

**EFFECT OF MICRO-CREDIT TO WOMEN EMPOWERMENT IN NAIROBI  
COUNTY**

**BY**

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## **DECLARATION**

This research project is my original work and has not been submitted for a degree in any other University.

Signed----- Date-----

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This research project has been submitted for examination with my approval as the University supervisor.

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## **DEDICATION**

This project is dedicated to my loving husband Michael Mutuma for his patience, encouragement and support especially during this research project. To my father Mr. Fredrick Gitobu for his prayers, encouragement and follow up to ensure this course is completed successfully. May God bless you both richly. To my Mother the Late Gladys Gitobu for encouraging me to enroll into this course and continuously encouraging, praying and supporting me for the better part of this course. May she rest in peace. To my siblings and friends a big thank you for your relentless support in many ways.

## **ABSTRACT**

There is growing evidence that women's economic empowerment plays a crucial role in poverty alleviation, as well as in macro-level economic growth and poverty reduction. Yet, women continue to lag significantly behind with credit constraints being a key obstacle to the creation of women-owned businesses, investment decisions, and growth (World Bank 2012).

The use of financial services targeted specifically at women can have significant effects at the household level, including higher levels of education and better health services for children, and increased household savings. Research findings on how financial services are put to use once women access these services—microcredit in particular—are mixed. There is not enough evidence to show that existing financial services meet women's needs or why existing efforts tend not to yield the desired results or impact. In an effort to identify effects of access to micro-credit on women empowerment, this study selected the county of Nairobi in Kenya to help generate a representative mix of recommendations that can help to improve women's access to micro-credit.

This study used primary data collected from the respondents of the survey. Data was captured and analyzed using Statistical Package for the Social Sciences (SPSS) version 21. Regression analysis was used to determine the relationship between women empowerment and their ability to access micro credits. The study concludes that women make use of micro credit services however the conditions imposed by microfinance institutions affect their access to these credit facilities. The results of the study show that education and skill asset ownership, decision making, women mobility and contribution to household income have positive influence and are directly proportional to women empowerment.

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## **ABBREVIATIONS AND ACRONYMS**

ASCAs	Accumulating Savings and Credit Associations
DTM	Deposit-Taking Microfinance
IRDP	Integrated Rural Development Program
ILO	International Labour Organization
MSE	Micro and Small Enterprises
MSME	Micro, Small and Medium-sized Enterprises
ROSCAs	Rotating Savings and Credit Associations
SACCO	Savings and Credit Cooperatives

# **CHAPTER ONE: INTRODUCTION**

## **1.1 Background**

According to Mayoux (2000) seventy percent of the world's poor are women. Indeed the Human Development Report from 2008, UNDP stated that 70 percent of the world's population living on less than 1 USD a day are women (UNDP, 2008). In addition to being poorer than men, women are also more vulnerable, With the aim to reduce female fragility and poverty, there has been an increasing expectation on microcredit and other poverty strategies to positively affect women's empowerment (Basu and Srivastava, 2005),

### **1.1.1 Concept of Micro-credit**

Micro-credit is a way of delivering loans to poor individuals and is often suggested to be a way out of poverty. Microfinance institutions provide microcredit to women through their microcredit programs. In addition to microcredit, microfinance institutions usually provide saving and insurance services (Armendáriz de Aghion and Morduch, 2005). Microcredit builds on the premise that financial services are needed to make investments in human capital, to smooth out consumption and to overcome unexpected shocks. It can be seen as a solution to include previously groups such as women , without access to credit, to the financial market so that they may be empowered. Microcredit makes a positive economic cycle possible. A microcredit granted to a borrower is invested, which generates an income. The loan can be then be repaid to the microfinance institution, and the borrower may then access another microcredit and eventually increase purchasing power and social recognition.

Microcredit not only opens up the opportunity of self-employment, but also contributes to the improvement of the situation for the entire household. Furthermore, microcredit positively effects the social situation of women by promoting self-confidence and expanding the capacity to play a more important role in society (Sulaiman, Ghazala, Syed, Hussain and Saba, 2012). One of the advantages with microcredit over other financial services is the possibility of

receiving a group based loan where member's work as each other's collateral. The advantage of being a group is that the group can loan a larger amount. This amount is then repaid regularly in small sums by each member, which makes it possible for even the poorest borrower to repay his or hers loan. If the group makes their repayments as they should, they can acquire access to repeated and larger loans (Arun et al., 2009). Microcredit also helps to resolve some problems that are keeping the women from the financial market. Group based lending can potentially solve the problem with information asymmetries since the group as a whole is dependent on each other's actions. Individuals who are seen as untrustworthy and therefore risky are excluded from the group. Also, peer pressure within the group functions as an incentive to repay in time (Islam, 2007).

### **1.1.2 Women Empowerment**

Kabeer (2005) describes women's empowerment as the process by which those who have been denied the ability to make strategic life choices acquire such ability and get to expand their possibilities to live the kinds of lives they want. This ability to exercise choices incorporates three inter-related dimensions: resources which include access to and future claims to both material and social resources; agency which includes the process of decision-making, negotiation, deception and manipulation; and achievements that are the well-being outcomes. Empowerment implies expansion of assets and capabilities of people to influence control and hold accountable institution that affects their lives (Ackerley, 1995).

Empowerment can be viewed as a means of creating a social environment in which one can take decisions and make choice either individually or collectively for social transformation (Berglund, 2007). Empowerment is considered to be matching with the following traits or capabilities: having decision-making power of one's own; having access to information and resources for taking proper decision; having a range of options from which one can make choices; ability to exercise assertiveness in collective decision-making; having positive thinking about the ability to make change; ability to learn skills for improving one's personal or group power; ability to change others' perceptions by democratic means; involving in the growth process and change that is never ending and self-initiated (Chona, Sogol and Bagaporo, 2012). Women

empowerment itself constitutes economic empowerment whereby women's access to savings and credit gives them a greater economic role in decision-making through their decision about savings and credit (Gibb, 2008). When women control decisions regarding credit and savings, they optimize their own and the household's welfare. The investment in women's economic activities improves employment opportunities for women and thus have a 'trickle down and out' effect. Increased well-being as access to savings and credit facilities and women's decision about what is being done with savings and credit strengthens women's say in economic decisions of the household (Jyotish, 2006). This enables women to increase expenditure on the well-being of themselves and their children. Social and political empowerment arising from a combination of women's increased economic activity and control over income resulting from access to micro-finance with improved women's skills, mobility and access to knowledge and support networks. Status within the community is also enhanced. These changes are reinforced by group formation, leading to wider movements for social and political change (Kulkarni, 2011).

### **1.1.3 Relationship Between Microcredit and Women Empowerment**

Empowerment involves the process of increasing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes (Gibb, 2008). According to Sarumathi and Mohan (2011) empowerment of women is closely linked with microcredit programs, because many studies have shown that improving women's income through microcredit loans has a substantial effect on their empowerment.

Microcredit play a part in allowing women the opportunity to make what Kabeer (2005) has described as a proper economic contribution to the household. Saraswathy, Panicker and Sumi, (2008) found that credit programs allow women to take a greater role in household decision making; to have greater access to financial and economic resources; to have greater access to financial and economic resources; to have greater social networks and more bargaining power vis-à-vis their husbands; and to have greater freedom of mobility.

Micro-credit schemes are thought to be potent agents of social change in

impoverished settings where women lack access to resources. In the modern world micro-credit, micro-finance and enterprise development are now seen as effective poverty alleviation mechanisms, especially for poor women. Zaman (2001) reported that micro-credit played valuable roles in empowering women, through asset creation, income and consumption smoothing, provision of emergency assistance, and empowering and emboldening women by giving them control over assets and increased self-esteem and knowledge.

A primary function of offering women credit in this way is to enhance their economic status, that enables women to earn extra income through which they can gain greater financial autonomy (Berglund, 2007). Glòria and Consol (2010) identified three main benefits of micro credit to women empowerment: improvements in women's role in the household (through the provision of economic resources, a woman may gain a greater voice in expenditure decisions); increased confidence for women gained not only through the economic success of their business but also participating in income-generating activities raise women's decision making power in the household and community. Participation in credit programmes is positively associated with a woman's level of physical mobility, economic security, ability to make various purchases on her own (Mushumbusi and Kratzer, 2013).

#### **1.1.4 Micro-Credit Sector and Women Empowerment in Nairobi County**

Kenyan microfinance marketplace has evolved at a very rapid pace with new entrants, new products and practice, a rise in movement between multiple memberships of financial institutions; and a more demanding and discerning clientele. This has significant implications for the many and various financial service providers operating in this increasingly competitive microfinance market (Dondo, 2001).

There are a number well established microfinance institutions in Nairobi county that provide credit services and other financial services to a cross section of the county populations. It involves the provision of financial services to clients in the low income segments of the society including, small scale traders, vendors in the streets,

farmers and other small scale business people e.g. artisans . It includes the provision of a broad range of financial services to the lower income class in the society such as the provision of retail financial services including, savings, credit, cash transfer, financial management, insurance and other financial services to the poor. According to Harris (2002), microfinance lending, savings and financial services, provide an effective way to move out of poverty build income, create wealth and assess their mortgage risks.

Microfinance has become a special instrument that facilitate the poor segment of the society acquire small credit facilities for business startups, acquire loans for school fees, acquire houses or receive medical attention. Among those credit and microfinance providers, there are some that specifically target women micro-entrepreneurs with specifically tailored products that address women's needs and requirements. In addition to financial providers that target women, there are also government, civil and donor initiatives that support women's access to finance (Dondo, 2001).

With regards to provision of microcredit to women entrepreneurs within the market, there are formal and informal suppliers. Formal suppliers include regulated and/or formally registered institutions, such as commercial banks, Microfinance Institutions (MFIs) and SACCOs; whereas informal ones consist of ROSCAs, ASCAs and chamas (self-help groups). Commercial banks and Deposit-Taking Microfinance Institutions (DTMs) are regulated by the Central Bank of Kenya through the microfinance act 2006 and microfinance regulation sets out the legal, regulatory and supervisory framework for the microfinance industry. The non-regulated MFIs either use the NGO or SACCOs framework. At the end of 2011, there were 43 commercial banks and 6 DTMs (regulated by the Central Bank of Kenya (CBK), as well as numerous MFIs and SACCOs that are not regulated by the CBK.( CBK, 2013).

## **1.2 Research Problem**

Many elements contribute to make it more difficult for women empowerment through microfinance and these include lack of knowledge of the market and

potential profitability, thus making the choice of business difficult, inadequate book-keeping, employment of too many relatives which increases social pressure to share benefits, setting prices arbitrarily, lack of capital, high interest rates and bank credit policies. Other challenges include time consuming meetings, in particular in programmes based on group lending, and time consuming income generating activities without reduction of traditional responsibilities increase women's work and time burden. By using social capital, in-group lending/group collateral programmes, additional stresses and pressures are introduced, which might increase vulnerability and reflect disempowerment. Reinforcement of traditional gender roles, lack of economic empowerment: Micro finance assists women to perform traditional roles better and women thus remain trapped in low productivity sectors, not moving from the group of survival enterprises to micro-enterprises. Thus while economic growth is on the increase and other facets of human development are equally improving, women's gains from such economic development are marginal hence gender inequalities continue to increase than is expected.

Some studies have provided evidence in support of micro-credit as a useful tool for the empowerment of the poor. For instance, a study of Grameen Bank suggested that women participants in credit programmes were more conscious of their rights, better able to resolve conflicts, and have more control over decision making at the household and community levels (Chen, 1992). According to Pitt and Khandkar (1995), credit to women has positive effects on increases in women's asset holdings (except land) and is a significant determinant of total household expenditure. Another study on Project Ikhatiar, a micro-credit scheme in Malaysia, revealed that monthly household income of those involved in the project increased by 72 percent within a period of eighteen-months of the project's commencement and 98 percent of the increases was attributable to the project's loan services (Heyzer, 1996). Increases in income also lead to improvements in autonomy, enhanced self-worth and self-confidence in participants. Other studies have also reported benefits such as discouragement of early marriage, improved diet patterns, improved status and participation in public life and in female decision-making (Kabeer, 2001; UNFPA, 1992). These positive findings have been questioned by other studies (Buvinic, 1989; Kerr 2002). Kerr (2002) has argued that on its own, micro-credit could sometimes increase women's disempowerment through higher debt and work burden since credit

by definition is a liability that must be paid by all means. Goetz and Sen Gupta,(1996) and Ebdon, (1995) argue that micro-finance programmes divert the attention of women from other more effective strategies for empowerment.

In Kenya, Chemjor (2011) in her study sought to establish the effect of microfinance intervention on empowerment of women entrepreneurs in Mogotio Constituency; while Njenga, Mugo and Opiyo (2012) focused on empowerment of women and youth through Agriculture. Despite the growing importance of microfinance linkage to women empowerment both socially, economically and political there is limited information on this aspect especially in Kenya. Hence this study has sought to examine the effect of micro-financing on women empowerment in Nairobi County. The study has attempted to answer the following questions: To what extent does micro financing influenced decision making, asset ownership, mobility and contribution to household income affect women empowerment?

### **1.3 Research Objectives**

The objective of this study is to examine the effect of microcredit on women empowerment in Nairobi County.

### **1.4 Value of the Study**

In theory the study will add and enrich the existing body of knowledge on the effect of micro-financing on women empowerment in Nairobi County but other parts of the country and regions in the growing importance of the role of women in economic development of most countries some of which have instituted affirmative programs to empower and integrated women into their economic development process. The study will further provide the background information to research organizations and scholars and identify gaps in the current research for further research.

In practice the study will be significant to women who will be able to understand how microfinance institutions facilitate their empowerment and be able to take advantage of the microfinance programs to improve themselves economically, socially and politically. The study findings will also be of value to microfinance institutions that will be able to appreciate their role in empowering women and therefore be able to



upgrade their programs that focus on women so as to have more impact on their lives. The findings of the study will assist the government to enhance women empowerment initiative through microfinance by developing appropriate policies and regulation to promote microfinance services aimed at empowering women in the country

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

In this chapter, literature, which is related to and consistent with the objectives of this study, is reviewed. Important theoretical and practical problems are brought out, relevant literature on the aspects pertaining to the effects of micro-credit on women empowerment.

### **2.2 Review of Theories**

#### **2.2.1 Empowerment Theory**

According to Rappaport (1981) empowerment refers to the process of gaining influence over events and outcomes of importance and this process may unfold at multiple and interconnected levels including the individual, group or organization and community. Ledwith (2005) describes community empowerment as the process of gaining influence over conditions that matter to people who share neighborhoods, workplaces, experiences, or concerns and that empowerment is more than providing the resources for one to help themselves out of poverty, it is the act of providing the necessary tools to shape the whole person and promote a critical way of thinking and consciousness. Empowerment can be attained through working together and forming a collective state of consciousness that promotes and encourages change (Zimmerman, 1990).

The empowerment model suggests four strategies for facilitating the empowerment process and related outcomes: enhancing experience and competence, enhancing group structure and capacity, removing social and environmental barriers, and enhancing environmental support and resources (Rappaport, 1981). This model has three dimensions: person or group factors, environmental factors, and empowerment capacity and outcome (Rappaport, 1981). Fawcett, Seekins, Whang, Muiu and Suarez-Balcazar, (1982) assumed that the capacity to make change and related outcomes of community partnerships result from reciprocal influences between factors associated with the person or group and the broader environment. In this interactive process, the functioning of a collaborative partnership, such as a coalition

to immunize children, may be affected by personal and group factors, such as competence of leadership, and the social and physical environment in which it pursues its mission (Chavis and Wandersman, 1990).

### **2.2.2 World Bank Empowerment Framework**

The empowerment framework that the World Bank developed (Alsop, Bertelsen and Holland, 2005) consists of two main components; agency and opportunity structure. Agency is the ability of an individual to make deliberate choices for oneself, whereas opportunity structures determine the degree to which participants can transform their agency into action. Within this framework, economic, social, political, and psychological resources are indicators of agency. The institutional policies that govern which choices are available to certain people as well as how individuals make choices, are called opportunity structures. Opportunity structures influence the amount of power an individual has to act on their agency. According to this framework, both agency and opportunity structures determine an individual's degree of empowerment. In addition, this analytic framework consists of three domains (the state, the market, and the society) and three levels (macro, intermediate, and local) that represent various geographical, economic, and socio-political contexts.

Resources include access to goods and capital that facilitate empowerment. Examples are land, salaried employment, education, and credit (Kabeer 1999). Women use these resources to broaden their decision-making capabilities and achieve personal success. Microcredit affords women a chance to accumulate resources that facilitate economic success and empowerment. When measured, however, resources must be separated from choice (Kabeer 1999). Once measured, researchers may then determine how resources relate to the other components of empowerment—choice and achievement (Kabeer 1999). Microcredit is a resource itself that is allocated to help women generate additional resources; this result must be measured to ensure that microfinance is achieving its desired outcome (Malhotra et al. 1996)

### **2.2.3 Grameen Model**

In most countries, policies for rural financial development have been based on three erroneous beliefs concerning their target groups: rural micro-entrepreneurs are unable

to recognize themselves, they are too poor to save; and they need cheap credit for their income-generating activities or small enterprises. Three financial policies have resulted from these conjectures. Firstly, the credit-oriented development banks and special programs were set up which ignored savings mobilization. Secondly, credit was subsidized, and lastly generous credit guarantee schemes were set up to cover the anticipated losses. The consequences of these policies contributed neither to the self-sustained growth of rural finance, nor did they sufficiently benefit the rural poor.

For commercial reasons financial services historically have been targeted to the rich section of the society, which have a greater capability to repay loans and preserve their savings. However, the poor community generally remained either un-served or were offered improper financial services (Women's World Banking, 1994) To overcome these obstacles, Yunus in 1976, came up with a new concept and model, which is called, the Grameen Model He found that these small loans went a long way, and almost everyone who had borrowed the money, were keen to repay their loans. Yunus found out that even with this tiny amount of money it is possible not only to help the poor to survive but also to create the spark of personal initiative and enterprise in the people, necessary to pull themselves out of poverty. Grameen model is one of the most modern and tailored version of microfinance. It emerged as a main business sector when it became evident that low-income people also can pay back their loans on time and can save money, provided they are able to access the customized financial services.

#### **2.2.4 Credit Rationing Theory**

The work by Stiglitz and Weiss (1981) marks the beginning of attempts at explanations of credit rationing in credit markets. In this explanation, interest rates charged by a credit institution are seen as having a dual role of sorting potential borrowers (leading to adverse selection), and affecting the actions of borrowers (leading to the incentive effect). Interest rates thus affect the nature of the transaction and do not necessarily clear the market. Both effects are seen as a result of the imperfect information inherent in credit markets. Adverse selection occurs because lenders would like to identify the borrowers most likely to repay their loans since the banks' expected returns depend on the probability of repayment. In an attempt to identify borrowers with high probability of repayment, banks are likely to use the

interest rates that an individual is willing to pay as a screening device. However, borrowers willing to pay high interest rates may on average be worse risks; thus as the interest rate increases, the riskiness of those who borrow also increases, reducing the bank's profitability. The incentive effect occurs because as the interest rate and other terms of the contract change, the behaviour of borrowers is likely to change since it affects the returns on their projects. Stiglitz and Weiss (1981) further show that higher interest rates induce firms to undertake projects with lower probability of success but higher payoffs when they succeed (leading to the problem of moral hazard).

### **2.3 Empirical Review**

Chemjor (2011) in her study sought to establish the effect of microfinance intervention on empowerment of women entrepreneurs in Mogotio Constituency in Kenya. It focused on three specific objectives: To determine the effect of micro credit on empowerment of women entrepreneurs, the second aim was to examine the effect of micro savings on empowerment of women entrepreneurs and finally to establish the effect of micro finance training on empowerment of women entrepreneurs. In order to accomplish the task, the study adopted a causal relationship research design and an Ordinary Least Square model was used. The population comprised of women entrepreneurs who The findings showed that microcredit empowers women entrepreneurs as evidenced by positive changes in profit, income, asset ownership, employment opportunities, food security, savings, housing ownership, fund availability, consumption and decision making power of the women entrepreneurs.

Gibb (2008) conducted a study of a microcredit program in the Bolivian cities La Paz and El Alto. She carried out about 100 interviews, including women beneficiaries and a control group of women with no access to the credit program. The group of beneficiaries was split into a target group (poor women) and a group with higher incomes. She found that the loan program did have a positive effect on the businesses of the women and on household assets, but not on level of education of the children or on women's empowerment. For rural India, Garikipati (2008) draws a similar conclusion as Gibb does for Bolivia. She finds that microcredit programs targeted to women led to more household assets.

Lakwo (2006) examined the effects of access to credit on sustainable livelihoods and on empowerment of women in Uganda. While access to microcredit did not change material wellbeing in households, it did foster women's empowerment, at three levels. At the individual level, the self esteem of women improved, they achieved a higher status and have taken up roles that previously were only assigned to men. Within the household, women gained decision making power over household assets and livelihood strategies, and began to work further away from their homes. At the community level, women have taken up leadership positions and have more actively opposed polygamy or exploitation by the bank.

Ranjula (2006) in their study investigated the impact of microcredit on women's empowerment. It also discusses the importance of sustainability, maintaining the quality of the SHGs and supporting them if such programmes are to show a long-term impact. The results show a definite economic impact on households, with increases in income and decline in vulnerability. The data further reveals significant impact on SHG households in terms of control, management ability, self-confidence, change in behaviour and decision-making. Apart from social empowerment, the SHG households also demonstrate greater awareness and participation in local politics.

The study by Kabeer (2005) sought to examine the empirical evidence on the impact of microfinance with respect to poverty reduction and empowerment of poor women. It becomes apparent that while access to financial services can and does make vital contributions to the economic productivity and social well-being of poor women and their households, it does not "automatically" empower women, just as with other interventions, such as education, political quotas, etc, that seek to bring about a radical structural transformation that true empowerment entails.

Holvoet (2005) studied the effects on the household decision-making agency of the participants. The sample included 497 women who received a loan during 1990-1991 under the TNWDP. Seven types of decisions were included: regarding loan use, expenditures, money management, time and task allocation, family and kinship matters, agricultural business and the cottage industry. Her findings suggest that microcredit has a significant positive effect on women's decision making agency, but only when it comes to household decisions regarding loan use. This means that this

increased agency over loan use does not automatically lead to increased decision-making power regarding other household decisions.

## **2.4 Summary of Literature Review**

Women empowerment is other most significant purpose of microcredit programs. Participation of rural women in microcredit programs has increased their mobility in the markets to buy necessary goods and services for home, in medical centers to get treatment facilities for the household members, in cinema hall to watch movie and in neighbor and relative's house within and outside the village to strengthen relationship. Microcredit programs enhance their voices in determining their relations with the world outside home in terms of their mobility, involvement in trade and wage labour and participation in public spheres.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Research Design**

This chapter focuses on the research methodology which contains the procedures and methods used to collect data. The chapter looks at study design, target populations, sampling frame and techniques, research instruments, ethical considerations, data collection, data quality control, data analysis.

### **3.2 Population**

Population is a group of people or objects from which the sample for statistical measurement is going to be taken (Mugenda and Mugenda, 2003). The target population was drawn from deposit taking microfinance institutions as provided in the population frame from Central Bank of Kenya as shown on appendix I and consisted of women customers.

### **3.3 Sample Design**

The study used simple random sampling procedure to select a sample population from the DTMs customers because the population is homogenous. Hence from the target population of seven hundred and fifty (750) (AMFI, 2014) a sample size of 10% was taken giving a respondent base of seventy five (75).

### **3.4 Data collection**

The primary data was collected using questionnaires. The questionnaires were administered to microfinance institution women customers. Each respondent received the same set of questions in exactly the same way. The first part of the questionnaire collected background information from respondents. The second part was intended to determine the effects of micro-credit on women's ability to own assets, decision making, their mobility and their contribution to household income. The questionnaire had open and closed ended questions. This procedure improved internal and external validity and the context realism thereby reducing the risk of false conclusions.



### 3.5 Data Analysis and Presentation

The research data was analyzed quantitatively and qualitatively. The data collected was first edited, coded and tabulated. The study used regression statistics to analyze the effect of micro-credit on women empowerment with the aid of SPSS 21. The regression model presented in the equation below was used:

$$Y = \alpha + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + \varepsilon$$

Where

Y= Dependent Variable (Women Empowerment)

X<sub>1</sub>-X<sub>4</sub>=Independent Variable (Effect of Microcredit)

X<sub>1</sub> = Ownership of Assets

X<sub>2</sub> = Participation in Decision making

X<sub>3</sub> = Mobility

X<sub>4</sub>= Contribution to household Income

$\alpha$  = constant

b<sub>1-4</sub> = Régression Coefficient

$\varepsilon$  = error term

A t – test at 95% confidence level was used to determine the statistical significance of the constant term,  $\alpha_0$  and the coefficient terms  $\beta_1$ ,  $\beta_2$ ,  $\beta_3$  and  $\beta_4$ . The F- test was used to determine whether the regression is of statistical importance at 95% confidence level.

## CHAPTER FOUR: RESULTS AND DISCUSSION

### 4.1 Introduction

This chapter presents the analysis of study findings on the effect of microcredit on women empowerment in Nairobi County. This chapter analyses the variables involved in the study and estimates of the model presented in the previous chapter.

### 4.2. Response Rate

Out of the 75 issued questionnaires, 71 questionnaires representing 94.7 % of the total questionnaires distributed were returned fully completed, while 4 questionnaires were not returned representing 5.3% of the total questions distributed to the respondents. It can be inferred that the response rate was good

**Table 4.2 Response Rate**

<b>Response</b>	<b>Frequency</b>	<b>Percentage %</b>
Filled in questionnaires	71	94.7
Unreturned questionnaires	4	5.3
<b>Total</b>	<b>75</b>	<b>100</b>

**Source: Survey Data (2015)**

### 4.3 Demographic Characteristics

Table 4.2.1 below shows the demographic characteristics of the respondents. Based on the results majority (42.3%), (60.6%), (46.5%) and (39.4%) of respondents indicated that they were between 28-37 years of age; had attended a tertiary institution; married, had family size of between 3 and 5 and had a business which had existed for period of between 1-2 years

**Table 4.2.1 Demographic Characteristics**

Demographic Factors	Categories	Frequency	Percent
Age	18-27	9	12.7
	28-37	30	42.3
	38-47	16	22.5
	48 and above	16	22.5
Highest Level of Education	Primary	11	15.5
	Secondary	13	18.3
	Tertiary	43	60.6
	Others	4	5.6
Marital Status	Single	21	29.6
	Married	35	49.3
	Widowed	6	8.4
	Divorced/Separated	9	12.7
Size of the Family	Less than 3	12	16.9
	Between 3 and 5	33	46.5
	More than 5	26	36.6
Period of Existence of Economic activity	1 year	14	19.7
	2 years	28	39.4
	3 years and above	19	26.8
	4 years	10	14.1

**Source: Survey Data (2015)**

#### 4.4 Women Empowerment

Based on the scale of Great extent (GE), Average extent (AE), Little extent (LE) and No extent (NE), results on table 4.2.3 below show whether microcredit services empower women. Findings of the study indicate that majority (29.6%) , (35.2%), (38.0%) of the respondents make use of micro credit services , that conditions imposed by micro finance institutions affect access to credit facilities and that they encounter challenges in accessing micro credit services all to greater extent; while most (39.4%) of the respondents indicated that they access credit facilities to an average extent.

**Table 4.2.2 Women Empowerment**

<b>n=71</b>				
	<b>GE</b>	<b>AE</b>	<b>LE</b>	<b>NE</b>
<b>Women Empowerment</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Extent of making use of micro credit services	29.6	18.3	25.4	26.8
Extent of accessibility to credit	23.9	35.2	14.1	26.8
Extent to which the conditions imposed by micro finance institutions affect access to credit	39.4	26.8	22.5	11.3
Extent to which challenges affect access to micro credit services.	38.0	21.1	19.7	26.8

**Source: Survey Data (2015)**

#### 4.5 Effect of microcredit on Women Empowerment

##### 4.5.1 Women Ownership of Assets

The study below was used to determine whether the respondents own any property in their name. Majority (76.1%) of the respondents stated that they do not own assets or property in their name while 23.9% of the respondents indicated that they own property in their name

**Table 4.2.4 Respondents ownership of assets or property**

Measurement	(n=71 )	
	Frequency	Percentage
Yes	17	23.9
No	54	76.1
	<b>71</b>	<b>100</b>

**Source: Survey Data (2015)**

Based on the scale of Great extent (GE), Average extent (AE) Little extent (LE) No extent (NE), study shown on table 4.2.4.1 examined whether asset ownership affects women empowerment. Based on the results majority (42.3%), (36.6%) and (40.8%) indicated that access to microcredit services facilitate ownership of family assets; access to microcredit credit enhance the capacity to own productive assets/ Income and to have cash savings and women control over assets affect accessibility to micro credit services to average extent, while majority (35.2% ) and (39.8%) of the respondents indicated that control over assets affect accessibility to micro credit and access to microcredit products and services facilitate women to purchase of foodstuff, clothing and toiletries to a greater extent.

**Table 4.2.4.1 Effect of Asset Ownership**

n=71				
	GE	AE	LE	NE
<b>Economic Empowerment</b>	%	%	%	%
Extent to which access to microcredit services facilitate ownership of assets	22.5	42.3	26.8	8.5
Extent to which access to credit enhance capacity to own productive assets/ Income and to have cash savings	25.4	36.6	11.3	26.8
Extent to which control over assets affect accessibility to micro credit	35.2	28.2	11.3	25.4

Extent to which microcredit services facilitate participation in major economic decisions	26.8	40.8	28.2	4.2
Extent does access to microcredit products and services facilitate purchase of foodstuff, clothing and toiletries	39.8	37.8	15.4	7.0

**Source: Survey Data (2015)**

#### **4.5.2 Participation in Decision Making**

The study on table 4.2.5.1 below determined whether the respondents have been involved in family decision making concerning purchases of assets, household items and other money matters. Majority of the respondents represented by 64.8% of the respondents stated that they have not been involved in family decision making concerning purchases of assets, household items and other money matters , while 35.2% of the respondents indicated that have been involved in family decision making concerning purchases of assets, household items and other money matters.

**Table 4.2.5.1 Involvement in major family decisions**

<b>Measurement</b>	<b>(n=71 )</b>	
	<b>Frequency</b>	<b>Percentage</b>
Yes	25	35.2
No	46	64.8
	<b>71</b>	<b>100</b>

**Source: Survey Data (2015)**

The study below was used to determine whether the respondents are involved in purchase decisions such as purchase of foodstuff, clothing and toiletries. Majority of the respondents represented by 53.5% of the respondents stated that they are not involved in purchase decisions while 45.5% of them stated that they are involved in purchase decisions such as purchase of foodstuff, clothing and toiletries.

**Table 4.2.6 Respondents Involvement in purchase decisions**

Measurement	(n=71 )	
	Frequency	Percentage
Yes	38	53.5
No	33	46.5
	<b>71</b>	<b>100</b>

**Source: Survey Data (2015)**

The study shown on table 4.2.6.1 below was used to determine whether the respondents have been involved in the acquisition of money, land or livestock ownership decisions on their own in the community. Majority of the respondents represented by 76.1% of the respondents stated that they have not been involved in the acquisition of money, ownership of land or livestock decisions on their own in the community, while 23.9% of the respondents indicated that they have been involved in the acquisition of money, land or livestock ownership on their own in the community.

**Table 4.2.6.1 Property Ownership**

Measurement	(n=71 )	
	Frequency	Percentage
Yes	54	76.1
No	17	23.9
	<b>71</b>	<b>100</b>

**Source: Survey Data (2015)**

Based on the scale of Great extent (GE), Average extent (AE) Little extent (LE) No extent (NE), the study sought to explore the effect of decision making on women empowerment. From the study, majority ( 47.9% ) and (38.0%) of the respondents indicated microcredit services facilitate their participation in major economic decisions and that access to financial products and services enhance their position of being part of the family decision making by greater extent ; while (46.1%) and (40.8%) indicated that microcredit products and services facilitate participation in

decision making and that access to financial products and services enhance their position of being part of the family decision making to average extent

**Table 4.3 Effect of Decision making on women Empowerment**

<b>n=71</b>				
	<b>GE</b>	<b>AE</b>	<b>LE</b>	<b>NE</b>
<b>Involvement in Decision Making</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Extent to which access to microcredit products and services facilitate participation in major economic decisions	47.9	21.1	29.6	1.4
Extent to which microcredit products have facilitated their capacity to acquire money, own land or livestock on their own in the community	26.5	46.1	28.4	4.2
extent which access to microcredit products and services facilitate purchase of foodstuff, clothing and toiletries	26.8	40.8	25.2	5.0
Extent to which access to financial products and services enhance their position of being part of the family decision making	38.0	33.5	16.2	12.3

**Source: Survey Data (2015)**

### **4.5.3 Women Mobility**

The study below sought to determine whether the respondents have been able to make travel arrangement and travel on social or business engagement outside the home on their own. Results shows that 45.1 % of the respondents stated that they have been able to make travel arrangement, while 54.9% of them stated that they have not been able to make travel arrangement and travel on social or business engagement outside the home.



Based on the scale of Great extent (GE) Average extent (AE) Little extent (LE) No extent (NE), the study shown on table 4.4.1 below sought to examine the effect of microcredit products and services on women mobility. Based on the study, majority (39.2 %), (42.8%) and 48.0%) of the respondents indicated microcredit products have facilitated their capacity to acquire resources to and make travel arrangements on both business and social networking or workshops outside the home on their own; microcredit products have facilitated them to make business travels outside their home and microcredit facilities enable them to acquires resources and contacts to make health travel arrangement outside their home on their own to a greater extent, while (36.7%) and (41.4%) indicated that microcredit products and services facilitated them to acquire resources to make travel arrangements on business engagement outside their home and microcredit facilities has exposed them to socio economic opportunities that requires travelling outside their homes on their own to average extent respectively.

**Table 4.5.3 Effect of Microcredit on Women Mobility**

<b>n=71</b>				
	<b>GE</b>	<b>AE</b>	<b>LE</b>	<b>NE</b>
<b>Women Mobility</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Extent to which microcredit products and services facilitated them to travel on both business and social networking or workshops outside the home on their own	39.2	27.8	21.7	9.5
Extent to which microcredit products have facilitated them to make business travels outside their home	42.8	34.1	18.2	4.9
Extent to which microcredit products and services facilitated them to acquire resources to make travel arrangements on business engagement outside their home	32.5	36.7	15.5	8.3

Extent to which microcredit facilities enable them to acquire resources and contacts to make health travel arrangement outside their home on their own	48.0	45.4	4.1	2.5
Extent to which microcredit facilities has exposed them to socio economic opportunities that requires travelling outside their homes on their own	38.2	41.4	12.5	7.9

**Source: Survey Data (2015)**

#### **4.5.4 Contribution to Household Income**

The study shown on table 4.5.4.1 below sought to establish whether the respondents have been able to contribute to family Income. 47.9% stated that they have been able to contribute to family income while 52.1% of them stated that they have not been able to contribute to family income.

**Table 4.5.4.1 Respondents ability to acquire money, own land or livestock**

<b>Measurement</b>	<b>(n=71 )</b>	
	<b>Frequency</b>	<b>Percentage</b>
Yes	34	47.9
No	37	52.1
<b>Total</b>	<b>71</b>	<b>100</b>

**Source: Survey Data (2015)**

The study below sought to determine whether microcredit ensures access to income generating opportunities. Results on table 4.5.4.2 below indicate that, 78.9% of the respondents stated that microcredit ensures that they access income generating opportunities, while 21.1% of the respondents indicated that microcredit ensures that they access income generating opportunities.

**Table 4.5.4.2 Access to Income Generating Opportunities**

Measurement	(n=71)	
	Frequency	Percentage
Yes	56	78.9
No	15	21.1
	<b>71</b>	<b>100</b>

**Source: Survey Data (2015)**

The study sought to establish whether they have participated in income generating venture. Results shown on table 4.5.4.3 below indicate that 97.2 % of respondents acknowledged that they participate in income generating ventures, while 2.8% of the respondents pointed out that they have not participated in income generating venture.

**Table 4.5.4.3 Participation in Income Generating Venture**

Measurement	(n=71)	
	Frequency	Percentage
Yes	69	97.2
No	2	2.8
	<b>71</b>	<b>100</b>

**Source: Survey Data (2015)**

Based on the scale of Great extent (GE), Average extent (AE) Little extent (LE) No extent (NE), Table 4.5.4.4 show the extent to which contribution to household income empower women. According to the results majority of the respondents (36.4%) and (42.3%) indicated that that microcredit services and products have enabled them to have regular income and that equally microcredit services and products have enabled them to be aware and access income generating opportunities respectively to average extent. While 38.1% stated that microcredit

products and services have enabled them to venture into businesses so as to contribute to family income to a greater extent

**Table 4.5.4.4 Effect of Contribution to Household Income**

<b>n=71</b>				
	<b>GE</b>	<b>AE</b>	<b>LE</b>	<b>NE</b>
<b>Contribution to Household Income</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Extent to which microcredit services and products enabled them to have regular income	31.2	36.4	26.8	5.6
Extent to which microcredit services and products enabled them to be aware and access income generating opportunities	28.2	42.3	26.9	2.7
Extent to which microcredit enabled venture business to contribute to family income services	38.1	35.2	25.4	1.3

**Source: Survey Data (2015)**

#### **4.6 Relationship between Independent and Dependent Variable**

The study on table 4.6.1 sought to establish if there is a relationship between microcredit and women empowerment. The study used significance level (alpha) of 0.05 (95%), degrees of freedom (df) of 5, and two-tailed test. The degree to which asset ownership, decision making, women mobility and contribution to household income, is related to women empowerment and is expressed in the positive correlation coefficient ( $r$ ) = 0.493 and coefficient of determination, ( $r^2$ ) =0.243 as shown on table 4.6.1 below. This implies that the four variables together predict about 35.6% of the empowerment of women. In addition the Adjusted R-square =15.9 implies that 15.9% of the variance in women empowerment can be explained by the variations in asset ownership, decision making, women mobility and contribution to household income

**Table 4.6.1 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Sig
1	.493 <sup>a</sup>	.243	.159	1.047	0.011

Dependent Variable: Women Empowerment

**Source: Survey Data (2015)**

Analysis of variance shown on table 4.6.2 below was used to test the significance of the regression model as pertains to differences in means of the dependent and independent variables. The ANOVA test produced an F-value of 2.893 which was significant at  $p=0.011$ . This depicts that the regression model is significant at 95% confidence level. Thus the regression model is statistically significant in predicting how asset ownership, decision making, women mobility and contribution to household income affect empowerment of women.

**Table 4.6.2 ANOVA<sup>b</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	22.213	7	3.173	2.893	.011 <sup>a</sup>
Residual	69.111	63	1.097		
Total	91.324	70			

Dependent Variable: Women Empowerment

**Source: Survey Data (2015)**

The study sought to establish the significance of the relationship between dependent and independent variables. Results on table 4.6.3 below shows that asset ownership, decision making, women mobility and contribution to household income have positive coefficients, implying that these independent variables are directly proportional to women empowerment. Therefore taking all independent variables (asset ownership, decision making, women mobility and contribution to household income) constant at zero (0) women empowerment is at 1.637%. Therefore a unit

increase in asset ownership, decision making, women mobility and contribution to household income lead to 1.204, 0.894, 1.034 and 0.305 unit increases in women empowerment

Hence the regression model was expressed as:

$$WE = 1.637 + 1.204 AO + 0.894DM + 1.034WM + 0.305 CHI$$

The results of the study further indicates that p-value of (0.001) for asset ownership; (.010) for decision making, (0.004) for women mobility and (0.002) for contribution to household income, are smaller than the significance level of 0.05. The implications of these results is that there is a significant relationship between education and skill, asset ownership, decision making, women mobility and contribution to household income and the empowerment of women.

**Table 4.6.3 Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.637	.620		2.641	.000
Asset Ownership	1.204	.601	.189	2.003	.001
Decision Making	0.894	.418	.119	2.139	.010
Women Mobility	1.034	.510	.037	2.025	.004
Household Income	0.305	.148	.129	2.061	.002

**Source: Survey Data (2015)**

#### **4.7 Summary and Presentation of Findings**

The study results show that most women do not own any assets in their name. In addition the study also established that access to microcredit services facilitate ownership of family assets; enhance the capacity to own productive assets/ income and to have cash savings. That women control over assets affect accessibility to micro

credit services and access to microcredit products and services facilitate women to purchase of foodstuff, clothing and toiletries to a great extent. The study concurs with the views of Zaman (2001) who reported that micro-credit played valuable roles in empowering women, through asset creation, income and consumption smoothing, provision of emergency assistance, and empowering and emboldening women by giving them control over assets and increased self-esteem and knowledge.

The findings of the study indicated that majority of women have not been fully involved in family decision making concerning purchases of assets, household items and other money matters. Besides they are not usually involved in the acquisition of money, land or livestock ownership decisions on their own in the community. The study findings confirm the findings of Scoggins (1999) who established that income-generating activities raise women's decision making power in the household and community. The study also found out that microcredit services facilitate women participation in major economic decisions and that access to financial products and services enhance their position of being part of the family decision making. The study findings agree with the views expressed by Heyzer (1996) that increase in participation in decision-making also lead to improvements in autonomy, enhanced self-worth and self-confidence in participants.

Results of the study also established that microcredit products and services facilitate participation in decision making and that access to financial products and services enhance women position of being part of the family decision making. The study findings confirm the views of Gibb, (2008) that women empowerment itself constitutes economic empowerment whereby women's access to savings and credit gives them a greater economic role in decision-making through their decision about savings and credit.

The study results shows that women have been able to make travel arrangement and travel on social or business engagement outside the home on their own to a limited extent. The study findings indicate that microcredit products have facilitated women capacity to acquire resources to and make travel arrangements on both business and social networking or workshops outside the home on their own. The study results are in agreement with the views expressed by Kulkarni, (2011) that women's increased

economic activity and control over income enhance their mobility within and outside the community.

The study results also shows that microcredit products have facilitated women to make business travels outside their home and microcredit facilities enable them to acquires resources and contacts to make health travel arrangement outside their home on their own .In addition the findings of the study indicate that microcredit products and services facilitated women to acquire resources to make travel arrangements on business engagement outside their home and that microcredit facilities has exposed them to socio economic opportunities that requires travelling outside their homes on their own. The study results concurs with the findings of Karnani, (2007) who found out that there is a significant relationship between microcredit and women mobility

Results of the study indicate that women have been able to contribute to family Income to a lesser extent. Findings of the study also show that microcredit products and services ensure that women access income generating opportunities hence most women have participated in income generating ventures. According to the results of the study microcredit services and products have enabled women to have regular income and that equally microcredit services and products have enabled them to be aware and access income generating opportunities. The study results show that microcredit products and services have enabled women to venture into businesses so as to contribute to family income. The study findings confirm the observations of Sabharwal, (2000) that Microcredit programme has helped the women participants to increase their contribution to the household income. Microcredit facilitates women to access employment which result in access to wages which they contribute to household income.



## **CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Introduction**

The purpose of this chapter is to present summary, draw conclusions and recommendations on the findings of the main objective of the study which was to examine the effect of microcredit on women empowerment in Nairobi County based on the specific objective of the study which included the effect of decision making, asset ownership, mobility and contribution to household income on women empowerment.

### **5.2 Summary**

The study found out that most women do not own any assets in their name, however their access to microcredit products and services facilitate their ownership of family assets; enhance their capacity to own productive assets/ income and to have cash savings. The study also established that women accessibility to micro credit products and services facilitate women to purchase of foodstuff, clothing and toiletries and to have control over family assets.

The study found out that women have not been fully involved in family decision making concerning purchases of assets, household items and other money matters. Besides they are not usually involved in the acquisition of money, land or livestock ownership decisions on their own in the community. However the study also established that microcredit services facilitate women participation in major economic decisions and that access to microcredit products and services enhance their position

of being part of the family decision making. In addition the study also established that microcredit products and services facilitate participation in family decision making

The study established that women have been able to make travel arrangement and travel on social or business engagement outside the home on their own to a limited extent. The study also found out that microcredit products have facilitated women capacity to acquire resources to and make travel arrangements on both business and social networking or workshops outside the home on their own. The study also established that microcredit products and services have enable women to acquires resources and contacts to make health, social and business engagement and have in addition exposed them to socio-economic opportunities that requires travelling outside their homes on their own so as to take advantage of the same

The study found out that women have been able to contribute to family income to a lesser extent; however, microcredit products and services have ensured that women access income generating opportunities which they have taken advantage of and contributed to household income. The study also established that microcredit services and products have enabled women to be aware and access income generating opportunities hence enabling them to have regular income and to and contribute to family income

### **5.3 Conclusion**

Women make use of micro credit services however the conditions imposed by microfinance institutions affect their access to these credit facilities. The results of the study show that asset ownership, decision making, women mobility and contribution to household income have positive influence and are directly proportional to women empowerment.

Most women do not own any assets in their name, however their access to microcredit products and services has facilitated them to undertake business ventures, access income and in turn to own some of the family assets and to have control over them. Access to microcredit has enhanced women capacity to own productive assets/income and to have cash savings. It has also enabled women to have the ability and capacity to purchase foodstuff, clothing and toiletries without consulting or seeking permission from their spouses.

Women have not been fully involved in family decision making concerning purchases of assets, household items and other money matters. Besides they are not usually involved in the acquisition of money, land or livestock ownership decisions on their own in the community. However women access to microcredit services has facilitated their participation in major economic decisions and that access to microcredit products and services has also enhanced their position of being part of the family decision making.

Women have been able to make travel arrangement and travel on social or business engagement outside the home on their own to a limited extent. But microcredit products and services have facilitated women capacity to acquire resources to and make travel arrangements on both business and social networking or workshops outside the home on their own. It has also enabled women to acquire resources and contacts to make health, social and business engagement and have in addition exposed them to socio-economic opportunities that requires travelling outside their homes on their own so as to take advantage of the same

Women have been able to contribute to family income to a lesser extent; however, microcredit products and services have ensured that women access income generating

opportunities which they have taken advantage of and contributed to household income. Microcredit services and products have enabled women to be aware and access income generating opportunities hence enabling them to have regular income and to and contribute to family income

#### **5.4 Recommendations to Policy and Practice**

To ensure that the degree of women empowerment from positive outcomes from use of microcredit services is enhanced access to microcredit services should be enhanced. At the same time the achievement of income earning and capital formation activities by women need to be ring-fenced to ensure women improve their fallback position and hence maintain and even improve household level empowerment. There is still a large unmet demand for micro-credit and hence the urgent need to scale-up micro-credit services, however the microcredit products and services need to be more innovative so as to meet the special needs of different categories of women clients; including those who need medium to long term loan facilities.

Since micro-credit could help women's economic empowerment, there is a need for government and other institutions to support creation of an enabling environment for the future development of the sector. The government should remove institutional and regulatory obstacles and provide incentives to microfinance institutions that meet established standards for delivering microcredit services to the women.

To enhance the capacity of women to own property and run profitable business venture hence achieve empowerment there is need for microfinance institutions to widen their support of women empowerment to include the development of social capital, better access to loans, and repayment schedules and multiple options of

financial services through regular and consistent interaction and consultation with women.

There is need for microfinance institutions to enhance the capacity building initiative among women to ensure that women benefit from the microcredit services. They can do this through developing and implementing effective training programs and undertaking education and information sharing campaigns .This will help women to effectively access and use of microcredit services in a manner that ensures efficient use of resources recognition and taking advantage of business opportunities

In order to enhance and sustain the impact of microcredit services and products on women empowerment there is need for microcredit credit institutions to establish a solid link between them and formal financial institutions such that beneficiaries can graduate successfully into the mainstream banking or into individual credit for continues access to financial services. micro finance need also to look beyond just increasing women's access to savings and credit and to look strategically at how microcredit services can actively promote women's empowerment through linkages with wider economic, social and political activity.

## **5.5 Limitations of the Study**

Some respondents did not provide authentic information but instead provided general information making it difficult to obtain the required information. However the researcher alternated closed and open ended questions in order to get direct answers.

In order to assure manageability of the collected data, the study used questionnaire that rely on self-report responses, however the problem with using a questionnaire is that it is based on the assumption that participants would respond to the questions in an honest and accurate manner. Nevertheless, it is not always the case that

participants answer in an honest manner. This is because participants often give answers that they believe to be desirable. However the researcher used qualitative data to complement the information obtained through the questionnaire

Owing to the nature of the subject respondents, some reluctance was experienced from some respondents in terms of disclosing information with regards assets ownership. However the researcher assured the respondents of the confidentiality of the information that they provided. The researcher also attached the letter of authority to from the university to the questionnaire so as give further assurance on the purpose of the study.

## **5.6 Suggestions for Further Research**

This study only examined specific effects of microcredit services on women empowerment such as asset ownership, decision making, women mobility and contribution to household income, however there are other effects of microcredit services which equally contribute to women empowerment hence it is recommended that further research on subject be done to identify and examine other additional variables.

Further a recommendation is also made for research to be done on all the MFIs in Kenya as this would ensure that comprehensive and representative findings are obtained on how these institutions products such as micro-credits influence women empowerment. This would also assist in comparison purposes and allow for generalization of findings on all MFIs.

It is also recommended that in future, the MFI credit managers or loan officers can be sampled to determine how their services influences women empowerment. The loan officers would provide more reliable data as they are more averse with the impact of their services.

To ensure a more broad findings, future research can be done on commercial banks and results compared with those on MFIs. This would justify MFI existence.

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## **APPENDICES**

### **APPENDIX I: LIST OF DEPOSIT TAKING MICROFINANCE INSTITUTIONS**

1. Faulu Kenya DTM Limited
2. Kenya Women Finance Trust DTM Limited
3. SMEP Deposit Taking Microfinance Limited
4. Remu DTM Limited
5. Rafiki Deposit Taking Microfinance
6. UWEZO Deposit Taking Microfinance Limited
7. Century Deposit Taking Microfinance Limited
8. SUMAC DTM Limited
9. UandI Deposit Taking Microfinance Limited
10. Jamii Bora

## APPENDIX II: QUESTIONNAIRE

I am a student at Nairobi University. I am carrying out a research on “Effect of Micro-Credit on Women Empowerment in Nairobi County”. This questionnaire has been designed to help gather data on the research. You have been selected as one of the respondents in the study. Kindly assist in providing data by answering the questions below as accurately as possible. The information collected shall be used solely for academic purposes only and strict confidentiality is assured.

### Section A- Respondent Profile

1. Age

18-27                       28-37                       38-47                       48 and above

2. Marital Status

Single                       Married                       Widowed                       Divorced/ Separated

3. Family size

Less than 3                       Between 3 and 5                       More than 5

### Section B-Women Empowerment

4. What income activity are you involved in?

.....

5. How old is your income activity?

1 year                       2 years                       3 years                       4 years                       5 and above

6. To what extent have you made use of micro credit services?

Great extent                       Average extent                       Little extent                       No extent

7. To what extent is credit accessible to you?

Great extent                       Average extent                       Little extent                       No extent

8. To what extent do the conditions imposed by microfinance institutions affect you?

Great extent       Average extent       Little extent       No extent

9. To what extent have you encountered any challenges in accessing micro credit services?

Great extent       Average extent       Little extent       No extent

### **Section C- Asset ownership**

10. Do you own any assets or property in your name?

Yes       No

11. To what extent does access to microcredit services facilitate ownership of family assets?

Great extent       Average extent       Little extent       No extent

12. To what extent does access to microfinance credit enhance your capacity to own productive assets/ Income and to have cash savings?

Great extent       Average extent       Little extent       No extent

13. To what extent does control over assets affect accessibility to micro credit services?

Great extent       Average extent       Little extent       No extent

14. Have you been involved in major economic decisions such as purchase or leasing of land, purchase of a goat for profit, etc?

Yes       No

### **Section D: Decision Making**

15. Have you been part of the family decision making concerning purchases of assets, household items and other money matters?

Yes       No

16. To what extent do microfinance services facilitate your participation in major economic decisions?

Great extent  Average extent  Little extent  No extent

17. Are you involved in purchase decisions such as purchase of foodstuff, clothing and toiletries?

Yes  No

18. To what extent does access to microfinance products and services facilitate your purchase of foodstuff, clothing and toiletries?

Great extent  Average extent  Little extent  No extent

19. To what extent does access to financial products and services enhance your position of being part of the family decision making?

Great extent  Average extent  Little extent  No extent

20. Have you been able to acquire money, own land or livestock on your own in the community

Yes  No

21. To what extent has microfinance products facilitated your capacity to acquire money, own land or livestock on your own in the community

Great extent  Average extent  Little extent  No extent

### **Section E: Women Mobility**

22. Have you been able to make travel arrangement and travel on social or business engagement outside the home on your own?

Yes  No

23. To what extent has microfinance products and services facilitated you to be able to make travel arrangement and travel on social, health, entertainment or business engagement outside the home on your own

Great extent  Average extent  Little extent  No extent

24. To what extent do traditions, beliefs and practices of your community affect your credit accessibility?

Great extent       Average extent       Little extent       No extent

25. To what extent do social cultural roles within the family affect your credit accessibility?

Great extent       Average extent       Little extent       No extent

### **Section E- Contribution to Household Income**

26. Do you contribute to family Income?

Yes       No

27. To what extent has microcredit services and products enabled you to income?

Great extent       Average extent       Little extent       No extent

28. Does microcredit ensure that you access income generating opportunities?

Yes       No

29. To what extent has microfinance services and products enabled you to be aware and access income generating opportunities

Great extent       Average extent       Little extent       No extent

30. Have you participated in income generating venture?

Yes       No

31. To what extent has the venture enabled you to contribute to family income?

Great extent       Average extent       Little extent       No extent

**Thank You**