THE IMPACT OF MICROFINANCE SERVICES ON WOMEN EMPOWERMENT: A CASE STUDY OF KIKUYU DIVISION

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Declaration

This is my original work and it has not been presented in any other university or institution

For examination

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This research project has been submitted for examination with my approval as a university

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ABSTRACT

The focus of the study was to establish the impact of microfinance services to the empowerment of women in kikuyu division. Targeting women from women groups in kikuyu was purposeful for it is an upcoming region with a bit of cosmopolitan inhabitants who would be a good representative of a typical third world region and also being a predominantly a patriarchal society.

An attempt was made to identify a few key indicators of women empowerment such as control of household decisions, conflict resolution, participation in social campaigns and loans and their uses. Quantifiable benefits in terms of diversification of livelihoods, income gains and acquisition of assets which are addressed satisfactorily through this instrument. Theories concerned with women empowerment and microfinance which include Women's empowerment theory, financial sustainability paradigm and poverty alleviation theory were looked at. Several empirical studies were reviewed

A sample of 386 respondents, gave 250 usable questionnaires which were analyzed. Analytical tools such as maximum likelihood factor analysis; a data mining tool was used to recover the hidden factors and the corresponding sensitivities. Prior to using MLFA, scree test and proportion of variance method were used to determine the optimal number of common factors to use, where seven components were extracted. Correlation analysis was done amongst the variables which were used in this research study. The findings revealed that there was a high correlation between incomes earned, improved family relationship and leadership potential. These findings were consistent with the literature review where it was observed that empowerment had contributed to improved social and economic well being of the respondents.

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ACRONYMS

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ASCRAs Accumulating Savings and Credit Associations

CGAP Consultative Group to Assist the Poorest

CMFAs Client based MicroFinance Agencies

GoK Government of Kenya

KPOSB Kenya Post Office Savings Bank

K-REP Kenya Rural Enterprise Programme

KWFT Kenya Women Finance Trust

MFI Microfinance institution

MMFAs Member based Micro Finance Agencies

NGO Non governmental organization

ROSCA Rotating Savings and Credit Association

SACCO Savings and Credit Cooperative Society

SEWA Self Employed Women's Association

SHG Self –help group

SMEP Small and Micro- Enterprise Programme

SPSS Statistical package for Social Sciences

UNDP	United Nations Development Programme
UNIFEM	United Nations Fund for Women
USAID	United States Agency for International Development
UNCDF	United Nations Capital Development Fund
SUM	Special Unit on Microfinance
WEDCO	Women Enterprise Development Company

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

1.1.1. Microfinance is a term used to describe financial services for those without access to traditional formal banking. It incorporates the provision of loans, often at interest rates of 25% or more, to individuals, groups and small businesses –i.e. micro-credit. More recently it has also been extended to include the provision of savings accounts – micro-savings – as well as insurance and money transfer services. Of late, housing finance for the poor, micro-leasing, micro-franchising and other financial services for the poor have been added to the broad grouping of microfinances.

1.1.2. Microfinance institutions constitute both formal and informal institutions that provide microfinance services such as microcredit, micro savings, money transfers payments remittances insurance and pensions, to businesses and households traditionally kept outside the formal financial system, argues Christen, (1997). Although women's access to financial services has increased substantially in the past 10 years, their ability to benefit from this access is often still limited by the advantages they experience because of their gender. Some MFIs are providing a decreasing percentage of loans to women, even as these institutions grow and offer new loan products. Others have found that on average women's loan sizes are smaller than those of men, even when they are in the same credit program, the same community, and the same lending group; indicate broader social discrimination against women which limits the opportunities open to them.

According to the State of the Microcredit Summit Campaign 2001 Report, 14.2million of the world's poorest women now have access to financial services through specialized microfinance institutions (MFIs), banks, NGOs, and other nonbank financial institutions.

These women account for nearly 74 percent of the 19.3 million of the world's poorest people now being served by microfinance institutions. Most of these women have access to credit to invest in businesses that they own and operate themselves. The vast majority of them have excellent repayment records, in spite of the daily hardships they face. Contrary to conventional wisdom, they have shown that it is a very good idea to lend to the poor and to women.

Microfinance programs have the potential to transform power relations and empower the poor women. Microfinance institutions around the world have been quite creative in developing products and services that avoid barriers that have traditionally kept women from accessing formal financial services such as collateral requirements, male or salaried guarantor requirements, documentation requirements, cultural barriers, limited mobility, and literacy.

It is generally accepted that women are disproportionately represented among the world's poorest people. In its 1995 Human Development Report, the UNDP reported that 70 percent of the 1.3 billion people living on less than $1 per day are women. According to the World Bank's gender statistics database, women have a higher unemployment rate than men in virtually every country. In general, women also make up the majority of the lower paid, unorganized informal sector of most economies.

Baden et al (1995) note that "Although women are not always poorer than men, because of the weaker basis of their entitlements, they are generally more vulnerable; a reduction in women's vulnerability can sometimes also translate into empowerment if greater financial security allows the women to become more assertive in household and community affairs.

Women Spend More of Their Income on Their Families Women have been shown to spend more of their income on their households; therefore, when women are helped to increase their incomes, the welfare of the whole family is improved. According to a WEDTF report, 55 percent of women's increased income is used to purchase household items, 18 percent goes for school, and 15percent is spent on clothing. “Gaining the ability to generate choices and exercise bargaining power,” “developing a sense of self-worth, a belief in one’s ability to secure desired changes, and the right to control one’s life” are important elements of women’s empowerment. UNIFEM, Progress of the World’s Women (New York: UNIFEM, 2000).

Empowerment is about change, choice, and power. It is a process of change by which individuals or groups with little or no power gain the power and ability to make choices that affect their lives. Kabeer (1998) defines empowerment as the process by which those who have been denied the ability to make strategic life choices acquire such ability.

In order for a woman to be empowered, she needs access to the material, human and social resources necessary to make strategic choices in her life. Not only have women been historically disadvantaged in access to material resources like credit, property, and money, but they have also been excluded from social resources like education or insider knowledge of some businesses. Microfinance empowers women by putting capital in their hands and allowing them to earn an independent income and contribute financially to their households and communities.

This economic empowerment is expected to generate increased self-esteem, respect, and other forms of empowerment for women beneficiaries. Involvement in successful income-generating activities should translate into greater control and empowerment. Increased participation in decision making, more equitable status of women in the family and community, increased political power and rights, and increased self-esteem. . In addition some studies of the impact of microfinance programs have raised legitimate concerns about the potentially negative impact that programs can have on women, particularly in highly restrictive environments. Some people are made poorer, and not richer, by microfinance, particularly micro-credit clients. This seems to be because: they consume more instead of investing in their futures; their businesses fail to produce enough profit to pay high interest rates; their investment in other longer-term aspects of their futures is not sufficient to give a return on their investment; and because the context in which microfinance clients live is by definition fragile. There is some evidence that microfinance enables poor people to be better placed to deal with shocks, but this is not universal.

1.1.3 Kikuyu District is in Central Province of Kenya. It is located 20 Kilometers northwest of Nairobi, the capital city of Kenya. It hosts a town council and an administrative office of Kikuyu district. It is administratively consist of six locations, namely, Muguga,Kinoo, Kikuyu, Kabete, Nyathuna and Karai locations. The town itself has an urban population of 4100 but the surrounding densely populated rural territory brings the total population to over 600 000, as at 1999 census. There is much livestock and crop farming. Kikuyu has developed into an industrial town and boasts of many factories which manufacture products that range from metallic to medical practices

1.2 Research problem

Hashemi et al (1996). States that the provision of micro-credit has been found to strengthen crisis coping mechanisms, diversify income-earning sources, build assets and improve the status of women. Women constitute the majority of the poor and also the absolute majority of Kenyans," said a detailed report made by the government of Kenya for the (IDRC, 2000).

"Women also face disadvantages in accessing information, social networks, and other resources they need to succeed in business and in life.

Strong (2008) argues that microfinance is primarily used for debt and consumption rather than real investment in revenue generating businesses. Kiriti (2005)., concentrating on the impact of microfinance repayment, found that poor households depleted livelihood assets in the course of loan repayment since the income generating activities were not raising enough profits to repay the loans.

Harris. S. D. as cited in Gitonga (2010) “There are many microfinance specialists who say that the very poor cannot use a microloan. “Many women are scared to apply for loans since they fear that failure to repay will increase their levels of poverty. Muli et al (2002) argues that due to the effect of structural adjustment programs imposed by the IMF and World bank and the negative impact of liberalization of the economy, Donor communities responded by funding MFIs to about USD 80 million pioneer NGO, K-REP which was supported by USAID, was designed to provide credit and technical assistance to other NGOs in Kenya.

Omino(2005) contends that, the major impediment to the development of microfinance business in Kenya is lack of specific legislation and set of regulations to guide the operations of the microfinance sub-sector. Achola (1991),urges that women groups in Siaya District were incapacitated by various handicaps which reflected the experiences of many such groups across the country, which included gender based prejudices that limited participation in decision making in spite of women invaluable contribution in the productive economy. These biases played a role in limiting women’s chances of gaining education, experiences and exposure.

Karlan (2009) states that there are conflicts on whether or not, microfinance has made a quantitative improvement in the lives of borrowers. Other questions left unanswered by the reviewed studies are such as whether access to credit automatically leads to empowerment, the difficulties that the borrowers face to repay the loan, the supply gap of microfinance institutions and to what extent the MFIs are capable to deliver their services to the poor people. Research gaps also identified includes lack of appropriate methods of measuring women’s empowerment as improvements in self esteem, self confidence and networking are hard to quantify, indicators like decision-making and autonomy are difficult to measure. When attempting to measure the change in empowerment at field level- for instance, to measure the effect microfinance has on women empowerment the results depends on the researcher's conception of (women's) empowerment.

1.3 Objective of the study

The study was guided by the following general objective.

1.3.1. Establish the impact of Microfinance services to the empowerment of women in Kikuyu division.

Value of the study

This research aimed at benefiting the following groups of people,

Government

Being vested with the wellbeing of the citizens, the government is concerned with any intervention efforts to improve the lives of its citizens.

Microfinance institutions

Microfinance institutions are mainly constituted with the objectives of helping the poor and more so the poor women so from the study they will likely be able to see their impact as recorded by a third party.

Women groups

Women groups that will get access to the report will be able to understand what happening to other women groups is constituted with the objectives of alleviating poverty as on objective of empowering women.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter defined microfinance, looked at the theories that explains the impact of microfinance on empowerment of women, explained the problems faced by women while trying to access finance from microfinance institutions, problems faced by women while conducting businesses and gave empirical studies on microfinance effects on women empowerment.

2.2 Theories of microfinance

2.2.1 Women's empowerment theory

Mayoux (2005) argues that from early 1970s women's movements in a number of countries became increasingly interested in the degree to which women were able to access poverty-focused credit programs and credit cooperatives. In India organizations like Self- Employed Women's Association (SEWA) among others with origins and affiliations in the Indian labour and women's movements identified credit as a major constraint in their work with informal sector women workers. Mayoux, (2002), states that this paradigm is firmly rooted in some of the earliest microfinance in India. The underlying goals are gender equality of choice and opportunity and women's human rights as set out in the 1979 Convention on the Elimination of Discrimination against Women and promoted by the international women's movement. Empowerment is conceived as a multidimensional process involving challenging existing power relationships and inequalities at different interlinked levels. She defines Economic empowerment to include issues such as property rights, changes in intra-household relations and transformation of the macro-economic context.

Economic empowerment is seen as both dependent on, and contributing to, social and political empowerment. Sen et al (1988) argues that, the ultimate aim is transformation not only of gender relations, but all power relations and dimensions of inequality throughout society.

Microfinance is promoted as an entry point in the context of a wider strategy for women's economic and social-political empowerment which focuses on gender awareness and feminist organization. Chen, (1996), in her proposals for a subsector approach to microcredit, based partly on SEWA's strategy and promoted by UNIFEM, microfinance must be, Part of a sectorial strategy for change which identifies opportunities, constraints and bottlenecks within industries which if addressed can raise returns and prospects for large number of women. She suggests possible strategies to include linking women to existing services and infrastructure, developing new technology such as labour-saving food processing, building information networks, and shifting to new markets, policy level changes to overcome legislative barriers and unionization. Based on participatory principles to build up incremental knowledge of industries and enable women to develop their strategies for change. Many organizations go further to include gender specific strategies for social and political empowerment. Integrating gender awareness into programs and organizing women and men to challenge and change gender discrimination, engage in gender advocacy.

Mayoux, (1995a) states that, the problem of women's access to credit was given particular emphasis at the first International Women's Conference in Mexico in 1975 as part of the emerging awareness of the importance of women's productive role both for national economies, and for women's rights. This led to the setting up of the Women's World Banking network and production of manuals for women's credit provision. Other women's organizations world-wide set up credit and savings components both as a way of increasing women's incomes and bringing women together to address wider gender issues. From the mid-1980s there was a mushrooming of donor, government and NGO-sponsored credit programs in the wake of the 1985 Nairobi women's conference. The 1980s and 1990s also saw development and rapid expansion of large minimalist poverty-targeted micro-finance institutions and networks like Grameen Bank, ACCION and FINCA among others. In these organizations and others evidence of significantly higher female repayment rates led to increasing emphasis on targeting women as an efficiency strategy to increase credit recovery. A number of donors also saw female-targeted financially-sustainable micro-finance as a means of marrying internal demands for increased efficiency because of declining budgets with demands of the increasingly vocal gender lobbies.

The trend was further reinforced by the Micro Credit Summit Campaign starting in 1997 which had 'reaching and empowering women' as its second key goal after poverty reduction result, (1997). Micro-finance for women has recently been seen as a key strategy in meeting not only Millennium Goal 3 on gender equality, Johnson, (1997).argues that, the women empowerment paradigm is firmly rooted in the development of some of the earliest micro-finance programs in the South, including SEWA in India. It currently underlies the gender policies of many NGOs and the perspectives of some of the consultants and researchers looking at gender impact of micro-finance programs.

Women's empowerment is seen as an integral and inseparable part of a wider process of social transformation. The main target group is poor women and women capable of providing alternative female role models for change. Micro-finance is promoted as an entry point in the context of a wider strategy for women's economic and socio-political empowerment which focuses on gender awareness and feminist organization.

2.2.2 Financial sustainability paradigm

Mayoux (2005), states that financial self-sustainability paradigm (also referred to as the financial systems approach or sustainability approach) underlies the models of microfinance promoted since the mid-1990s by most donor agencies and the Best Practice guidelines promoted in publications by USAID, World Bank, UNDP and CGAP.

Micro enterprise and microfinance were seen as an ideal means of self-help poverty reduction. Microfinance became an established part of human face of macro level Structural Adjustment. As a result of success of MFIs such as Grameen bank in Banglandesh, a new paradigm for minimalist microfinance emerged.in order to reach the millions of poor people needing microfinance services, microfinance institutions must eventually be profitable and fully self-supporting. They must be able to raise funds from international financial markets in competition with other private sector banking institution rather than relying on funds from development agencies.

The main target group, despite claims to reach the poorest, is the ‘bankable poor': small entrepreneurs and farmers. This emphasis on financial sustainability is seen as necessary to create institutions which reach significant numbers of poor people in the context of declining aid budgets and opposition to welfare and redistribution in macro-economic policy.

Policy discussions have focused particularly on setting of interest rates to cover costs, separation of micro-finance from other interventions to enable separate accounting and program expansion to increase outreach and economies of scale, reduction of transaction costs and ways of using groups to decrease costs of delivery. Recent guidelines for CGAP funding and best practice focus on production of a ‘financial sustainability index’ which charts progress of programs in covering costs from incomes.

Within this paradigm gender lobbies have been able to argue for targeting women on the grounds of high female repayment rates and the need to stimulate women’s economic activity as a hitherto underutilized resource for economic growth. They have had some success in ensuring that considerations of female targeting are integrated into conditions of micro-finance delivery and program evaluation. Alongside this focus on female targeting, the term ‘empowerment' is frequently used in promotional literature. Definitions of empowerment are in individualist terms with the ultimate aim being the expansion of individual choice or capacity for Self- reliance. It is assumed that increasing women’s access to micro-finance services will in itself lead to individual economic empowerment through enabling women's decisions about savings and credit use, enabling women to set up micro-enterprise, increasing incomes under their control. It is then assumed that this increased economic empowerment will lead to increased well-being of women and also to social and political empowerment.

2.2.3 Poverty alleviation theory

Mayoux (2005) argues that this underlies many NGO integrated poverty-targeted community development programs, based on the principle of “self-help” to build sustainable livelihoods and sustainable communities. Poverty alleviation is defined to encompass increasing capacities and choices and decreasing the vulnerability of poor people. The focus is on developing sustainable household livelihoods, decreasing household vulnerability and community development. Microfinance is part of a wider integrated development program including interventions like agricultural development, environment, literacy, and healthcare and infrastructure development. Of late, some NGO, such as CARE, are emphasizing a rights-based approach, integrating a concern with structural inequality and power relationships into the understanding of sustainable livelihoods.

These paradigms do not correspond systematically to any one organizational model of micro-finance. Micro-finance providers with the same organizational form e.g. village bank, Grameen model or cooperative model may have very different gender policies and/or emphases and strategies for poverty alleviation. The three paradigms represent different ‘discourses’ each with its own relatively consistent internal logic in relating aims to policies, based on different underlying understandings of development. They are not only different, but often seen as ‘incompatible discourses’ in uneasy tension and with continually contested degrees of dominance. In many programs and donor agencies there is considerable disagreement, lack of communication and/or personal animosity and promoted by different stakeholders within organizations between staff involved in micro-finance (generally firm followers of financial self-sustainability), staff concerned with human development (generally with more sympathy for the poverty alleviation paradigm and emphasizing participation and integrated development) gender lobbies (generally incorporating at least some elements of the feminist empowerment paradigm). What is of concern in current debates is the way in which the use of apparently similar terminology of empowerment, participation and sustainability conceals radical differences in policy priorities. Although women's empowerment may be a stated aim in the rhetoric of official gender policy and program promotion, in practice it becomes subsumed in and marginalized by concerns of financial sustainability and/or poverty alleviation.

2.3 The microfinance industry in Kenya

As an industry, micro finance is a relatively new phenomenon in Kenya, with a few agencies starting about 20 or so years ago but the sector gaining the status of an industry only in the last 10 years. The Government of Kenya (GoK) has indirectly provided a boost to the microfinance sector. During 1992-1994, the GoK has been implementing a Structural Adjustment Program which has resulted in the liberalization of the economy. To counter the possible initial negative social impacts of the liberalization process, the Government of Kenya identified areas and project needing external donor support, including small-scale and micro enterprises. The GoK wanted to promote the small-scale and enterprise sector as a means of accelerating economic growth and generating employment opportunities.

Kenya Rural Enterprise Program (K-REP) can be considered the pioneer of NGO micro-finance in Kenya. With support from USAID, K-REP was designed as an intermediary NGO in 1984 to provide credit and technical assistance to other NGOs in Kenya. Driven by the motivation of self-sustainability, K-REP reduced the number of NGOs it supported from twelve to four. The number was subsequently increased to five with the addition of KWFT.

Due to the pioneering and supportive roles of K-REP as well as donors much appreciating NGOs imitating the Grameen Bank approach, Kenya witnessed the emergence of quite some NGO-micro-finance agencies in the 1990s, using adapted versions of the Grameen Bank group-lending model. It is perhaps from this young age of the industry that there are still many unresolved issues and, indeed, what is currently termed as micro finance constitutes a diverse range of practitioners, practices and body of knowledge. From this perspective the commonly accepted definition of micro finance as the means of providing a variety of financial services to the poor based on market-driven and commercial approaches (Christen, 1997) does not strictly fit what has come to be commonly regarded as constituting micro finance in Kenya. Depending on the purpose, two approaches are generally used to categorize the different providers of micro finance services in Kenya. The first and most commonly used one is on the basis of formality where providers are categorized as formal or informal depending of the extent to which the provider is registered and regulated under formal law and transactions are governed under the various statutes of the law of contract or rather by self regulation or group-based rules. The second categorization is based on the customer/provider relationship in the management and ownership of the financial service-providing entity. Under this categorization, micro finance providers could be dichotomized into client-based micro finance agencies (CMFAs) and member-based microfinance agencies (MMFAs).

2.4 Typology of micro-finance agencies in Kenya

Client-based microfinance agenciescomprise of all microfinance providers, formal or informal, where customers are not also owners of the institution, have little direct involvement in the management of the institution, and do not have a share in the returns made by the institution. These include about 130 Non-Governmental Organizations , a small number of commercial Client-based Member-based Formal K-REP Bank, KWFT, Faulu Kenya, Wedco, Pride Africa Ð SunLink, Pride Kenya, SMEP, Jitegemea, Vintage, Eclof, Pride Kenya, BIMAS, Coop Bank microfinance units, etc SACCOS, FSAs Informal Traders, shopkeepers, moneylenders, family and friends ROSCAs, ASCRAs 5 Rotating Savings and Credit Associations (ROSCAs) and Accumulating Savings and Credit Associations (ASCRAs) are also locally known in Kenya as 'merry-go-rounds'Some of them are registered at the Ministry of Social Affairs, others are not. As self-regulation or group-based rules provide the most decisive regulatory framework for ROSCAs and ASCRAs (in mobilizing, rotating, accumulating and disbursing money), they are all labeled as informal whether registered or not. Banks and private companies as well as hundred thousands of informal microfinance providers; such as traders, shopkeepers, specialized money lenders, family and friends. By mid 1999, it was estimated that the formal segment of this category comprised of 86 institutions, with a total of 134,612 active clients and a loan portfolio of Kshs 2.5 billion (K-REP, 1999).

Member-based microfinance agenciescomprise of formal and informal mechanisms where resources are mobilized from members, management of the arrangement is in the hands of members and it is members who constitute the main target group for service provision. The formal segment of this largely comprise of both urban and rural Savings and Credit Cooperatives estimated to number 4,000 by mid 1999 with a combined total of 2.9 million.

In early 1980s, KWFT was charged with the responsibility of supporting women with low income. According to the world Development Report 2003, as of June 2003, Kenya had an estimated 3460 legally constituted microfinance service providers. This number excluded 3397 savings and credit cooperatives 56 microfinance institutions, 4 commercial banks and 2 building societies and Kenya post office savings Bank. ROSCAS were 17305, 115884 registered women groups, 1342 Primary Agricultural producer and marketing coops also involved in providing credit facilities (World bank, 2003) Microfinance institutions in Kenya are registered under eight different Acts of Parliament namely:

The Non Governmental Organizations Co-ordination Act, The Building Societies Act, The Trustee Act, The Societies Act, The Co-operative Societies Act, The Companies Act, The Banking Act, The Kenya Post Office Savings Bank (KPOSB) Act

Some of these forms or registrations do not address issues regarding ownership, governance, and accountability. They have also contributed to a large extent to the poor performance and eventual demise of many MFIs because of a lack of appropriate e regulatory oversight.

2.5 Empowerment

According to UNIFEM, Empowerment is "gaining the ability to generate choices and exercise bargaining power," "developing a sense of self-worth, a belief in one's ability to secure desired changes, and the right to control one's life" Empowerment is an implicit, if not explicit, goal of a great number of microfinance institutions around the world.

Empowerment is about change, choice, and power. It is a process of change by which individuals or groups with little or no power gain the power and ability to make choices that affect their lives. The structures of power—who has it, what its sources are, and how it is exercised—directly affect the choices that women are able to make in their lives. In order for a woman to be empowered, she needs access to the material, human, and social resources necessary to make strategic choices in her life. Not only have women been historically disadvantaged in access to material resources like credit, property, and money, but they have also been excluded from social resources like education or insider knowledge of some businesses.

According to Micro Credit Special Cell of the Reserve Bank Of India , the borrow amounts up to the limit of Rs.25000/- could be considered as micro credit products and this amount could be gradually increased up to Rs.40000/- over a period of time which roughly equals to $500 – a standard for South Asia as per international perceptions. The term micro finance sometimes is used interchangeably with the term micro credit. However while micro credit refers to purveyance of loans in small quantities, the term microfinance has a broader meaning covering in its ambit other financial services like saving, insurance etc. as well. it is commonly used in addressing issues related to poverty alleviation, financial support to micro entrepreneurs, gender development etc.

The mantra "Microfinance" is banking through groups. The essential features of the approach are to provide financial services through the groups of individuals, formed either in joint liability or co-obligation mode. The other dimensions of the microfinance approach are: Savings/Thrift precedes credit is linked with savings/thrift Absence of subsidies Group plays an important role in credit appraisal, monitoring and recovery. Basically groups can be of two types:

Self Help Groups (SHGs): The group in this case does financial intermediation on behalf of the formal institution, Grameen Groups: In this model, financial assistance is provided to the individual in a group by the formal institution on the strength of group's assurance. In other words, individual loans are provided on the strength of joint liability/co obligation. According to Swain R B et al (2007) the pressure on women to divert money from their business is high. In general, women are responsible for saving for family expenses and tend to keep substantial pools of cash on reserve for emergency purposes. This high savings rate constrained many women from re-investing capital into their businesses and speaks to the need for other financial services such as health insurance as well as financial literacy training.

Kikuyu region has a gender gap in education .It also suffers from high unemployment and stagnant macroeconomic growth. As resources become scarcer and more men are losing formal sector jobs, increasing numbers of women are starting microenterprises to supplement household income. Their businesses are often not high growth because of the complex set of gender identities, roles and responsibilities that tend to constrain business performance.

Gender roles and responsibilities are both defined and fulfilled in Kikuyu division by customary laws. The man's obligation, as stated in tradition, is to be the financial provider for the household. In return for this, his wife must obey him and is expected to be the homemaker, mother, wife and financial manager. Traditionally, men have been responsible for everything outside the home, women for everything inside. Women's roles as financial providers for the household have been changing over the years in Kikuyu Men have become less able to act as the sole providers due to structural unemployment and low real wage growth, causing more women to undertake business activities. .

Micro-finance has also been strategically used by some NGOs as an entry point for wider social and political mobilization of women around gender issues. For example SEWA in India, CODEC in Bangladesh and CIPCRE in Cameroon, indicate the potential of micro-finance to form a basis for organization against other issues like domestic violence, male alcohol abuse and dowry.

An average microloan for women in Kenya today can range from $700 to $6,000 (USD). During the process, each woman must become a member of a specific women’s microfinance group which must meet the minimum requirements of Kenya’s regulatory AMFI – Association of Microfinance Institutions.

. Women meet with their group on a regular basis to borrow and pay back loans to their bank over an extended period of time. Bank microloan programs succeed as women are held accountable to themselves, the bank and the group as they payback what they have borrowed. Loans by Equity Bank range from $700 to as much as $6,000 (USD). The bank also provides loans that are smaller for women who are starting at a beginner’s level. Jamii Bora Trust, a MFI – Micro Finance Institution based in Kenya, got its beginnings in 2000 when Swedish humanitarian and former head of the African Housing Fund, Ingrid Munro, offered street beggars and prostitutes small microloans to start self-owned businesses. Soon vegetable stalls and used clothing businesses were created as women who received the loans were asked to first save half the amount of money they gathered to pay back their loan.

A 2001 survey by the Special Unit on Microfinance of the United Nations Capital Development Fund (SUM/UNCDF) of 29 microfinance institutions revealed that approximately 60 percent of these institutions' clients were women. Six of the 29 focused entirely on women.

Among the remaining 23 mixed-sex programs, 52 percent of clients were women.2 The study also showed, however, that those programs offering only individual loans or relatively high minimum loan amounts tended to have lower percentages of women clients. These findings affirm the importance of designing appropriate products for women. USAID's annual Microenterprise Results Report for 2000, reports that approximately 70 percent of USAID-supported MFIs' clients were women Microfinance institutions around the world have been quite creative in developing products and services that avoid barriers that have traditionally kept women from accessing formal financial services such as collateral requirements.

CIDA supports programs that provide "increased access to productive assets especially land, capital, and credit, processing, and marketing for women." By giving women access to working capital and training, microfinance helps mobilize women's productive capacity to alleviate poverty and maximize economic output. In this case, women's entitlement to financial services, development aid, and equal rights rests primarily on their potential contribution to society According to Human Development Report (1995), the UNDP reported that 70 percent of the 1.3 billion people living on less than $1 per day are women. A reduction in women's vulnerability can sometimes also translate into empowerment if greater financial security allows the women to become more assertive in household and community affairs.

Women have been shown to spend more of their income on their households; therefore, when women are helped to increase their incomes, the welfare of the whole family is improved for Women, tend to keep nothing back for themselves A collective wisdom has emerged that women's repayment rates are typically far superior to those of men. Lower arrears and loan loss rates have an important effect on the efficiency and sustainability of the institution. Many programs have also found women to be more cooperative and prefer to work with them for that reason as well. In spite of the large number of institutions serving exclusively or predominantly women while maintaining high levels of financial sustainability, some people argue that institutions that place a priority on serving women also have a tendency to place social goals ahead of efficiency, leading to poorer financial performance..

By putting financial resources in the hands of women, microfinance institutions help level the playing field and promote gender equality. Although many microfinance programs promote social solidarity at some level, most microfinance organizations tend to focus their attention on promoting changes at an individual level—a woman who, for instance, is now able to send her children to school, negotiate lower prices for her raw materials, or even dream bigger dreams for herself, her family, and her business. The achievements of individual women can have a powerful impact on the way women are perceived and treated within their communities.

Movements to empower women as a group increase opportunities available to individual women, and economic empowerment can increase women's status in their families and societies. According to Fourth United Nations World Conference on Women, "Empowerment of women and gender equality are prerequisites for achieving political, social, economic, cultural, and environmental security among all peoples."

2.6 A review of empirical studies

Biswas(2008), argues that by helping women meet their practical needs and increase their efficacy in their traditional roles, microfinance may in fact help women to gain respect and achieve more in their socially defined roles, which in turn may lead to increased esteem and self-confidence which may contribute decisively to a woman's ability and willingness to challenge the social injustices and discriminatory systems that they face. This implies that as women become financially better-off their self confidence and bargaining power within the household increases and this indirectly leads to their empowerment.

Biswas(2008*)*.argues that the trickle down effects of macroeconomic policies have failed to resolve the problem of gender inequality. Women have been the vulnerable section of society and constitute a sizeable segment of the poverty-struck population. Among the poor , the poor women are most disadvantaged –they are characterized by lack of education and access of resources, both of which is required to help them work their way out of poverty and for upward economic and social mobility. Despite the fact that women's labour makes a critical contribution to the economy. This is due to the low social status and lack of access to key resources.

Pietile (2005)arguesthat the instruments provide a framework for states' parties and other institutions to address issues that undermine empowerment of women all over the world. According to Sonja, (2003), Article 2 of CEDAW, There is a call on state parties to pursue by all means and without delay a policy of eliminating discrimination against women. Sonja, (2003), referring to Central bureau of statistics,(2004), over 65% of women continue to languish in poverty and nursing wounds inflicted upon the by patriarchal systems through inadequate access to credit facilities. This explains why emphases have been placed on women empowerment as opposed to men's so as to bridge the gender gap. Robinson (2004).argues on Microfinance revolution,that, sustainable finance for the poor in developing countries, women make up approximately 83% of reported microfinance clients. In his study he observed that women not only make good clients by repaying loans on time but were also key drivers of development.

Research done by UNDP, UNIFEM, and the World Bank, among others, indicates that gender inequalities in developing societies inhibit economic growth and development. According to World Bank, that societies that discriminate on the basis of gender pay the cost of greater poverty, slower economic growth, weaker governance, and a lower living standard of their people.6 The UNDP found a very strong correlation between its gender empowerment measure and gender-related development indices and its Human Development Index.

According to Media article, titled “small loans offer hope to poor women”, in developing countries, barriers to financing are impediments to would-be female entrepreneurs who have no property or other collateral required to secure loans from traditional credit institutions.

Johnson et al (1997).stated that, microfinance institutions address the problem of collateral through ways such as a system of group lending with joint liability conditions, using dynamic incentives such as lending progressively larger amounts, providing better terms than other credit sources and cutting borrowers in cases of default

Lakshman (1996).stated that, there have been positive changes in household and community perceptions of women’s productive role, as well as changes at the individual level. It is likely that changes at the individual, household and community levels are interlinked and that individual women who gain respect in their households then act as role models for others leading to a wider process of change in community perceptions and male willingness to accept change.

Swain et al (2007) carried out a study to determine whether microfinance does actually empower women. The results indicated the evidence for a general increase in women empowerment for the members over time. This however, did not imply that each and every woman who joined the programme was empowered to the same degree or they all progressed at the same pace. Some of the women members might have been more empowered than other members within the programme, prior to their participation in this programme. But on average the members were empowered over this period.

Akinyi (2008), argues that, in most developing countries, women are the mainstay of African economies. The benefits of promoting women's economic empowerment thus spread beyond the individual woman to her children, family, community and the nation subsequently. Empowering women economically boosts both gender equality and wealth of the nations. This entails enabling the women to have the capacity to control income and other key economic resources like land and animals.

In traditional Africa, women were involved in the economy since they were defacto managers of income generating activities on farms as husbands were involved on non-farm business. Then came the colonial economy which created title deeds, making men the sole owners of land, thereby rendering women economically weak. The colonial regime also uprooted men from villages to work in urban areas and Coffee plantations in Kenya, amongst others. Women consequently were overburdened with running homes, making them economically unstable.

Other reasons why Women in Africa are not empowered are poverty and negative cultural practices. Accessing credit is the major constraint on women's ability to earn income. The Microfinance sector is now taking the African women back to their role of being involved in the economy as they were in dire need of other income generating activities to supplement their small farms which barely fed them. It is estimated that women comprise 74% of the 19.3 million of the world's poorest people now being served by microfinance institutions.

Access to savings and credit facilities strengthens women in economic decisions. It also improves their skills, knowledge and support networks as well as enhancing their status in the community. Increasing women's access to microfinance has led to social and political empowerment. Poverty alleviation and women empowerment are seen as two sides of the same coin and it is the only way to bring wider changes in gender inequality. Evidence of Women empowered economically through micro finance isPankop Women Farmers Forum in Mpumalanga, South Africa, Jamii Bora Housing Project in Kaputei, Kenya amongst others.

Among challenges facing microfinance industry in Africa are: High cost of service delivery with poor infrastructure, regulatory policy issues and the need to develop institutional leadership. Because infrastructure and communication technology remain largely underdeveloped in Africa, it is significantly more expensive for MFIs in Africa to operate compared to their peers in developing countries. Government regulations faced by MFIs are usually ambiguous and opaque. For instance in 2008, Kenya Women Finance Trust fought for increased transparency in regulatory policy by urging the government to approve and publish regulations which guide MFIs in formalization process. The microfinance Act of 2006 became operational in May 2, 2008 and allows MFIs to register under it to take deposits.

2.7 Summary

Apparently, microfinance often leads to empowerment and hopefully, better wellbeing for all. But, income improvements are small and assumed correlation between income and empowerment does not always materialize, even though it does often increase self-esteem, respect, status and networking. Political empowerment, in particular, is hardly ever direct outcome of microfinance. On the other hand increased empowerment may happen as a result of micro-finance, but may not be immediately visible. Even if the household situation has improved, gender inequality may be left untouched. Some men may see their wives' access to microfinance as an encouragement to decrease their contribution to the household. The fact that women have access to resources does not necessarily mean that they have control over these resources. To achieve empowerment, women must be free to use those resources for their own interest. They need to control the use of the resources for a purpose chosen by them for their own benefit. If well designed, microfinance can provide the resources as well as the possibility for women to act.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter explains the method which was used to collect the data, the target population, and the location where the data was got from. It also explains the method of analyzing, processing and the method that was used to present the data. Nachmais et al (1999), defines methodology is a system of explicit rules and procedure of basing the research and evaluating knowledge by means of observation, analyzing logical inference and generalization..

3.2 Research design

The research is a causal study with an ex post facto design. Landman (1988:62), argues that ex-post-facto design is used to refer to an experiment in which the researcher rather than creating the treatment examines the effect of a naturally occurring treatment after it has occurred. This design is important for it enables one to study the group of women who have received financial assistance long before the study is undertaken, and the researcher has no control over the exogenous variable

3.3 Population

There targetpopulation was about 10500 women who have registered in about six hundred women groups in kikuyu division, as at September 2011, (Community Development Officer, Kikuyu.)

3.4 Sample

The sample size was determined using Yamane (1967: 886) formular at a 95% confidence level and 5% level of precision which gives maximum variability, for the population is large and the variability in the proportion that go for microfinance services is not known, Giving a sample size of 386 women. This was large enough to give a representative sample for the population is heterogeneous, and it gives precise estimate.

The formular is as follows

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

Where n = sample size

N = Population

e = level of precision (0.05)

$$n = \frac{10500}{1+10500(0.0025)}$$

$$n = 386$$

A probability sample was drawn, using simple random sampling, which gave a target population of three eighty six women, for the total population is wide and cannot be individually accessed. The procedure is simple, it is not expensive to conduct, it is easy to access the sample population as one is guided by criteria such us being registered by the community development officer at the division headquarters The sample population was contacted by visiting the group members during their meetings and consent to contact them was obtained from the relevant authorities through the University Of Nairobi.

3.5 Data collection

Two types of data were used. Primary data was collected throughthe use of questionnaires while secondary data was gotten from scrutinizing records at the community development officer, kikuyu, and MFIs registered at the ministry of Finance. The responses were collected from the respective women groups one week after administration of the same. The respondents wereable to contact me through my mobile phone for clarifications Questionnaire were used because the feedback recorded by the respondents needed confidentiality, it was also a suitable method of collecting information for respondents who were widely scattered, it was not expensive to administer and they are free from the bias of the interviewer. Various types of closed structured questions were used for they complement each other and provide a more complete picture of the respondent's feeling and attitude, and are easy to analyse.

3.5.1 Validity and Reliability

Validity is the ability of an instrument to measure what it is designed to measure. According to Mugenda et al, (2003) validity is the accuracy and meaningfulness of inferences which are based on the research results. Nachmais et al, (1996) talks of three kinds of validity, namely, content validity, empirical validity and construct validity. Nachmais. et al. (1996)., Reliability refers to the extent to which a measuring instrument contains variable errors that appears inconsistently from the observation to observation during any one measurement attempt or that vary each time a given unit is measured by the same instrument. He further continues to look at it as the ratio of the true score variance to the total variance in the scores as measured Common methods of testing reliability include test-retest method, parallel-forms technique and split- half method. This study used split-half method, where correlation coefficient was adjusted using the Spearman-Brown prophecy.

3.6 Data analysis

Statistical package for social science version 17 will be used to analyze the data Descriptive statistics will be used to summarize and consolidate numerical data into useful information, which include tables, charts and graphs. Measures of typicality (Central tendency) namely, mean, which was preferred for a normal, random distribution of data, it is also good for most physical measures for a single population. And mode, which is good for non numerical data and where both mean and median would be distorted, were used. Measures of heterogeneity, variance which are used to evaluate the spread of distribution of values, and provide ways of obtaining information about data sets without considering all the elements of the data individually. Standard deviation, a measure of how much spread or variability is present in the sample measures the absolute variation of the distribution. It is extremely useful in judging the representativeness of the mean.

A data reduction technique (Factor analysis) was be used to reduce the dimensionality of original space and to give an interpretation to the new space, spanned by a reduced number of new dimensions which are supposed to underlie the old ones and explain the variance in the observed variable in terms of underlying latent factors, and enable the researcher to interpret the data easily and faster. It was performed by examining the pattern of correlation (or covariance) between observed measures. The exploratory factor analysis model that was used is

$$\mu i = \alpha i0 + \alpha i1y1 + \alpha i2y2 + \ldots + \alpha iqyq + \varepsilon \qquad (i = 1,2,3,\ldots\ldots..n),$$

Where each of the n observed variables is described linearly in terms of q common factors and a unique factor

μi is a matrix of measured variables

y is a matrix of common factors

α is a matrix of weights (factor loadings)

$\varepsilon$is a matrix of unique factor, that is, specific and error variance

CHAPTER FOUR

Data Analysis, Findings and Discussions

4.1 Introduction

The research study sought to find out the impact of microfinance on women empowerment in kikuyu District, Kiambu County. A sample size of three hundred and eighty six women was selected for this study. Out of a total of 386 questionnaires that were issued, 250 usable questionnaires were recovered and used in this analysis, indicating a response rate of 62%. According to Mugenda and Mugenda

(1999), a response rate of 50% is adequate for analysis and reporting. The response rate achieved was therefore considered adequate for answering the questions raised under the research study.

This chapter presents the results of the analyzed data, together with the appropriate interpretations that seeks to answer the issues raised under the research study.

4.2 Section A

4.2.1 Descriptive statistics

The background information that was relevant to the objectives of the study was captured and the findings are presented in tables 4.2.1 to 4.2.4

Figure 1: marital status of the respondents

	Frequency	*Percent*	*Cumulative percent*
MARRIED	205	85.1	85.1
SINGLE	24	10.0	95.0

WIDOWED	12	5.0	100.0
Total	241	100.0	

The marital status of the respondents was important to the researcher for the research study. This was important because the researcher wanted to know how marriage affected financial decision making among empowered women. The findings revealed that majority of the women respondents 205 (85.1%) were married while 24(10.0%) were single. There were 12(5.0%) women who were widowed. The distribution was considered as a fair presentation of the distribution of women in the county who responded to the questions in the research study.

Figure 2 Age of respondents

Age	*Frequency*	*Percentage*	*Cumulative percent*
20-29	12	5.0	5.0
30-39	84	34.9	39.8
40-49	84	34.9	74.7
50-59	36	14.9	89.6
60-69	25	10.4	100.0
Total	241	100.0	

The age of the respondents was important for the research study. This was because the researcher wanted to know how empowerment affected the different age categories. The findings revealed that the majority of the respondents were aged between 30 years and 49. This category of respondents represented had a total of 168(69.8%) of the total respondents. The least number of respondents were in the age category of 20-29 which was 5%. It was therefore evident that the women's participation in microfinance was more prevalent amongst older women who had more family responsibilities which increase with the average age of children. This can be explained by the fact that financial responsibilities increase as the age increase due to such factors as school going children and the need to invest revenue generating streams.

Figure 3: Education level of the respondents

Education level	*Frequency*	*Percentage*	*Cumulative percent*
Primary	84	34.9	34.9
Secondary	145	60.2	95.0
University	12	5.0	100.0
Total	241	100.0	

The level of education was important to the researcher for this research study. The findings revealed that majority of the respondents 145(60.2%) were educated up to form four level, while the minority 12(05%) were educated to university level. There were 84(34.9%) respondents who were educated up to primary level. The level of education attained indicated that the respondents were literate enough to understand the issues relating to microfinance institutions which were relevant to the research study and therefore their responses were reliable.

Figure 4: Occupation of respondents

Occupation	*frequency*	***Percent***	***Cumulative frequency***
Business	108	44.8	44.8
Civil servant	12	5.0	49.8
Farmer	37	15.4	65.1
Peasant	84	34.9	100.0
Total	241	100.0	

The researcher was interested to know the occupation of the respondents as this was important for the research study. The findings revealed that the majority of the respondents 108(44.4%) were business persons. Peasants and farmers comprised of 84(34.9 %) and 37(15.4%) respectively. Civil servants represented the least number of women who benefited from micro finance credit probably because they had access to alternative sources of finance. Civil servants would be lacking because they can easily access loan finance from commercial banks which provide lower interest rates.

4.2.2 Income and Economic Empowerment of Respondents

Figure 5: Income

Income range	*Frequency*	***Percent***	***Cumulative frequency***
1,001-4,000	49	20.3	20.3
4,001-10,000	120	49.8	70.1
10,001-20,000	48	19.9	90.0

over 20,000	24	10.0	100.0
Total	241	100.0	

The level of income per month earned by the respondents was important or the research study. This was because the researcher was keen to know how the micro institutions benefited women of various economic backgrounds and the level of empowerment. The research study revealed that there were few respondents 24(10%) who earned more than 20,000 per month. Respondents who earned between 4000 and 10,000 Kenya shillings were found to be the majority, their combined total being 120(49.8%). Respondents who earned less than 4000 shillings per month were 49(20.3%). statistics from the central bank of Kenya in a 2010 poverty index survey indicate that if the average income is below 4000 the person is said to be less empowered (central bank of Kenya, poverty and human development report 2010) . The research therefore revealed that majority of the respondents can be said to be empowered since the average income reported is above the threshold. It was evident from the research study that there is a link between empowerment and microfinance credit finance.

Figure 6: television ownership

Ownership of television	*frequency*	***Percent***	***c. percent***
Yes	192	79.7	79.7
No	49	20.3	100.0
Total	241	100.0	

The researcher sought to find out from the respondents if the owned and used television sets. This was important for the research study because possessing a television means having access to electricity and sustainable incomes which is an indicator of empowerment in terms social and economic wellbeing. The findings revealed that majority 192(79.7) of the women respondents had television sets.

Figure 7: secondary occupation

Occupation	*Frequency*	*Percent*	*c. frequency*
Business	168	69.7	69.7
peasant farming	73	30.3	100.0
Total	241	100.0	

A majority of respondents (69.7%) had a secondary occupation in business while the rest (30.3%) had peasant farming as their secondary occupation. These findings indicate that most women had additional sources of income, are economically independent and so empowered. This could be as a result of the funds provided by the microfinance that enable them take part in secondary economic activities.

Figure 8: membership in a micro finance institution

Other microfinance	*Frequency*	*Percent*
Yes	229	95.0
No	12	5.0

Most respondents 229(95%) were members of a microfinance institution. This indicates that most women in the area have additional sources of income and are well positioned to benefit or be empowered by microfinance institutions in the area.

Figure 9: time since first loan

Duration	*Frequency*	*Percent*	*c. percent*
less one year	36	14.9	14.9
2-3 years	36	14.9	29.9
4 years	97	40.2	70.1
5years and over	72	29.9	100.0
Total	241	100.0	

Up to 40.2% of the respondents have borrowed microfinance loans for the past 4 years. This a minority of 14.9% had borrowed for less than one year and another 14.9% for between 2-3 years. 29.9% of women had been borrowing from microfinance for more than 5 years. These findings indicate that women in the area appreciate the power of microfinance in empowering them and are using these facilities to their benefit.

Figure 10: intention of loan

INTENTION OF LOAN	*FREQUENCY*	*PERCENT*	*C. PERCEDNT*
Expand business	120	49.8	49.8
Dairy farming	36	14.9	64.7
Building	12	5.0	69.7
Agriculture	60	24.9	94.6
Poultry	13	5.4	100.0

Total	241	100.0	

The reason cited by the majority of respondents 120(49.8%) for taking a loan was expanding business followed by agricultural purposes at 60(24.9%). Building and poultry had the lowest numbers at 12(5.0%) and 13(5.4%) respectively. However, all who borrowed intended to use the money for some economic or livelihood activity, and none intended to spend the borrowed funds on luxuries. This finding shows that most women in the area use the loans to empower themselves economically.

Figure 11: loan amount

Amount	*frequency*	*Percent*	*c. frequency*
21000-40000	48	19.9	19.9
41000-60000	121	50.2	70.1
61000-80000	24	10.0	80.1
81000-10000	24	10.0	90.0
>100,000	24	10.0	100.0
Total	241	100.0	

The loan amount borrowed by a majority of respondents 121(50.2%) was 41,000-60,000. The lowest amounts borrowed ranged between 21,000-40,000 and 48(19.9%) of respondents borrowed in this range. The highest amount borrowed was above 100,000 and a minority of respondents 24(10%) could afford to borrow this amount. This shows that as much as the loans were open to all the respondents, only a minority of 20% could borrow in the highest ranges of 81,000 and above. This shows that there is a limit to the extent the respondents can depend on the loans to empower them economically and enable them undertake large scale, capital intensive projects of their choice.

4.3 Section B

4.3.1 Socio-Cultural Impacts of MFIs

Figure 12: husband understands working problems

Response	*frequency*	*Percent*	*c. frequency*
Yes	157	65.1	65.1
No	48	19.9	85.1
N/A	36	14.9	100.0
Total	241	100.0	

Most respondents 157(65.1%) were of the opinion that their husbands are supportive and understand their working problems while a minority of 36(14.9%) were non-committal. This shows that in most households, the husbands supported the wives in their microfinance related activities, meaning an increased chance of the activities being successful.

Figure 13: does your job improve your knowledge and personality?

Response	*frequency*	*Percent*	*c. percent*
Yes	229	95.0	95.0
No	12	5.0	100

Total	241	100.0	

Most respondents 229(95%) were of the opinion that their job improved their knowledge and personality. This finding shows the important role that exposure plays in empowering women

Figure 14: who does the daily shopping for the house?

Response	*frequency*	*Percent*	*c. percent*
Self	193	80.1	80.1
Husband	24	10.0	90.0
Both	12	5.0	95.0
OTHERS	12	5.0	100.0
Total	241	100.0	

Most respondents 193(80.1%) indicated that they do the daily shopping on their own. This shows that the microfinance activities have improved the financial status of most women in the area and they are now more economically empowered and independent.

Figure 15: Conflict with husband

Response	***Frequency***	***percent***	***c. frequency***
Yes	168	69.7	*69.7*
No	37	15.4	85.1
N/A	36	14.9	100.0
Total	241	100.0	

A common trend in households in the country is that where a woman is financially independent, there is an increase in the number of conflicts with their wife. This trend seems to be confirmed in this study with 168(69.7%) respondents, who constitute a majority, indicating that they have conflicts with their husbands compared to only 15.4% who do not have any conflict. This finding seems to confirm the traditional nature of families in most Kenyan rural settings where the wife is expected to be a financial dependent rather than independent.

Figure 16: do you have own income to spend with husbands permission

Response	*frequency*	*Percent*	*c. percent*
Yes	156	64.7	64.7
No	49	20.3	85.1
N/A	36	14.9	100.0
Total	241	100.0	

Majority of the respondents 156(64.7%) had their own income which they could spend with their husbands permission. This finding shows that indeed, the microfinance has empowered women in the area economically, to the point that they have their own money, while this development has not led to the breakdown of their families. This finding seems to contradict the earlier finding on conflicts between husband and wife, which were also seen to score highly with increased women economic empowerment.

Figure 17: can you buy clothes for self without asking husband?

Response	*frequency*	*Percent*	*c. frequency*
Yes	60	24.9	24.9
No	145	60.2	85.1
N/A	36	14.9	100.0
Total	241	100.0	

While the study findings seem to suggest that on the overall, women financial fortunes have improved, the authority to spend this money still sees to be in husband's control. The majority of women 145(60.2%) still cannot spend their money on themselves without the husbands permission. This finding once again seems to confirm perceptions that despite microfinance empowering women economically as far as increasing their incomes is concerned, when it comes to the power to using the money, families in the country are still mostly traditional, with the husband being the key determinant of how finances are spent.

Figure 18: do you buy children cloth by self without consulting husband?

Response	*Frequency*	*Percent*	*c. frequency*
Yes	60	24.9	24.9
No	145	60.2	85.1
N/A	36	14.9	100.0
Total	241	100.0	

Even when it came to spending money on the children, a majority 145(60.2%) of respondents indicated that the husband is the one who decides whether or not money is spent on buying the children clothing, which is a basic need. One again, this finding points to the perception that households in the region and by extension the country are still mostly traditional, with the husband wielding near exclusive decision making power, regardless of whether the wife or woman was economically empowered.

Figure 19: compare interest charged for your loan to that charged by commercial banks

Response	frequency	Percent	c. frequency
More	121	50.2	50.2
Less	120	49.8	100.0
Total	241	100.0	

Figure 20 was used to capture some economic impacts of microfinance on women empowerment. The interest rates charged by microfinance seemed to be comparable to those charged by commercial banks with a slight marginal lead of 50.2% respondents believing microfinance charged higher interests. Considering the clientele base that microfinance institutions serve, they are exposed to a higher risk of default than the commercial banks and would therefore be expected to charge marginally higher interest rates. However, most respondents were of the view that microfinance institutions charge interests that are comparable to the commercial banks.

Figure 20: frequency of default on loans

Response	frequency	Percent	c. percent
Very often	12	5.0	5.0
Often	48	19.9	24.9
Rarely	144	59.8	84.6
Very rarely	37	15.4	100.0
Total	241	100.0	

The risk of default among the respondents seems to be low, with a majority (59.8%) of respondents considering that defaults in their microfinance occur only rarely. This contributes to the success of microfinance in the area as institutions loaning out their money are able to recover it.

Figure 21: Those who have a savings account with any MFI in kikuyu

Response	frequency	Percent	c. percent
Yes	193	80.1	80.1
No	48	19.9	100.0
Total	241	100.0	

A majority 193(80.1%) of respondents have savings accounts with an MFI in Kikuyu. This occurrence means that a majority of women find the MFIs beneficial and they must be empowered economically, hence the desire to continue being members.

Figure 22: Insurance scheme

Response	frequency	percent	c. frequency
Yes	144	59.8	59.8
No	97	40.2	100
Total	241	100.0	

Most respondents (59.8%) own an insurance scheme. This shows that respondents are aware of other opportunities, other than MFI loans, that can empower them economically.

Figure 23: frequency of transacting through MFI in kikuyu

Frequency	Frequency	Percent	Percent
Yearly	12	5.0	5.0
Monthly	217	90.0	95.0
Weekly	12	5.0	100.0
Total	241	100	

Most respondents (90%) transact with their microfinance on a monthly basis. This seems to mirror the trend in commercial banks, where activity peaks at the end of the month, with customers accessing their savings accounts to withdraw salaries. It can be concluded that most respondents maintain a savings account with their microfinance and have regular monthly incomes, hence the need to transact with the MFI on a monthly basis.

Figure 24: standards of living

Improved	229	95.0	95.0
No change	12	5.0	100.0
Total	241	100.0	

Majority of respondents 229(95%) were of the opinion that their standard of living had improved. This demonstrates an improvement in the respondents' standard of living which could be as a result of economic empowerment due to access of MFI loan facilities.

Figure 25: relationship between you and your husband

Response	Frequency	Percent	c. frequency
Improved	169	70.1	70.1
Same	36	14.9	85.1
Worse	12	5.0	90.0
N/a	24	10.0	100.0
Total	241	100.0	

Majority of respondents 169(70.1%) were of the opinion that the relationship with their spouse had improved as a result of joining MFIs. Only a minority of 5% reported a deterioration and worsening of the relationship. This finding seemed to contradict earlier finding where a majority (68%) of respondents reported an existence of conflicts with their spouses. However, it can be said that on the overall, women perceive an improved relationship. Consequently, it is safe to conclude that in this case, MFIs contribute positively to the social-cultural empowerment of women in the study area.

4.4 Section C

4.4.1 Inferential statistics

The t-test

A t-test was used to determine whether there were any significant differences between the means of the indicators used to capture the socio-cultural impacts of MFIs and that of the main study variable of the impact of MFI on women empowerment that they measure. This was to establish whether the relationship between these indicators and the major variables was existent and significant.

Table 1: summarizes the findings.

t-test result of indicators of socio-cultural impacts of MFI

	Test Value = 0					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Husband	31.326	240	.000	1.49793	1.4037	1.5921
working personality	74.768	240	.000	1.04979	1.0221	1.0775
Shopping	26.418	240	.000	1.34855	1.2480	1.4491
Conflict	30.435	240	.000	1.45228	1.3583	1.5463
own income	31.413	240	.000	1.50207	1.4079	1.5963
clothing expenditure	47.239	240	.000	1.90041	1.8212	1.9797
Children	47.239	240	.000	1.90041	1.8212	1.9797

P-value scores of 0.00 for these variables were all below the significance limit of 0.005. In addition, the mean difference scores were all within/below the upper class limit at 95% confidence interval. This finding shows that these factors contributed significantly to the dependent variable i.e. these factors were significant indicators of the effect microfinance has had on women empowerment in the study area.

4.4.2 Factor analysis

Factor analysis was used to reduce the dimensionality of factors used to capture respondents' opinions about the economic and social/cultural impacts of microfinance on women empowerment. The Kaiser Myer Olkin measure of sampling adequancy was above 0.5. Test of sphericity was done and found to be significant. The two parameters, economic impacts and social/cultural impacts were the main study constructs and each had a number of factors to quantify them. A total of 18 factors were used to measure the economic and social cultural impacts of microfinance on women. Economic impacts as a construct had 6 factors, C35 – C40, while social/cultural impacts as a construct had 12 factors C23 – C34. These factors were measured on a scale of 1-5, where 1 represented strongly agree and 5 represented strongly disagree.

Table 2-4 below presents the results of these factor reductions.

Table 2: descriptive for the indicator variables

variable	Mean	Std. Deviation	Analysis N
C23	1.6473	.47880	241
C24	2.4440	1.12081	241
C25	2.0000	.70711	241
C26	1.9461	.50124	241
C27	2.1452	.85615	241
C28	2.2531	.62437	241
C29	2.5975	.91733	241
C30	2.5519	.80520	241
C31	1.9046	.70358	241
C32	2.2033	.68019	241
C33	2.6971	1.10092	241
C34	3.1037	1.22203	241
C35	2.0000	.54772	241
C36	2.5477	.86531	241
C37	3.1992	.67836	241
C38	2.7469	.88873	241
C39	2.0996	.30007	241
C40	2.0539	.59266	241

Variable C23 had the lowest mean score of 1.6473. This variable was an indicator of the social cultural impacts of microfinance on women. This means that a majority of respondents answered agree and only a minority disagreed with this variable. Consequently it is safe to conclude that a majority of respondents agree that the quality of family life has improved with women being able to access microfinance loans. Variable C37which is that only a minority of families have benefited from microfinance institutions, had the highest mean score of 3.1992, meaning that a majority of the respondents were neutral or disagreed with it. This variable represented the economic impacts of microfinance on women empowerment. It is therefore safe to conclude that microfinance has played a critical role in improving the quality of lives of families in Kikuyu District. Under factors used to measure the social/cultural impacts of microfinance on women empowerment (variables C23 – C34), variable C34 had the highest mean score 3.1037, meaning, most respondents were either neutral or disagreed that men should make decisions about microfinance for women. On the economic impacts of microfinance on women empowerment as represented by variables C35 – C40, variable C35 had the lowest mean of 2.00, meaning most respondents were generally in agreement that microfinance has led to the improvement in the quality of lives of women in kikuyu district because of creating jobs and increasing incomes.

Table 3: Communalities

	Initial	Extraction
C23	1.000	.946
C24	1.000	.797
C25	1.000	.803
C26	1.000	.728
C27	1.000	.821
C28	1.000	.842
C29	1.000	.857
C30	1.000	.834
C31	1.000	.881
C32	1.000	.689
C33	1.000	.860
C34	1.000	.744
C35	1.000	.695
C36	1.000	.814
C37	1.000	.795
C38	1.000	.596
C39	1.000	.753
C40	1.000	.899

Communalities indicate the degree to which a given indicator or factor contributes to the total variance or variability in the construct. Under the economic impacts of microfinance on women construct (variables C35 – C40), the factor with the greatest contribution to the behavior of this construct was C40 (0.899), followed by C36 (0.814) then C37 (0.795). The variable with the least contribution was C38 (0.596). This means that the factor that women have gained business related knowledge and skills such as preparing simple income statement and financial reports is the one contributing most to the economic impact of microfinance on women empowerment in Kikuyu District, while the factor that women have used credit borrowed from MFIs for consumption smoothing is the one contributing least to the economic impact of microfinance on women empowerment in Kikuyu District.

Figure 26: Scree plot

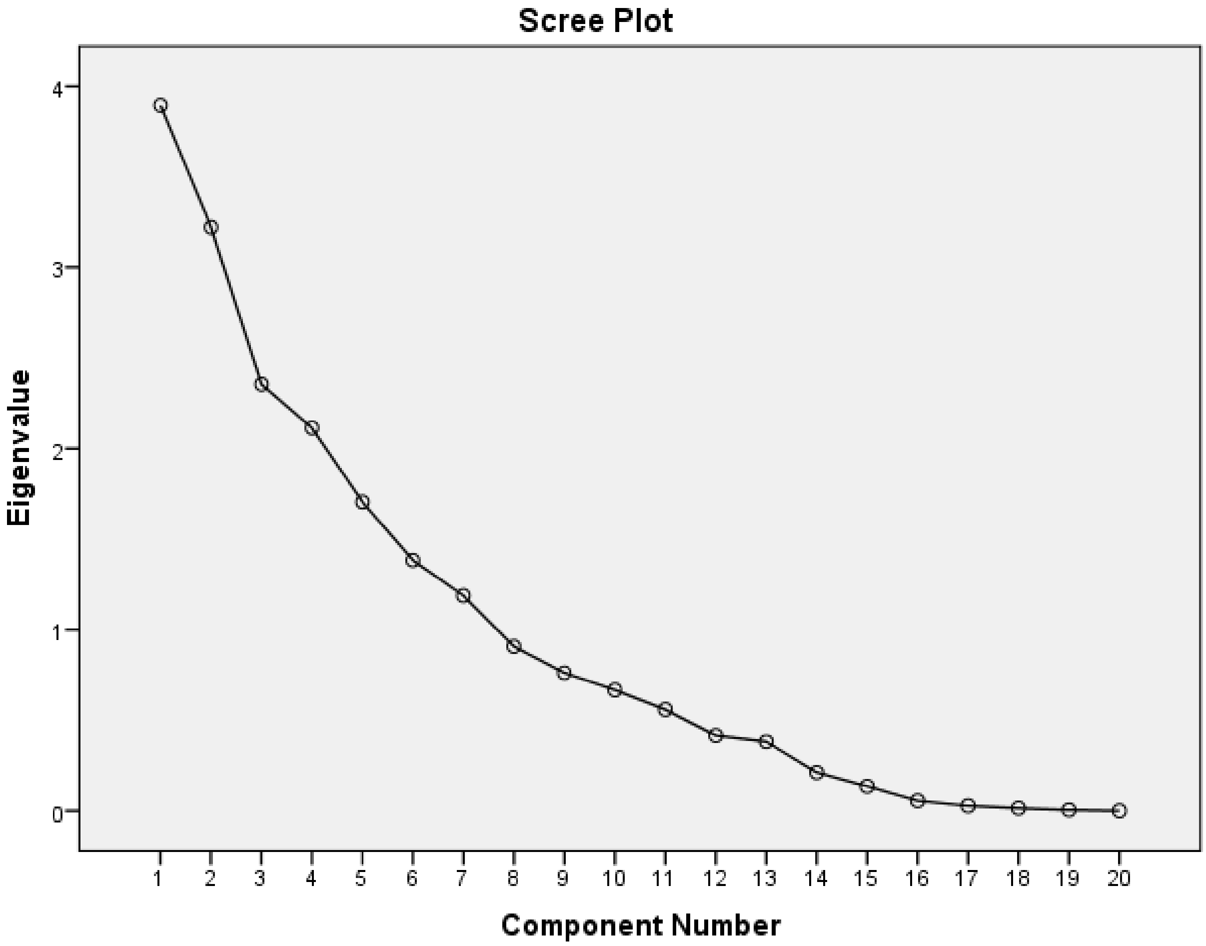

Table 4: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.896	19.478	19.478	3.896	19.478	19.478
2	3.221	16.106	35.584	3.221	16.106	35.584
3	2.354	11.771	47.355	2.354	11.771	47.355
4	2.114	10.568	57.924	2.114	10.568	57.924
5	1.705	8.526	66.450	1.705	8.526	66.450
6	1.383	6.914	73.364	1.383	6.914	73.364
7	1.188	5.941	79.305	1.188	5.941	79.305
8	.907	4.537	83.842			
9	.761	3.805	87.648			
10	.667	3.336	90.984			
11	.559	2.795	93.779			
12	.416	2.078	95.857			
13	.381	1.906	97.763			
14	.212	1.058	98.821			
15	.135	.675	99.496			
16	.055	.275	99.770			
17	.027	.136	99.906			
18	.014	.070	99.976			
19	.005	.024	100.000			
20	3.195E-016	1.598E-015	100.000			

To reduce dimensionality of factors, factor analysis was used. It helped to extract factors that contributed most to the variability in the main constructs of economic and social/cultural effects of microfinance on women empowerment in Kikuyu District. Out of a total of 18 factors, 7 components were extracted. The criteria was factors with a Eigen value >1. Based on the communality table 2, these factors were "family lives have improved as a result of women investing in microfinance loans" (C23), "husbands are proud of and concerned about their wives business" (C28), "women have gained greater say in family economic and other decisions" (C29), "women have started attending seminars as a result of investing MFI loans in business" (C30), "women have become more visible as leaders in community as a result of investing using MF loans" (C31), "a man should have a job while the woman takes care of family" (C33) and "women have gained business knowledge such as preparing simple income statements and financial reports" (C40). 6 factors from the social/cultural impacts of microfinance on women empowerment (C23-C33) were responsible for the most variability in the social/cultural impact of microfinance on women empowerment, while only one factor (C40) was responsible for the most variability of the economic impact of microfinance on women empowerment.

4.4.3 Correlation analysis

Correlation analysis was used to establish the existence of relationships between the study indicators in the rating type questions that tested the economic and socio-cultural impacts of MFI in women empowerment. Significant correlations ($p<0.05$) were found to exist between a number of factors. Table 4.5.3 summarizes results of test for correlation between these study indicators

Under the social-cultural factors, C27 (husbands have become less responsible due to spouse engagement in MFI) and C28 (husbands proud of their wives business success) correlated positively at 0.797 ($p<0.01$). This shows that women have become more economically independent and able to take care of the financial needs of the household, thus earning the approval of their husbands, while simultaneously the husbands seem to have delegated more responsibility to the wife to the point that the respondents perceive it as irresponsibility. This finding seems to confirm a trend in society where men are perceived as less responsible whenever their wives become the dominant economic spouse in the relationship.

Another significant correlation of 0.803 was observed between C27 and C31 (women have become more visible as leaders in the community). Once again, this finding seems to confirm that with more financial power going to their wives, husbands have delegated more responsibility to them. C32 (women are showing interest in politics) and C30 (women attending seminars as a result of investing in MFI credit) also exhibited a significant correlation of 0.810 at $p<0.01$. This means that with better knowledge on finances, development and investment, women in the study area have become more confident of their leadership potential and are now venturing into politics.

C23 (family life has improved as a result of women investing in MFI) and C33 (a man should have a job and a woman take care of the family) also had a 0.927 correlation score. This finding indicates that while women success in MFI is welcome, the traditional family values are also upheld in the same instance. A correlation of 0.996 was scored between variables C34 (women should obey decisions of men) and C24 (divorce rate has reduced with women success in MFIs).

This once again seems to corroborate the perception that while financial success of the women is welcome in the community, traditional family values and gender roles are equally esteemed.

4.5 Summary

From the data analysis majority of women were empowered as a result of investing in credit from Micro Finance Institutions and this corresponds to many researches done example Biswas(2008), argues that by helping women meet their practical needs and increase their efficacy in their traditional roles, microfinance may in fact help women to gain respect and achieve more in their socially defined roles, which in turn may lead to increased esteem and self-confidence which may contribute decisively to a woman's ability and willingness to challenge the social injustices and discriminatory systems that they face. This implies that as women become financially better-off their self confidence and bargaining power within the household increases and this indirectly leads to their empowerment.

Swain et al (2007) carried out a study to determine whether microfinance does actually empower women. The results indicated the evidence for a general increase in women empowerment for the members over time. This however, did not imply that each and every woman who joined the programme was empowered to the same degree or they all progressed at the same pace.

Other researchers for example Hulme (2000) attest to some findings by minority of the respondents that there were negative impacts of micro finance credit to empowerment where some men felt threatened by the financial independency of their wives.

CHAPTER FIVE

5.0 Summary

5.1 Introduction

Microfinance is a type of banking service which provides access to financial and non financial services to low income or unemployed people. It is a powerful tool to self empower the poor people especially women. From early 1970's women movement in many countries have been alleviating poverty through microfinance programs.Kabeer (1999), stresses that women's empowerment is the process to acquire the ability from which those who have been denied the ability to make the strategic life choices, which incorporates three interrelated dimensions: Resources, Agency and Achievements. The impact of giving credit to women has been controversial issues some researchers argue that microcredit has positive impacts on women's empowerment while others argue that microfinance credit bring negative impact for women Hulme (2000). The research was set out to find the impact of microfinance services on women empowerment in Kikuyu division, where questionnaires were given out to several women groups whose individual group members were targeted. The responses were then analyzed using analytical tools such as SPSS and the findings were recorded as follows.

There was positive impact on empowerment on majority of women who borrowed credit from MFIs as was observed on enhanced women's economic independence, increase in women's self esteem and status in the households and wider community, improved ability to exercise agency in the intra-household processes and decreased male bias in welfare outcomes in the household. Micro finance savings and insurance schemes helped the women in coping with financial risks

5.2 conclusions

The problem of women less access to credit was given a particular concentration at first International Women Conference in Mexico in 1975. The findings from the research shows that, giving credit to women improves the economic independence of majority of women, and enhance their contribution in the household and community. There are fewer incidences where men use the loan in the household given to the women making them more vulnerable to MFIs initiatives in case male members in the family fail to make installments, causing positive externalities as explained in the rationale of giving credit to women not to be realized.

The findings of the study indicate that women in Kikuyu are empowered by income (used as a proxy for empowerment) generated from investing in loans borrowed from MFIs. Other significant factors associated with the empowerment of women in kikuyu were acquisition of business related knowledge and skills in preparing income statement and financial report, the study found out that women group members had no problem in repaying the loans and the majority of the members benefited from the loans.

The correlation analysis done revealed that women have become more visible as leaders in the community which is attributed to acquisition of more financial power hence assuming more responsibility. The analysis also found out that, after acquiring more knowledge on financial management, the women developed more confidence and were able to become better leaders and were even able to venture in politics. Other findings from the study were that the respondents had acquired independence in decision making and more involved in family affairs for the betterment of their children, husband and family.

5.3 Policy recommendation

Traditionally, women have been marginalized. They are rarely financially independent and often they are more vulnerable members of society. About 70% of world's poor are women. Women are integral part of society yet their status and participation in decision making as well as economic activities is very low. MFIs have been quite creative in developing products and services that that have kept women from accessing formal financial services. Although microfinance does not address all the impediments to women empowerment MFIs programs when properly adhered to they contribute a lot to women empowerment Therefore microfinance is a critical tool to empower women from poor household. If there is no good evidendence to support the idea that MFIs has a positive impact on empowering women, if would be more beneficial to explore alternative interventions that could empower women. Studies by Collins et al.(2009),points out that poor people do not just need credit but access to other financial products such as savings and insurance. Other recommedations include that financial products offered by MFIs must become more flexible and adjust to rapidly changing circumstances faced by poor people. The study recommends that in order to strengthen the impact of microfinance services on empowerment of women in Kenya, the MFIs should train the borrowers on entrepreneurial skills so as to enhance their competence.

It would be further recommended that the management of microfinancial institutions shuld come up with policies that should enable those without collateral to acquire loans,financial innovations in order to reduce the bureaucratic procedures of acquiring loans, train women on risk and financial management, the Kenya government should come up with regulatory procedures of controlling interest rates to avoid MFIs capacity to exploit women borrowers.

5.4 limitations of the study

Limitations encountered in assessing the impact of empowerment includes, behaviors and attributes that signify empowerment in one context often have different meanings elsewhere. For empowerment tend to be context specific. The variation in the nature and importance of empowerment across context poses a challenge in terms of both consistency and comparability in measurement schemes.

Due to the fact that empowerment is seen as a process as opposed to a condition or state of being, As moving targets, processes are difficult to measure, especially with the standard empirical tools available to social scientists. There are methodological challenges in measuring the process of women's empowerment, including the use of direct measures as opposed to proxy indicators, the lack of availability and use of data across time, the subjectivity inherent in assessing processes, and the shifts in relevance of indicators over time.

Other limitations includes dishonesty in answering some questions in a belief that the researcher may trace the questionnaire to the interviewee, failure of understanding the questions and a feeling that some information was too personal to extent of not divulging it out in whichever manner

Some of the respondents were semi illiterate this had an effect of introducing biases in the research for they did not understand the questionnaire as intended by the researcher there were some questionnaires which got spoilt which were intended to be filled as they were factored in by the Yamane formula so as to give a confidence level of 95%.

5.5 suggestions for further studies

A number of other areas related to empowerment that require further research include harmonizing empowerment indicators. Though the researchers are in agreement that empowerment is a process which is produced in more than one dimension there is no consensus as to the dimensions of empowerment.

Empowerment measurement techniques should be developed this will reveal the right meaning of empowerment, for credit interventions that cause women to generate social and economic empowerment, may not always work, for in some instances credit borrowed by women my be controlled by their husbands making them more subordinated and increasing domestic violence.

The contribution of micro insurance and savings to empowerment, technology transfer through MFIs , the relationship between participation in MFIs programs and effects of culture and religion as they enhance the impact of MFIs. should be studied, and impact evaluation researchers must consider not only whether programs are effective or not, but also the reasons behind the effectiveness or lack of effectiveness of various interventions

The researchers should come up with ways of changing certain social and cultural norms. Bastiaensen (2009), argues that poverty has characteristics of a particular institutional reality, which is not specific characteristic of some individuals or a group of people. This institutional reality reduces the collective capacity of a group of people to develop their economic and resource potentials and deprive people of opportunities for exchange and access to resources. The poor are knowledgeable agents but their agency is constrained by a lack of resources, opportunities and strategic linking capacity which is guided by some type of cognitive or cultural models

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Appendix I: QUESTIONNAIRE

Fill in the relevant information, or tick where appropriate.

Section 1

1.0. Date of the interview.____

2.0 Which is your location.__________________________________?

3.0 Give the name of your group,_________________________________

4.0 What is your marital status? ___________________________

5.0 What is your age ________________________________

Section 2

6.0 Literacy level

(i) Has never attended school ( )

(ii) Up to primary school ( )

(iii) Up to secondary school ( )

(iv) Up to a tertiary institution ( )

(v) Up to university ( )

7.0. What is your main occupation?

(a) Business ( )

(b) Civil servant ( )

(c) Farmer ( )

(c) Employed in the private sector ( )

(d) Peasant farming ( )

(e) Others specify ___________________________

8.0 Approximately how much do you earn from all your sources in a month?

(a) Less than ksh 1000.00 ,… not empowered …………………(1)

(b) Between ksh 1001.00---4000.00 , slightly empowered……..(2)

(c) Between ksh 4001.00--10,000.00, empowered………………(3)

(d) Between ksh 10,001.00---20,000.00, more empowered ……(4)

(e) Over ksh 20,001.00, most empowered …………………….(5)

9.0 What property do you own

(a) Rental houses yes ( ) no ( )

(b) Car yes ( ) no ( )

(c) Television yes ( ) no ( )

(d) Cows yes ( ) no ( )

(e) Donkey (s) yes ( ) no ( )

(f) Land (acres) specify _______________

10.0 What is your secondary occupation

(a) Business ( )

(b) Civil servant ( )

(c) Employed in the private sector ( )

(d) Peasant farming ( )

(e) Others specify ______________________________

Section 3

11.0. Which Microfinance institution do you borrow money from_________________________

12.0 Do you know any micro finance institution operating in your home area other than the one you borrow money from

(a) Yes ( )

(b) No ( )

13.0 When did you start borrowing loans from MFIs_______________________

14.0 For what use was the loan intended__________________________________

15.0How much money did you borrow___________________________________

16.0 Does your husband understand your working problems ?

(a) yes ( )

(b) No ( )

17.0 Does your job improve your knowledge and personality?

(a) Yes ( )

(b) No ( )

18.0 Who does the daily shopping necessary for the house?....................................

19.0 Has you faced any conflict due to taking up of the job

(a) Yes ( )

(b) No ( )

20.0 Do you have your own income which you can spend without your husband's permission?

(a) Yes ( )

(b) No ( )

21.0 Do you talk to your husband before you buy

(a) Clothing for yourself, Yes ( ), No ( ).

(b) Clothing for children, yes ( ), No ( ).

22.0 How much do you spend in a month on,

(a) Kitchen budget_________________

(b) Entertainment______________

(c) Leisure __________________

For each of the statements below, please indicate the extent of your agreement or disagreement by placing a tick in the appropriate box

The response scale is as follows:

Strongly Agree 1

Agree 2

Undecided or Neutral 3

Disagree 4

Strongly disagree 5

Social /Cultural Impact	SCALE				
23.0 Family life has improved as a result of women being able to invest in loans Micro Finance Institutions	1	2	3	4	5
24.0 The rate of divorce has reduced as a result of women investing with credit from MFIs	1	2	3	4	5
25.0 Self esteem among women who utilize loans from MFIs has increased	1	2	3	4	5
26.0 Self confidence has increased among women who borrow credit from MFIs and invest it	1	2	3	4	5
27.0 Husbands have become irresponsible after wives started earning income from investing in credit borrowed from MFIs	1	2	3	4	5
28.0 Husbands are generally proud of their wives capability in managing businesses and showed concern about their wives business venture	1	2	3	4	5

29.0 Women have gained greater say within the family when it comes to economic and other decisions	1	2	3	4	5
30.0 Women have started attending seminars as a result of investing in business using credit borrowed from MFIs	1	2	3	5	5
31.0 women have become more visible as leaders and members of community organizations since the started investing in business from MFI loans	1	2	3	4	5
32.0 Women from registered women groups that borrow loans from MFIs have developed interest in politics in kikuyu division	1	2	3	4	5
33.0 A man should have a job and a woman should take care of the household and the family	1	2	3	4	5
34.0 A man should make a decision and a woman should obey	1	2	3	4	5
Economic impact					
35.0 By creating jobs and generating income as a result of investment using credit	1	2	3	4	5
from MFIs, there has been an increase in well being of women in Kikuyu Division	1	2	3	4	5
36.0 Women groups from Kikuyu Division have no problem in repayment of loans	1	2	3	4	5

from MFIs					
37.0 Only a small minority of families benefited economically from credit borrowed from MFIs	1	2	3	4	5
38.0 Credit borrowed from MFIs has been used for consumption smoothing	1	2	3	4	5
39.0 Interest charged by MFIs in Kikuyu Division does not discourage women groups from borrowing loans	1	2	3	4	5
40.0 Women have gained business related knowledge and skills such as preparing simple income statement and financial reports					

41.0 How do you compare the interest that you pay for your loan and that offered by commercial banks,

(a) More ( )

(b) less ( )

42.0 How often do members of your group default on loans?y,

(a) Very often ( ), (b) Often ( ), (c) rarely ( ) (d), Very rarely ( )

43.0 Do you own a saving account with any MFI operating in Kikuyu

(a) yes ( ) (b) no ( )

44.0 Have you subscribed to any insurance scheme with any of the MFI operating in Kikuyu

(a) yes ( ) (b) No ( ).

45.0 How often do you transact through the MFIs, in Kikuyu such as receiving , making payments or money transfers.

(a) yearly ( ),

(b) Monthly ( ),

(c) Weekly. ( ),

(d) Others, specify ---

46.0 Has the relationship between you and your husband improved after investing in business after acquiring loan from MFI

(a) yes ( )

(b) No ( )

47.0 How do you compare your standard of living before and after starting to borrow loans from MFIs

(a) has improved ( )

(b) has deteriorated ( )

(c) has remained the same ( )

48.0 How do you compare the relationship between you and your husband, before and after investing loans borrowed from MFIs

(a) haved improved ( )

(b) has remained the same ( )

(c) has worsend ( )

Appendix II: Letter of Research Authorisation

REPUBLIC OF KENYA

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Our Ref: NCST/RCD/14/012/1117

Date: 22nd August 2012

Robert Ndungu Kamau
University of Nairobi
P.O.Box 30197-00100
Nairobi.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on "***The impact of microfinance services on women empowerment: A case study of Kikuyu Division,"*** I am pleased to inform you that you have been authorized to undertake research in **Kikuyu District** for a period ending **31st December, *2012.***

You are advised to report to **the District Commissioner and the District Education Officer, Kikuyu District** 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.
DEPUTY COUNCIL SECRETARY

Copy to:

The District Commissioner
The District Education Officer
Kikuyu District.

"The National Council for Science and Technology is Committed to the Promotion of Science and

Appendix III

Correlations

		C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40
C23	Pearson Correlation	1	.208**	.000	.354**	.136*	-.216**	.140*	-.023	.184**	-.252**	-.006	.312**	.191**	.227**	.217**	.152*	.245**	.229**
	Sig. (2-tailed)		.001	1.000	.000	.035	.001	.029	.727	.004	.000	.927	.000	.003	.000	.001	.019	.000	.000
	N	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241
C24	Pearson Correlation	.208**	1	-.189**	.317**	.250**	-.239**	.227**	-.056	-.142*	-.321**	-.090	.000	.163*	.109	.607**	.017	.017	-.268**
	Sig. (2-tailed)	.001		.003	.000	.000	.000	.000	.390	.028	.000	.165	.996	.011	.091	.000	.792	.797	.000
	N	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241
C25	Pearson Correlation	.000	-.189**	1	.141*	-.165*	.000	.000	.000	-.201**	-.208**	-.128*	-.405**	.000	.163*	.000	-.159*	.000	-.477**
	Sig. (2-tailed)	1.000	.003		.029	.010	1.000	1.000	1.000	.002	.001	.046	.000	1.000	.011	1.000	.013	1.000	.000
	N	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241
C26	Pearson Correlation	.354**	.317**	.141*	1	.145*	-.609**	-.038	-.060	-.310**	.127*	.431**	.084	-.182**	.068	.032	.428**	.368**	-.509**

	Sig. (2-tailed)	.000	.000	.029		.025	.000	.554	.353	.000	.050	.000	.194	.005	.290	.624	.000	.000	.000
	N	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241
C27	Pearson Correlation	.136*	.250**	-.165*	.145*	1	.017	-.238**	.530**	.016	-.144*	.476**	.173**	.000	-.378**	.208**	.054	.138*	-.122
	Sig. (2-tailed)	.035	.000	.010	.025		.797	.000	.000	.803	.025	.000	.007	1.000	.000	.001	.404	.032	.058
	N	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241
C28	Pearson Correlation	-.216**	-.239**	.000	-.609**	.017	1	.171**	.525**	.406**	.241**	-.112	.102	.146*	-.443**	-.120	-.432**	-.135*	.244**
	Sig. (2-tailed)	.001	.000	1.000	.000	.797		.008	.000	.000	.000	.082	.114	.023	.000	.064	.000	.036	.000
	N	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241
C29	Pearson Correlation	.140*	.227**	.000	-.038	-.238**	.171**	1	.093	-.221**	-.196**	-.018	.034	.000	.342**	.049	.002	.328**	-.152*
	Sig. (2-tailed)	.029	.000	1.000	.554	.000	.008		.149	.001	.002	.780	.603	1.000	.000	.449	.972	.000	.019
	N	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241
C30	Pearson Correlation	-.023	-.056	.000	-.060	.530**	.525**	.093	1	.365**	-.016	.241**	.200**	.000	-.436**	.073	-.229**	-.021	.051
	Sig. (2-tailed)	.727	.390	1.000	.353	.000	.000	.149		.000	.810	.000	.002	1.000	.000	.262	.000	.740	.432
	N	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241

C31	Pearson Correlation	.184**	-.142*	-.201**	-.310**	.016	.406**	-.221**	.365**	1	.467**	-.366**	.307**	.130*	-.407**	-.170**	-.285**	-.192**	.742**
	Sig. (2-tailed)	.004	.028	.002	.000	.803	.000	.001	.000		.000	.000	.000	.044	.000	.008	.000	.003	.000
	N	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241
C32	Pearson Correlation	-.252**	-.321**	-.208**	-.127*	-.144*	.241**	-.196**	-.016	.467**	1	.144*	.220**	.000	-.360**	-.522**	.079	.145*	.231**
	Sig. (2-tailed)	.000	.000	.001	.050	.025	.000	.002	.810	.000		.026	.001	1.000	.000	.000	.224	.024	.000
	N	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241
C33	Pearson Correlation	-.006	-.090	-.128*	.431**	.476**	-.112	-.018	.241**	-.366**	.144*	1	.318**	-.166**	-.088	-.120	.539**	.394**	-.364**
	Sig. (2-tailed)	.927	.165	.046	.000	.000	.082	.780	.000	.000	.026		.000	.010	.176	.063	.000	.000	.000
	N	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241
C34	Pearson Correlation	.312**	.000	-.405**	.084	.173**	.102	.034	.200**	.307**	.220**	.318**	1	-.149*	-.101	-.025	.113	-.028	.412**
	Sig. (2-tailed)	.000	.996	.000	.194	.007	.114	.603	.002	.000	.001	.000		.020	.117	.699	.081	.662	.000
	N	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241
C35	Pearson Correlation	.191**	.163*	.000	-.182**	.000	.146*	.000	.000	.130*	.000	-.166**	-.149*	1	-.211**	.000	.000	.000	.000

	Sig. (2-tailed)	.003	.011	1.000	.005	1.000	.023	1.000	1.000	.044	1.000	.010	.020		.001	1.000	1.000	1.000	1.000
	N	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241
C36	Pearson Correlation	.227**	.109	.163*	.068	-.378**	-.443**	.342**	-.436**	-.407**	-.360**	-.088	-.101	-.211**	1	.324**	.051	-.211**	-.058
	Sig. (2-tailed)	.000	.091	.011	.290	.000	.000	.000	.000	.000	.000	.176	.117	.001		.000	.431	.001	.371
	N	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241
C37	Pearson Correlation	.217**	.607**	.000	.032	.208**	-.120	.049	.073	-.170**	-.522**	-.120	-.025	.000	.324**	1	.084	-.343**	-.027
	Sig. (2-tailed)	.001	.000	1.000	.624	.001	.064	.449	.262	.008	.000	.063	.699	1.000	.000		.194	.000	.679
	N	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241
C38	Pearson Correlation	.152*	.017	-.159*	.428**	.054	-.432**	.002	-.229**	-.285**	.079	.539**	.113	.000	.051	.084	1	.282**	-.077
	Sig. (2-tailed)	.019	.792	.013	.000	.404	.000	.972	.000	.000	.224	.000	.081	1.000	.431	.194		.000	.235
	N	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241
C39	Pearson Correlation	.245**	.017	.000	.368**	.138*	-.135*	.328**	-.021	-.192**	.145*	.394**	-.028	.000	-.211**	-.343**	.282**	1	-.311**
	Sig. (2-tailed)	.000	.797	1.000	.000	.032	.036	.000	.740	.003	.024	.000	.662	1.000	.001	.000	.000		.000
	N	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241

C40	Pearson Correlation	.229**	-.268**	-.477**	-.509**	-.122	.244**	-.152*	.051	.742**	.231**	-.364**	.412**	.000	-.058	-.027	-.077	-.311**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.058	.000	.019	.432	.000	.000	.000	.000	1.000	.371	.679	.235	.000	
	N	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241	241

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).