2241349, 310571, 2219420
Fax: +254-20-318245, 318249
Email: secretary@nacosti.go.ke
Website: www.nacosti.go.ke
When replying please quote

9th Floor, Utalii House
Uhuru Highway
P.O. Box 30623-00100
NAIROBI-KENYA

Ref: No.

Date: **10th June, 2015**

NACOSTI/P/15/9814/6018

Fiona Natulo
University of Nairobi
P.O Box 30197-00100
NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on *“Influence of microfinance institutions on poverty alleviation among women: A case study of Trans -Nzoia County, Kenya,”* I am pleased to inform you that you have been authorized to undertake research in **Trans Nzoia County** for a period ending **6th November, 2015.**

You are advised to report **the County Commissioner and the County Director of Education, Trans Nzoia County** before embarking on the research project.

On completion of the research, you are expected to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.


DR. M. K. RUGUTT, PhD, HSC.
DIRECTOR-GENERAL/CEO

Copy to

The County Commissioner
Trans Nzoia County.

The County Director of Education
Trans Nzoia County.



National Commission for Science, Technology and Innovation is ISO 9001: 2008 Certified

APPENDIX V
QUESTIONNAIRE FOR WOMEN BENEFICIARIES

Dear respondent,

I am a student in the University of Nairobi pursuing a Master of Arts degree in Project Planning and Management. I am undertaking research on the influence of MFIs on women livelihood. A Case Study of JOYWO in Trans-Nzoia County, Kenya. I kindly request you to participate in this study and your responses to questions in the questionnaire will be treated with uttermost confidentiality, and will not be used for any other purposes except this study.

Instructions

- 1) The information you give concerning the influence of MFIs on women livelihood will be confidential.
- 2) Respond to all questions by putting a tick (✓) in brackets corresponding your answer.

BACKGROUND INFORMATION OF THE RESPONDENT.

- 1. Name of the respondent (optional) í í í í í í í í
- 2. Please indicate your age from the choices
16-25 years { } 26-35 years { } 36-45 years { } 46-55years { } Over 55 years { }
- 3. What is your level of Education?
Primary { } Secondary { } Tertiary { } University { }
- 4. What is your marital status?
Married { } Single { } Other { }
- 5. Who is the head of your household?
- 6. What is the size of your householdí í í í í í í í í í í í í í í í í
- 7. How credit access influences women livelihood?

Initial credit access	Women livelihood	Total
2012	2013	

ACQUISITION OF LOANS

8. Are you aware of Joywo products? YES { } NO { }

9. Who introduced you to Joywo?

Staff { }

Own volition { }

10. What are your sources of income?

(a) Business { } (b) Farm produce { } (c) Salary { }

11. What reasons make you apply for loan?

(a) Capital for business í í í í í í

(b) House hold needs í í í í í í í í .

(c) Education of children í í í í í í ..

(d) Health related expenses í í í í í í

(e)others Specifyí .

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12. Have you ever applied for loan while servicing another? í í í í í í í ..

13. What do you use as a collateral?

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14. What are the terms and conditions if you do not pay your loan in time?.....

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15. What is the repayment duration?.....

16. Are you comfortable with terms and condition of repayment? YES { } NO { }

17. How many times have you applied for loan?

(a). With success í í í í í í í í í

(b). without success í í í í í í í ...

18. Do you have any financial knowledge? YES { } NO { }

19. Who decides or controls how credit received is used? (a) Self { } (b) Husband { }

(c) Both { }

20. Who decides how benefits from business proceeds are used? (a) Self { } (b) Husband { }

(c) Both { }

21. Do you own any property?

Yes { }

No { }

22. Do you have a bank account or do you have an MPESA account?.....

TRAINING

23. What type of training has Joywo offered you?

(a) Loan use { } (b) Loan repayment { } (c) Business Management { } (d) Financial Control { } (e) Access to credit { } (f) Saving { }

24. What kind of training offered do you think will transform you? í í í í í í í í í í í .

25. Do you need training on accessing funds? YES { } NO { }

26. Has your business improved as a result of training offered? YES { } NO { }

MARKETING

27. How did you come to know about the JOYWO Products?

Friends { } JOYWO itself { } Media { }

28 How has marketing of JOYWO benefited you as a woman?

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29 Using the information given, indicate your level of agreement against each statement.

Key : i) SA: Strongly Agree ii) A: Agree iii) U: Undecided iv)Disagree v) SD: Strongly disagree

Statement	SA	A	U	D	SD
JOYWO marketing is for poor women only					
JOYWO marketing is not for poor women only					
JOYWO marketing MFI has influenced women livelihood.					
JOYWO marketing MFI has not influenced women livelihood					

NETWORKING

30. What networking forms do JOYWO women engage in í í í í í í í í í í í í í .

31. Using the information given, indicate your level of agreement against each statement.

Key : i) SA: Strongly Agree ii) A: Agree iii) U: Undecided iv)Disagree v) SD: Strongly disagree

Statement	SA	A	U	D	SD
JOYWO funds are given to poor women only					
JOYWO funds are not given to poor women only					
JOYWO networking MFI has helped to improve women livelihood .					
JOYWO networking MFI has not helped to improve women livelihood					
JOYWO networking has led to formation of women groups and improved women livelihood.					
JOYWO networking has led to poverty alleviation and improved women livelihood.					

APPENDIX VI:

INTERVIEW SCHEDULE FOR THE MFI (JOYWO)

QUESTIONS

1. How long have you served as an officer? í í í í í í í í í ..
2. What are some of the reasons for the establishment of MFI (JOYWO)?
3. What criteria do you follow to fund your clients?
4. Do you think that MFI influences women livelihood in any manner among women in the county?
5. What is the criteria used to ensure repayment of loans?
6. What do you do when the loan is not repaid in time scheduled?
7. When do you conduct training for your clients?
8. Who trains the clients ?
9. What are they trained on?
10. Is there a follow up programme after the training them?
11. Why is it important that you train them?
12. What happens when they are not trained?
13. What is the impact of training women on MFI noticed over time?
14. What are some successes you can account for because of your support to this women?
15. How do they know of your products?
16. Why is the important of JOYWO products being known by the women around?
17. Why networking in MFI important to women livelihood?
18. How does JOYWO network?

19. To what extent does MFI Marketing Influence women livelihood among women in the County?
20. What type of Marketing does JOWYO use?
21. What are some of the characteristics that JOYWO follow to Market their products
22. What are your recommendation to grantee the success of MFIs on women livelihood in the county?

APPENDIX VII: OBSERVATION CHECK LIST

ITEM FOR OBSERVATION	
Business	
Houses	
Dressing	
Women	
MFI offices	
Land	