

**THE EFFECT OF MICRO CREDIT IN IMPROVING THE LIVING
STANDARDS OF THE POOR PEOPLE IN THARAKA NITHI
COUNTY**

**BY
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DECLARATION

I, the undersigned declare that this research project is my original work and has not been presented in any other University.

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Signature Date.....

This research project has been presented for examination with my approval as the University Supervisor.

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DEDICATION

I dedicate this research project to my family and my friends for the love and support they have accorded me.

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ABBREVIATIONS

AMFI - Association of Microfinance Institutions

KWFT - Kenya Women Finance Trust

MFI's - Micro Finance Institutions

PRSD - Poverty Reduction Strategy Document

SPSS- Statistical Package for Social Science

ABSTRACT

This research study has analyzed the effect of micro credit in improving the living standards of the poor people in Tharaka Nithi County. Chapter one gave an introduction to the microcredit services, the problem that this research project tends to focus on and also the value of the research study. It identifies the effect of micro credit in the improvement of living standards of poor people in Tharaka Nithi County.

Chapter two has analyzed the literature review which explains the various theories on micro credit services and also studies which have been carried out.

Chapter three exhibited the research methodology that is used in carrying out the research study where the collection of data from the respondents has been carried out using questionnaires.

Chapter four then analyzed the findings of the data as it was collected from the respondents in the field where the solutions of this study were found and these should be implemented. It helped in the drawing of conclusions in the last chapter.

Chapter five is thus the conclusions of the study and the recommended policy actions to be undertaken. From the study`s findings, the study showed that provision of loan facilities and acquiring the necessary skills on how to manage the funds to generate extra income and gain profits serves as a way to improve living standards in the study area.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Micro credit is the expansion of little advances (smaller scale advances) to devastated borrowers who normally need guarantee, solid job and evident financial record i.e. it includes giving little advances to individuals who might some way or another be not able secure credit, commonly because of neediness. Related obstructions may incorporate unemployment or underemployment and an absence of security and financial record. (Gupta, 2015)

Smaller scale credits have been known to enhance the expectations for everyday comforts for some individuals in various parts of the world. After free the greater part of the creating countries still exist in the web of poverty and microfinance has been recognized has an achievable other option to lessen destitution and enhance the expectations for everyday comforts (Hermes and Lensink, 2011)

Poverty is the state of having almost no cash, products or method for bolster state of being poor. Poverty, desperation, require, need suggest a condition of privation and absence of the methods for legitimate presence. Outright poverty is synonymous with dejection and happens when individuals can't get sufficient assets. (Korynski, 2007)

The study is based on a number of theories that include the classical theory that assumes that every individual in the society is responsible for choosing their economic destiny and thus dictating whether to be poor or to be rich. The neoclassic theory stresses that the role of unequal initial endowment of talents, capital, and abilities play a big role on the wellbeing of individuals as well as their poverty. They determine the productivity of an individual in generating poverty in a competitive economic system. The rational choice theory is based on the argument that most individual will make the most appropriate choice when faced with a situation of choosing among many options. People should make decisions that will maximize the profit and reduce the risks. The Marxian theory suggests

that radical changes in the socio economic system in a society and economic growth may not be a sufficient approach to improve the living standards of poor people because some social groups may not feel the benefits of such economic empowerment. (Hermes & Lensink, 2011)

Micro credit access should be used as an intervention to reduce the poverty levels such as lack of access to education, poor sanitation, inadequate feeding programs, lack of access to information and social accomplishment, inadequate clothing, poor shelter and living conditions in Tharaka and Igambang`ombe regions in that majority of the residents of Tharaka Nithi County live in the web of poverty. The regions are characterized by subsistence farming that fails most of the seasons due to little rain. It calls for food relief interventions but micro credit can be used as a remedy to reduce the poverty level. Poverty in Kenya is a mind boggling issue which requires a top to bottom hope to acknowledge and get it. (Cooper and Schindler, 2003)

Micro credit and poverty have a relationship in that micro credit has been known to be perfect solution for poverty reduction. A society that is empowered through micro credit will exhibit some appropriate living standards. Micro credit is a proven intervention for reducing the poverty level in many developing nation having worked efficiently in Bangladesh, Ethiopia and other developed and developing nations. (Cooper & Schindler, 2003)

1.1.1 Micro-Credit

Micro credit is a financial undertaking which focuses on improving the standards of living of needy people in the society by reducing the poverty level. It involves the provisional services targeting the poor and the low-income earners such as credit, saving, and insurance. It gives access to services to average earners wishing to access money to improve income generating activities. Financial services are availed to the needy or those that depend on their small scale businesses (Gupta, 2015).

These people are considered to be risky by commercial banks. The credit facility is provided to the poor either as a group or an individual to help them start new businesses or to grow an existing one (Pretes, 2002). Micro-credit takes care of the under privileged in the society who have no likelihood of accessing financial services from the commercial banking sector. The ultimate goal of micro-finances is to help low-income earners become self-reliant and sufficient through provision of micro-saving, borrowing and insurance cover (Cooper & Schindler, 2003). Micro credit has been in existence since the seventeenth century, but modern ones operate in developing countries. Micro credit grew from the fact that when poor people are empowered, they can pay their loans as well (Korynski, 2007).

1.1.2 Living Standards

The living standards of individuals in a society are said to be favorable when there is adequate consumption, high educational level, proper housing conditions, ample availability of food, friendly sanitary conditions, stable or non-restricted participation in the production system, free support in the systems of social joining and opportunity of taking after to a specific school of thought and qualities comparative or diverse to those that are held by whatever is left of the general public. Although many studies have examined the issue of improving the living standards in Tharaka Nithi and Kenya as a whole, not many of them have assessed the impact of micro credit efforts on improving the living standards. It is on this background that this research has aimed to investigate how microfinance institutions which have credit requirements of the vulnerable part of the society that can benefit from credit allocation of formal financial system in Tharaka Nithi are doing to improve the living standards. The study focuses on how micro credit services are effective in bid to improve the living standards in the rural areas. After the identification of this problem, I want to know the changes encountered by the rural people actively involved in small business particularly in rural areas where the MFIs operates. (Hermes & Lensink, 2011)

Improvement of the living standards will be accessed by examining the change achieved in the general living condition of the respondent after acquiring the loan facility. The growth of business income, expansion of the business, access to basic necessities like food, clothing, shelter, and education will be used as the indicators of checking the quality of the living standards. The respondents will be asked about their personal thought on whether the quality of life has improved as a result of the micro credit intervention. (Sharma & Buchenrieder, 2002)

1.1.3 Micro Credit and Improving Living Standards

Modern micro credits are thriving to achieve greater strength, sustainability and market thus they have transformed themselves into money making institutions which was not the fundamental idea behind micro credits (PRSD, 2005). Savings and credit facilities are vital instruments for economic empowerment of the underprivileged in the society (Sharma & Buchenrieder, 2002). In Kenya, micro-credit is geared towards offering grants because free financial provisions hinder entrepreneurial and efficiency stimulation (Mwawana, 2011). Credit provision encourages the development of sound financial infrastructure and growth of the local economy transforming small and medium sized businesses to empower communities where they operate (Imai et al, 2012). Micro-credits create employment opportunities for the jobless through self-employment but can grow to absorb more workers (Hermes & Lensink, 2011).

The dominant microfinance institutions in Kenya in the 1980s and 1990s were the Kenya Women Finance Trust, Sidian Bank, Family Finance and Faulu Kenya some of which have grown into fully pledged commercial enterprises (PRSD, 2005). In Kenya, we have two types of micro-credit institutions depending on the legislations they operate in. Member based micro-credits include the savings and cooperatives and merry-go-rounds that are in view of client supplier relationship in the administration and in addition, responsibility for back administration supplier (Chowdhury, 2013).

1.1.4 Tharaka Nithi County

Majority of the residents of the county are unable to purchase the basic requirements dictated by the nature thus terming them as poor. Poverty can be named as supreme which is a condition portrayed by absence of essential wares like nourishment, safe drinking water, social insurance administrations, sanitation offices, asylum, instruction and data. The vast majority of the general population in Tharaka Nithi County is in outright neediness (PRSD, 2005). A sum of 21% of Tharaka Nithi County occupants have gone to auxiliary level of training or above. Maara voting public has the most astounding offer of inhabitants with an optional level of instruction of above or at 28%. This is double the number in Tharaka voting demographic, which has the least impact of inhabitants to an optional level of instruction. 62% of Tharaka Nithi County inhabitants have gone up to essential level of training. Tharaka voting public has the most noteworthy impart of occupants to an essential level of training just at 64%. This is 4% focuses above Chuka/Igambangombe voting demographic which has the most reduced number of occupants with an essential level of instruction. A sum of 17 percent of Tharaka Nithi County inhabitants have no formal training with Tharaka electorate having the most noteworthy impart of occupants to no formal instruction at 23% (KNBS REPORT, 2012).

Enhanced wellsprings of water involve ensured springs, secured wells, boreholes, funneled water into living spots, gathered channeled and rain water; while unchanged sources incorporate lakes, dams, lakes, streams/waterways, unprotected springs, unprotected wells, jabia, water merchants and others. 46% of Tharaka Nithi occupants utilize enhanced wellsprings of water, with the lay depending on unchanged sources. A sum of 60% of inhabitants in Tharaka Nithi County utilizes enhanced sanitation, while the rest utilize unchanged sanitation (PRSD, 2005).

There is little entrance of microfinance organizations in Tharaka Nithi area because of absence of suitable monetary exercises that can ensure the reimbursement of the microfinance money related administrations. The organizations exist in the significant

towns leaving most of the nationals unattended. The MFIs are basic in the upper zones of the province where business cultivating of tea and drain creation are regular. These zones have a higher penetration of the MFI benefits because of their entrance to standard wellsprings of wage from cultivating. The lower zones of the area are drier with next to zero business exercises. Instruction levels and access to social courtesies are low in the locale making it the need focus of the microfinance benefits however they are insufficient (Mwawana, 2011).

1.2 Research Problem

The classical theory states that every individual in the society is responsible for choosing their economic destiny and thus dictating whether to be poor or to be rich. The neoclassic theory stresses that the role of unequal initial endowment of talents, capital, and abilities play a big role on the wellbeing of individuals as well as their poverty. They determine the productivity of an individual in generating poverty in a competitive economic system. The rational choice theory is based on the argument that most individual will make the most appropriate choice when faced with a situation of choosing among many options. (Korynski, 2007). People should make decisions that will maximize the profit and reduce the risks. The Marxian theory suggests that radical changes in the socio economic system in a society and economic growth may not be a sufficient approach to improve the living standards of poor people because some social groups may not feel the benefits of such economic empowerment (Pretes, 2002).

Majority of the residents of Tharaka Nithi County live below the poverty level according to the 2012 survey by Kenya National Bureau of Statistics which stands at 48.7 percent. This is slightly higher than the national percent of 45.2 percent of people living below the poverty line according to KNBS survey findings of 2009. National and the County government have not been able to alleviate these poverty levels over the past years amid the presence of various efforts like availability of different non-governmental organizations to help improve the living standards. The past is characterized by low level of education access, high levels of unemployment, poor health care services provision as

well as lack of proper sanitation facilities for most of Tharaka Nithi residents. There is a huge unfair gap between individuals, groups and households relative to those deemed poor and the rich within the population. Living standards in the area are characterized on the basis of access to clean water for domestic consumption, access to education and healthcare services as well availability of sufficient lighting options (Pretes, 2002).

Many nations in Africa and Asia are living below the poverty index set by the World Bank. They survive on foreign aid and humanitarian intervention to keep living. Micro credit has been used in these poverty stricken nations to improve the living standards of the citizen. Poverty will deprive the children from attending school which further worsens the poverty situation in these developing nations. Political crashes and corruption are rampant in these nations living the majority poor to remain in poverty while the minority rich survives at the expense of the deprived in the society. Proper social economic policies should be employed to reduce the poverty levels in these nations. (Pretes, 2002).

Studies have been conducted to access the living standards in many parts of the country but few have taken into consideration the role of MFIs to improve the living standards especially in Tharaka Nithi County.

The concept of micro-credit has been around for a long time with documentation of loans being made out to the poor cited in Europe since the eighteenth century. The document show that several examples like Jonathan Swift created a fund to provide the poor industrious tradesmen some cash in small sums of five, and ten pounds, to be repaid weekly, at two or four shillings, without interest (Mosley & Rock, 2004).

Currently, there is no clear and absolute solution to end poverty but micro credit can be used as an intervention to reduce the poverty and not to finish the menace hence this gap of the study seeking to explore the effects of micro credit as a remedy to improve the living standards of the poor people in Tharaka Nithi County. The research will bring to light the measures that should be put in place to improve the living standards and make a conclusion of whether micro credit has been of help.

1.3 Research Objective

To investigate the effect of micro-credit in improving living standards of the poor people in Tharaka Nithi County.

1.4 Value of the Study

The results from the study would have policy and management implications. The findings will provide management insight on what ought to be improved or scrapped from the loan policies (Hermes & Lensink, 2011). The study will include the top management of the MFIs to learn from their management and corporate policies on the clients and other staff members. The results of the study will give the circumstances surrounding the current loan accessibility in the county for the majority poor. The basic idea behind the microcredit is to improve the living standards but the strategy has since changed due to monetary strategy to increase profits (Mwawana, 2011). The study will offer an achievable recommendations based on the finding from the survey to the management team and other loan lending organizations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter summarizes the theories behind the microfinance service in Kenya while paying specific attention to Tharaka Nithi County which is the study area. Microfinance is a form of financial support that is set for the poor people in an effort to improve the living standards through provision financial services (Pretes, 2002).

2.2 Theoretical Literature Review

Before investigating the effect of any small scale credit office on enhancing the standards of living of the destitute individuals, it is important to first comprehend the thought behind neediness and its relative definitions. The world is portrayed by the division of the individuals who have and the individuals who have not. The wealthy appreciate a rich life while the less wealthy experience the ill effects of absence of better than average, restorative and beneficial lives. Traditionally destitution was seen only as material hardship along these lines living with low wage and low utilization portrayed by poor sustenance and poor living conditions. This is what is viewed as wage neediness and is related to the poor medical services and low instructive levels that are either the cause or the after effect of low wage said to be human destitution. Numerous specialists characterize destitution on the premise of wage level as opposed to utilizing its more extensive definition that involves the prosperity of the people or the general public. An established meaning of neediness depicts it as the powerlessness to achieve an insignificant way of life measured as far as essential utilization needs or the pay required for fulfilling them. Destitution is in this way portrayed by the disappointment of people, families to summon adequate assets to fulfill their basic needs. The hardship of accomplishing insignificant guidelines of utilization to meet fundamental physiological criteria is frequently named as total neediness. It is most specifically communicated as not having enough to eat or lack of healthy sustenance. In outright sense the poor are physically denied to the degree that their survival is at hazard.

2.2.1 The Grameen Model

Strategies for budgetary advancement in creating nations have been founded on three speculations concerning their objective gatherings. One is that our country small scale business people can't perceive themselves. They are poor, making it impossible to save and in conclusion they require credit for their wage producing exercises. Three money related approaches have risen up out of these suspicions. In the first place, the credit-situated improvement banks and extraordinary projects were set up which overlooked reserve funds assembly. Credit was also sponsored, and in conclusion liberal credit ensure plans were set up to cover the foreseen misfortunes. (Pretes, 2002).

For business purposes, the money related administrations have been focused to the rich people in the general public who have a more capacity to reimburse credits and save their investment funds. To sort these deterrents, an unmistakable market analyst and teacher from Bangladesh rang Muhammad Yunus accompanied another idea and model, which is known as the Grameen Model in 1976. Dr. Yunus discovered that even with some little measure of cash it is conceivable to help the needy to survive and make the activity of individual acknowledgment and venture in the general population that is important to enhance their expectations for everyday comforts. Grameen model is currently being considered as a standout amongst the best models in the microfinance business. The Grameen Bank finds the monetary dynamic poor, who are barred from formal budgetary administrations, and helps them by giving money related services. The bank additionally stresses on the preparation of investment funds. The Grameen Bank is a foundation which gives little credits to poor people, particularly ladies in Bangladesh, utilizing imaginative methods for getting around their obtaining requirements. The Grameen Bank has been massively fruitful in creating feasible vocations, lessening neediness and driving advancement in Bangladesh. (Mosley and Rock, 2004).

2.2.2 The Classical Theory

The classical theory which was developed during the 18th and 19th centuries assumes that every individual in the society is responsible for choosing their economic destiny and

thus dictating whether to be poor or to be rich (Mosley & Rock, 2004). It is based on the economic theory of value and distribution of resources. The poverty of an individual is seen as the consequence of one's choice which negatively affects productivity. Wrong choices taken by individuals may lead them to welfare of poverty trap (Korynski, 2007). The government is responsible for the poverty status of its citizen and should formulate economic policies aligned to minimize poverty status of the citizens.

These levels may persist and continue due to lack of investment role models but the state should be held reliable for lack of information among its citizens (Mwawana, 2011). It should strive to limit the poverty levels by changing the people's attitudes and empower their capabilities to reduce poverty. The government should always intervene whenever poor people need supportive interventions to correct the economic problem through incentives. Poverty levels are high in the rural set-ups of Tharaka Nithi County where the rich few are still the bigger and frequent beneficiaries of the microfinance resources. (Morduch, 1999)

2.2.3 The Neoclassic Theory

The neoclassic approach originates from Alfred Marshall's publication of his book 'Principles of Economics'. The theory stresses that the role of unequal initial endowment of talents, capital, and abilities play a big role on the wellbeing of individuals as well as their poverty (Korynski, 2007). They determine the productivity of an individual in generating poverty in a competitive economic system. Market failures and incomplete economic information are also viewed as motivators of poverty. Uncertainty also play a big role in breeding poverty as the poor individuals are more susceptible to poverty shocks than their well being counterparts (Morduch, 1999).

There is much skepticism about the role of government among the neoclassical thinkers but it work to check the factors that cause market failures. The microcredit facilities and credit unions are a valuable solution to the poverty issues according to neoclassical thinkers. The theory recognizes a wide range of options to poverty that are beyond the

individual's ability and choice (Mwawana, 2011). They include the lack of education, poor health, advanced age, lack of employment, access to financial support, incentive to invest as well as market demands which all together dictates a person's investment capability. Both theories assume quantifiable monetary value to be the basic criteria to gauge different individual's on their poverty levels. (Morduch, 1999)

2.2.4 The Rational Choice Theory

This theory is based on the argument that most individual will make the most appropriate choice when faced with a situation of choosing among many options. People should make decisions that will maximize the profit and reduce the risks. Individuals are responsible for the decision they make on whether to be poor or to be rich but the choice is dependent of a number hindering blocks. This theory trusts that all individuals attempt to amplify their leeway in any circumstance they are confronted by and in this way reliably attempt to minimize their dangers and misfortunes. It depends on the conviction that all people construct their choices in light of discerning estimations, react with soundness when picking, and intend to increment either benefit or fulfillment. It also expects that all unpredictable social marvels are driven by individual human activities. The theory views poverty to be money centered approach to declaring a person to be poor or rich. (Mosley & Rock, 2004).

Market distortions and general economic underdevelopment are responsible for the poverty levels in a society. The rational choice economists believe that growth can promote economic development which alleviates poverty therefore a need for government intervention at the microeconomics level to tackle the poverty menace (Mwawana, 2011). The government should have the most rational monetary policies that reduce the involuntary unemployment so as to improve the living standards for people in different social groups. The major signs of underdevelopment in a society or region are poor levels of human, business and infrastructure, natural and public institutional capital. Individual financial assignment towards poverty allows the focus one government public allocations and inequality among the citizens (Hermes & Lensink, 2011).

2.2.5 The Marxian Social Capital Theory

The Marxian theory suggests that radical changes in the socio economic system in a society and economic growth may not be a sufficient approach to improve the living standards of poor people because some social groups may not feel the benefits of such economic empowerment (Mwawana, 2011). Marxists believe that capitalism and related political and social factors aligned to class divisions are responsible for the poor living standards in a region or country. Capitalist societies will keep the cost of labour lower than its value added through the threats of unemployment (Korynski, 2007). The poor living standards levels in a capitalist economy can only be alleviated through rigid regulations of the market processes.

Poor living standards are predominantly the result of structural factors that include stratified labour markets, corruption, and prejudice. Labour market reforms and anti-discrimination laws are vital to overcome the structural barriers that hinder employment thus causing poverty in a society. The class of people may not well articulate the need of an individual. Loan facilities by the MFIs are targeting the able in the village who can service the loans without causing much trouble and struggle to the loan recovery officers. The officers face various challenges in recovering the loans from the poor in the society and therefore avoid them in subsequent disbursements to ease their recovery process (Chowdhury, 2013).

2.3 Factors that Improve the Living Standards

Provision of loan facilities and acquiring the necessary skills on how to manage the funds to generate extra income and gain profits serves as a way to improve living standards. Availability of water for irrigation and electrical power to a society will increase entrepreneurial activities which in turn work to improve living standards. A community or a household that is financially empowered will be able to educate their children, have an access to clean water, electricity as well appropriate housing which are the basic measures of poverty (Mosley & Rock, 2004). Entrepreneurship plays an important function in economic growth, therefore micro credit should be utilized as a source to

finance small entrepreneurship and give the necessary skills to improve the standards of living.

The idea of poor expectations for daily comforts can be depicted as a circumstance of weakness, low level of training, poor sustaining propensities, and absence of cooperation in leadership. It is a situational disorder in which the accompanying issue is going to be available; underutilization, low instructive level, poor lodging conditions, ailing health, disagreeable conditions, limited interest in the creation framework to a primitive strata, little cooperation in the systems of social reconciliation and potentially taking after to a specific size of thoughts and qualities diverse to those that are held by whatever is left of the general public. World Bank report of 1990 characterizes destitution as the failure to accomplish least way of life. Poor expectations for everyday comforts implies a hardship of having enough to devour, a low future, expanded rate of newborn child mortality, low instructive level, poor enrolment and openings, unfit drinking water, insufficient social insurance offices, poor lodging conditions and absence of dynamic support in a basic leadership gatherings. (Mosley and Rock, 2004).

2.4 Review of Empirical Literature

Larger part of the poor nationals dwell in regions that need adequate infiltration of the MFIs to help them enhance their expectations for daily comforts. Giving reasonable money related services and preparing to the rustic populace stays to be an important part of the microfinance advancement system. Business enterprise plays a vital capacity in monetary development (Yahaya and Osemene, 2011).

An Association of Micro-Finance Institutions (AMFI) was framed in March that year, where an aggregate of eleven substantial smaller scale fund foundations together served more than 97000 customers (Mosley and Rock, 2004). Greater part of the Kenyan miniaturized scale credit projects and establishments have been ease back to grasp more business practices and to make the move to money related manageability for the fiscally tested people. The move has completely forgotten the extremely poor, which has strayed

from the underlying objective of microcredit in enhancing the expectations for daily comforts. The advancement of money related frameworks is poor in the territories of creating nations or they have not rose by any means (Yahaya and Osemene, 2011).

The Irish Reproductive Loan Fund Institution started in 1822 to help the poor by giving them little credit under ten Euros in cutting edge terms. A case of smaller scale credit office in early days is one in which little advances were made to individuals in need without the necessity of guarantee in frontier India. It was in the 1970s that microfinance turned into a cutting edge wonder. The current idea of microcredit is related to Muhammad Yunus, a local Bangladeshi taught in the United States who later turned into an educator at Chittagong University in Bangladesh. In 1974, Yunus loaned a little measure of cash from his own particular pocket to a specialties lady he trusted to reimburse him.

In addition, Grameen Bank has earned a considerable measure of universal consideration, winning Yunus a Nobel Peace Prize in 2006. Grameen Bank and the few different establishments that have displayed its framework claim to not just to be effective hotspot for lightening poverty, yet many MFIs claim to bolster the ladies financially even in social orders commanded by men, for example, Bangladesh. These affirm that they are putting forth people with helpful capital at loan costs that are not intolerable, not at all like the casual moneylenders inside these creating countries. (Yahaya and Osemene, 2011).

The poor have a tendency to have confined access to services from formal money related foundations in less created nations because of the absence of physical insurance, the requesting technique to begin exchanges with banks, which would debilitate those without training from drawing nearer the banks and the absence of supply of credit in the provincial regions identified with urban one-sided keeping money systems and credit portions (Sharma and Buchenrieder, 2002). There is absence of access to capital for poor people in creating countries which prompt to poor living conditions.

2.5 Conceptual Framework

To visualize the function of MFIs in the improvement of living standards of people in Tharaka Nithi County the following figure illustrates the involved stakeholders and the anticipated responsibilities to arrive at the goal.

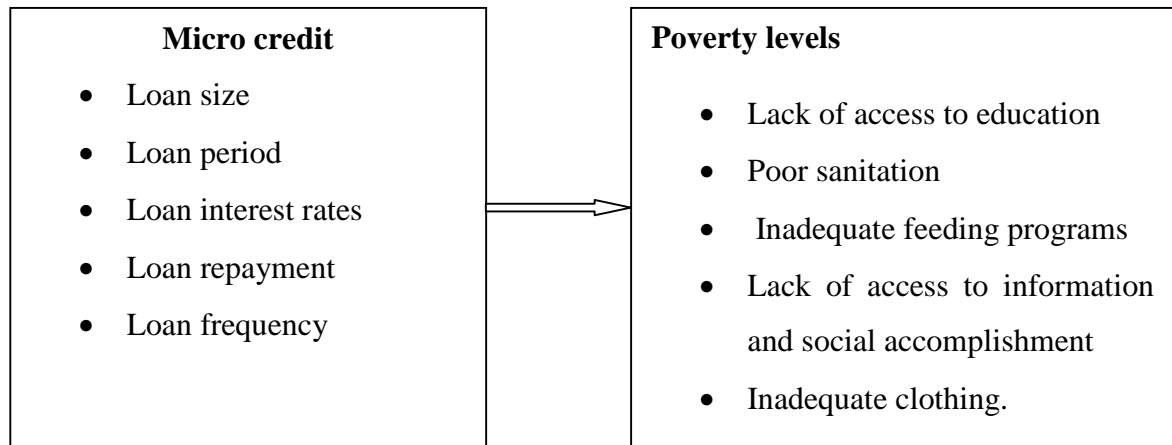


Figure 2.1. Conceptual framework on micro credit and poverty levels

2.6 Summary of Literature Review

Income is a key element of appropriate standards of living and savings in financial concept. The MFIs disburse loans to needy to increase their income and also mobilize their savings (Sharma & Buchenrieder, 2002). Through the mobilization of savings, the poor can secure their future and feel safe. Most of the developing nations are characterized by poor and inadequate living standards for most of the citizens. Increase in income would translate to an increase in the level of living standards coz the households will afford the basic needs and afford other recreational activities. Factors that contribute to human development, like education, level of access to medical facilities and empowerment should be included in the core program and methodology of microfinance in their efforts to improve living standards (Mosley & Rock, 2004).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter explains the methods used to arrive at the required sample size for the study. The statistical tests explored are also discussed in this chapter. The procedure for the data analysis is discussed on the last section of this research chapter. The sample period and the research design are elaborated. The research comprises two phases. The first phase is the sample selection where a forty-member purposive sample has been chosen. Questionnaires were designed and administered to the micro credit clients and those who have never had access the micro credit services as a control group. This phase sets the benchmark for the second phase. In the second phase, the key-informants were involved. Investigative interviews were used to uncover the truth and facts about the data from phase one.

3.2 Research Design

The outline and strategy utilized as a part of the exposition relied on upon the way of the data required to learn the legitimacy and dependability norms (Imai et al, 2012). The independent variables are the characteristics related to microfinance management policies while the dependent variable is the microcredit as a way of improving the living standards. Primary and the secondary data were collected for the study (Neuman, 2005). Qualitative approach was employed to carry out the study and semi-structure interviews to collect the data required for desired results. A qualitative method is good to determine the relationship between micro credit management policies and the role of improving standards of living (Sharma & Buchenrieder, 2002).

3.3 Population and Sample

Population in research is the total number of individuals who qualify as participants in a study while a sample is a selected number of individuals from the population as a representative and contains characteristics of the population for inferential statistics.

3.3.1 Population

A population of about four thousand eligible participants who have had access to micro credit and a group of those who have not accessed the micro credit was used as a control group. (Yahaya & Osemene, 2011).

The population was picked from individuals living in the county and a sample from it and conducted a thorough and in-depth investigation to uncover the impact micro credit has imparted to the residents of the county. The population included individuals who have had an encounter with the micro credit intervention and those that have not so as drawing conclusions was by making comparisons between the two groups.

3.3.2 Sample Size

A sample of forty respondents was picked through systematic sampling technique as a representative of the study population in Tharaka Nithi County. The sample contained all the population characteristics and correct and meaningful conclusions from the analysis of the data obtained. The sampling process was randomized to avoid biasness and replication of the data. The data obtained from the sample captured the items required in the analysis and answered the research question. A sufficient sample was chosen to save the cost of carrying out an in-depth analysis but was be able to reflect the population. The sample statistics was used to predict the population parameters.

3.3.3 Sample Period

The study utilized data for the period from 2013 to 2016 since this is the time the county governments were started. The period is long enough to provide relevant data about micro credit and its impact to the residents of Tharaka Nithi County. The county government act provided for the creation of the devolved government.

The county governments are responsible for improving the living standards of their residents therefore the period was used to access the efforts made by the micro credit intervention to reduce poverty by improvement of living standards of the people in the

area. The period was enough to draw useful conclusions based on the evidence obtained as a result of the penetration of micro credit to the poor people in Tharaka Nithi County.

3.3.4 Sample Technique

A sample of forty customers was selected from a population of approximately four thousand customers from the study region where the micro-finance corporations are situated. Systematic Sampling was employed where the 100th member of the population was chosen as a study participant (Neuman, 2005). Systematic sampling allowed the selection of the kth member thus getting a sample that is free from bias. The members in the population were first assigned some numbers where the member coinciding to the set interval value was picked.

Systematic sampling allowed the selection of a sample through a predetermined criterion. A sample of forty customers was small and sufficient enough to help me carry out a thorough, in-depth study of the sample. A sample of forty reduced the cost and saved on the research periods since the County is bid to traverse. A purposive sample maximized the variation on the independent variables under investigation (Chowdhury, 2013). Enough observations were drawn from the sample hence the inferential statistical analysis regarding the stated topic under study. Data obtained from the customers gave a guideline on the correct key informants chosen.

3.4 Data and Data Collection Instruments

Primary data was used. The study used structured questionnaires to collect primary data from the sample (Neuman, 2005). The interviews further provided information related to personal experience. Data was extracted using a questionnaire that captures the required information for sound data analysis. The questionnaire was tested for validity and reliability so that it doesn't deviate from the intended research problem and questions answered by the research.

Data was organized, analyzed through statistical and presented in graphs and charts to give meaningful information that can be digested by different readers on the effect of micro credit intervention in improving the living standards for the poor people in Tharaka Nithi County. Data was obtained from the residents of Tharaka Nithi which is the researcher`s study area.

3.5 Validity and Reliability

Legitimacy of the survey was built up by consulting experienced specialists who evaluated the capacity of all in the poll to quantify what it should, keeping in mind the end goal to get the suitable information. They had evaluated if the required information would be investigated in connection to the expressed destinations and research questions. Proposals offered were utilized as a premise to change the examination things and make them more versatile. Quality of the examination instruments was resolved utilizing a pre-look into pilot model to keep an eye on the appropriateness of the exploration instruments composed.

3.6 Data Analysis

The gathered information was classified through sorting and separating. Information was sorted to take out any ties for simple information examination. A characterized information gathering system guaranteed that the required data was completely caught to mirror the expected results (Neuman, 2005). The methodology utilized ensured the precision and likeness of the study factors and information gathered. The sorted information was made accessible for investigation. Subjective information from the meetings was utilized to build a measure of the factors under scrutiny (Neuman, 2005).

Quantitative information was entered into exceed expectations spreadsheets. This information was dissected utilizing measurable bundles i.e. Statistical Package for Social Sciences (SPSS) and Microsoft Excel. Information investigation included the accompanying measurable methodology; Descriptive insights condensed the mean, standard deviation, rate, and recurrence of the information. Connection and Regression

Coefficients was utilized to demonstrate the relationship between factors (Neuman, 2005). Other information, which were subjective in nature, were broken down. The optional information gathered through archive survey were broken down and translated by contrasting it with standard writing audit with touch base at the proper discoveries, conclusion and suggestions.

The most commonly used Correlation Coefficient Equation was the Pearson`s equation and showed the quantitative measure of some dependence and correlation. Multiple linear regressions were used to predict a single dependent variable say (Y) when there were more than one independent random variable (X)

$$Y_i = b_0 + b_1x_1 + b_2x_2 + \epsilon$$

Where:

Y_i = the dependent variable which is microcredit in Tharaka Nithi County

x_1 = the number of microfinance institutions.

x_2 = the amount of loan received by the micro-finance clients in Tharaka Nithi.

b_0 = the regression constant

b_1 = the regression constant for number of microfinance institutions.

b_2 = the regression constant for the amount of loan received by the micro-finance clients in Tharaka Nithi.

ϵ is the sampling error term which represents the gap between the ideal living standards situation and the hypothetical situation in Tharaka Nithi County

The study utilized data for the period 2013 to 2015 from the sample participant to gauge the poverty reduction measures by the microfinance institutions because this was a convenient and most recent range of period previously covered. Poverty index is an economic measure that comprises elements of longevity, which is defined as the probability of not surviving to the age of forty, knowledge that is assessed by looking at the adult literacy rate and decent standard of living (Neuman, 2005) Access to adequate

fuel for cooking and lighting, education, sanitation, employment, water and proper housing conditions were the different variables tested to determine the contributions by the microfinance institutions poverty reduction strategies in their micro credit services to the clients.

CHAPTER FOUR

FINDINGS, DATA ANALYSIS & DISCUSSION

4.1 Introduction

This section is a presentation of results from the field reactions and information, broken into two sections. The main segment manages the foundation data, while the other segment presents results of the examination, in light of the destinations of the study as investigated by the surveys where both distinct and inferential insights have been utilized.

4.2 Response Rate

It was noted from the information gathered; out of the 40 surveys regulated to respondents in Tharaka Nithi County, 34 questionnaires were filled and returned. This translated to a 85% reaction rate, which is viewed as a good outcome to make conclusions for the study. As indicated by Mugenda and Mugenda (2003) a half reaction rate is satisfactory, 60% great or more 70% evaluated great. This is likewise in cooperation Bailey (2000) attestation that a reaction rate of half is sufficient, while a reaction rate more noteworthy than 70% is great. This suggests in light of this attestation; the reaction rate which was ascertained for this situation was by and Mugenda and Bailey great.

This high reaction rate can be credited to the information accumulation systems, where the specialist pre-told the potential members and connected the drop and pick technique where the questionnaires were picked at a later date to allow the respondents have adequate time to fill the questionnaires.

Table 4.1: Response Rate

Response rate	Frequency	Percentage
Returned Questionnaires	34	85%
Unreturned Questionnaires	6	15%
Total	40	100%

4.3 Demographic Information

The data sought to establish the information of the respondents. From the questionnaire, the following statistics were established, highest level of education, main occupation of the respondents and monthly level of income, much spent in a month. They are explained in the subsections below.

4.3.1 Highest Level of Education

The research established the respondents' highest level of education. The results from the analysis are illustrated in the figure below as shown.

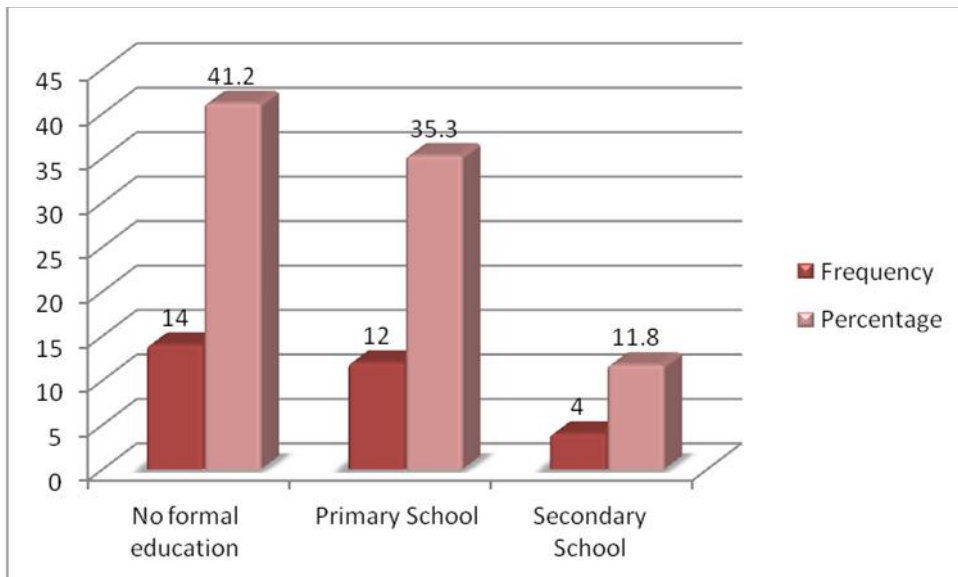


Figure 4.1: Highest Education Level

From the analysis of findings, it was noted that majority (14, 41.2%) of the respondents indicated that they did not have any formal education. This was followed by respondents who indicated that their highest level of education was primary school education with a frequency of 12 respondents which calculated to 35.3% of the total respondents. The least frequency was of respondents who indicated that their highest education level was secondary school education with a frequency of 4 respondents which calculated to 11.8% of the total respondents.

4.3.2 Main Occupation of the Respondents

This section sought to establish the main occupation of the respondents. The results from the analysis are indicated in the figure 4.2 as shown.

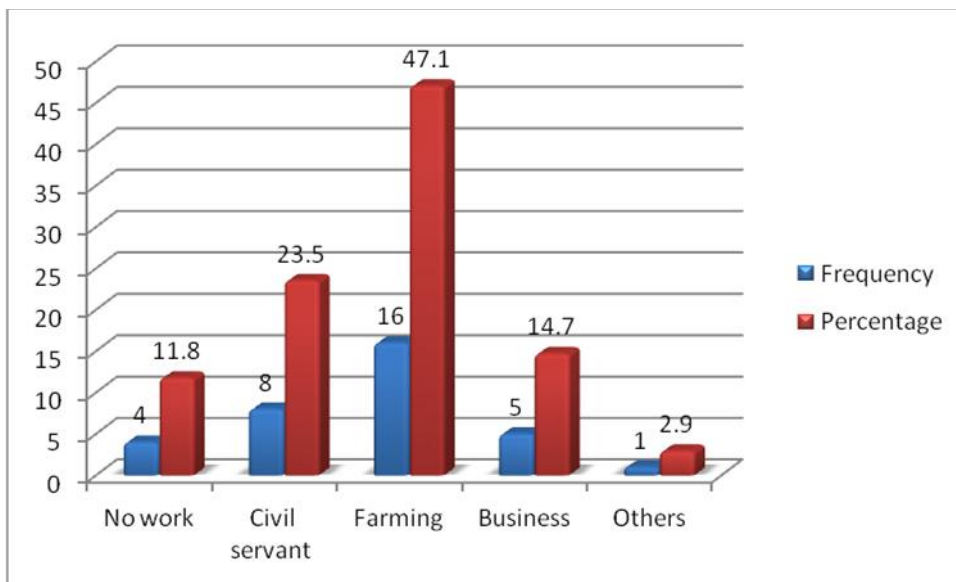


Figure 4.2: Main Occupation of the Respondents

From the findings, it was noted that most respondents indicated that they were farmers. This was noted so since the highest frequency of the respondents (16) stated that they were so. This was calculated to approximately 47.1% of the total respondents. Closely after were respondents who stated that they were civil servants which covered 23.5% of all the respondents. This category was noted to have a frequency of 8 respondents. 14.7% of the respondents indicated that they were in businesses. This was calculated from a

frequency of 5 respondents. 11.8% of the total respondents indicated that they had no work while the least response was of respondents who indicated that they had other occupations other than the ones indicated.

4.3.3 Level of Monthly Net Income

The study sought to determine the level of monthly net income of the respondents. The figure 4.3 shows the findings results from the analysis.

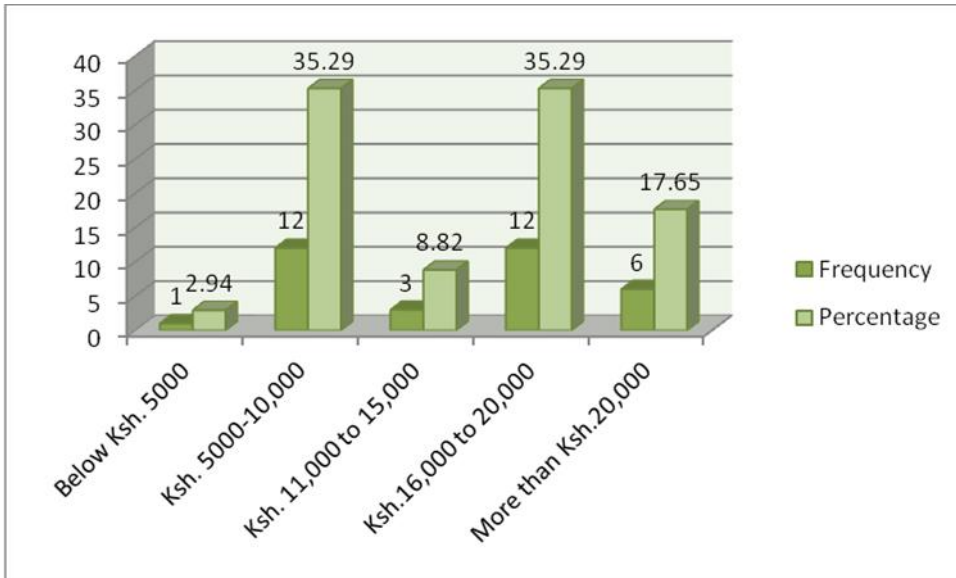


Figure 4.3: Level of Monthly Net Income

From the responses, it was noted that majority of the respondents (35.29%) indicated that their monthly income was ksh 5,000-10,000. This response tied with that of respondents who indicated that their monthly income was ksh 16,000-20,000. 17.65% of the total respondents indicated that their level of income was more than ksh. 20,000 while 8.82% of the total respondents conceded that their income was ksh 11,000-15,000. The least frequency noted was of respondents who indicated that their income was below ksh 5,000.

4.3.4: Savings in the Last 12 Months

The research established that the respondents' savings had increased in the last 12 months. The results from the analysis are illustrated in the figure below as shown.

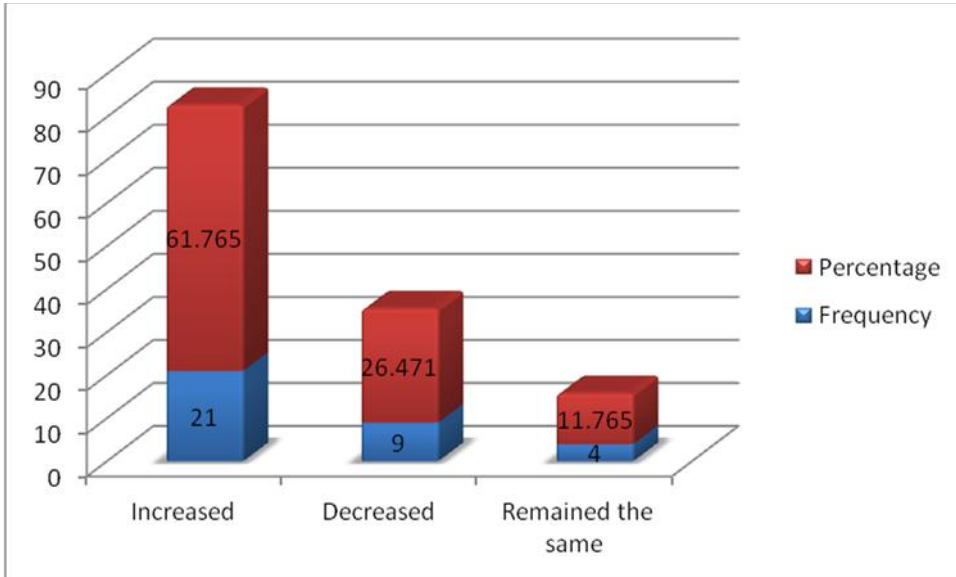


Figure 4.1: Savings Response

From the analysis of findings majority of the respondents (21, 61.8%) conceded that their income had increased in the last 12 months while 26.5% of the respondents indicated that their savings had decreased in the last 12 months. The last frequency (4) was of respondents who indicate that their income had remained the same in the last 12 months.

4.3.5 Response on Income

The study sought to determine the respondents' response on income. The findings are shown in the figure 4.5 below

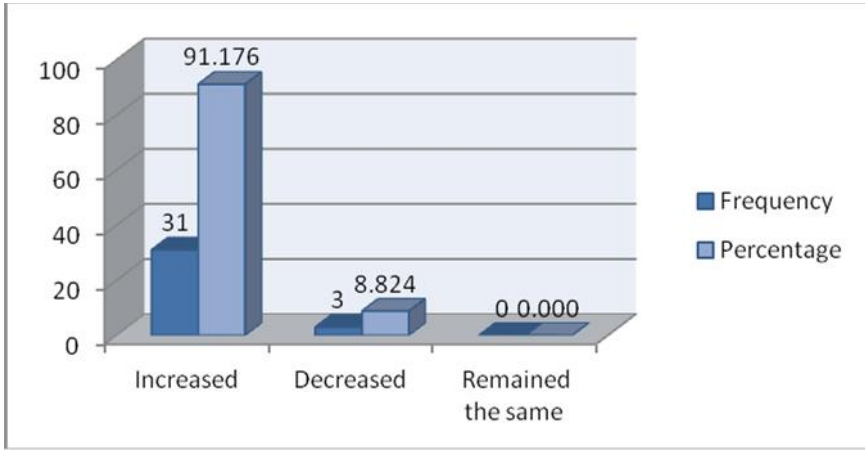


Figure 4.2 Years worked in the organization

From the analysis of findings, majority of the respondents (31, 91.2%) indicated that their income had increased. 8.8% of the total respondents indicated that their income had decreased while none of the respondents indicated that their income had either increased or decreased.

4.4 Descriptive Analysis

The primary goal tried to discover the impact of scale credit in enhancing the expectations for daily comforts of the destitute individuals in Tharaka Nithi County. From the information, the accompanying was set up. The respondents were requested to rate their feelings about various explanations identifying with the impacts of smaller scale credit in a five point Likert scale. The range was from 'an extremely awesome (5)' to 'low' (1). A standard deviation of >1.5 suggests a noteworthy contrast on the effect of the variable among respondents.

4.4.1: After Accessing the MFIs Services

The study sought to establish what the respondents thought of the after accessing of the MFI services. The table 4.5 below shows the findings from the respondents.

Table 4.1: After Access of MFI services

	Mean	Standard Deviation
The income has increased	4.503	0.529
The savings has increased	4.314	0.301
Better access to education	4.231	0.965
Better access to health care	3.599	0.589
Better housing conditions	4.158	0.507
Employment opportunities and living standards in general have increased	3.983	0.4852

From the findings in the SPSS; analysis, it was noted that majority of the respondents strongly agreed (M=4.5, S.D = 0.53) that the income has increased after access to micro credit. A significant number of the respondents also strongly agreed (M=4.31, S.D = 0.30) to the statement; savings have increased after access to micro credit.

The study also noted that a majority of the respondents agreed (M= 4.23, S.D= 0.97) there is better access to education after access to micro credit. Also noted from the analysis of findings was that a significant majority of the respondents (M=3.98, S.D=.48) indicated that employment opportunities and living standards in general have increased. It was concluded from the findings that there was better living standards at Tharaka Nithi County after access to micro credit.

4.5.2: Access to Bank Loans before the Programme

The study sought to establish whether the respondents had access micro credit before the programme. The result from the analysis is illustrated in the figure below as shown.

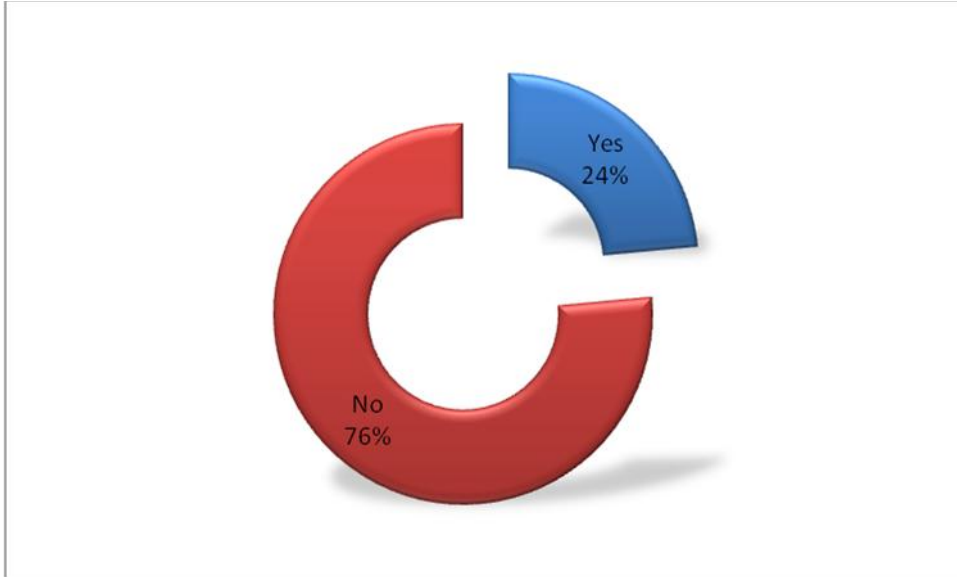


Figure 4.3: Access to Bank Loans

From the analysis of findings it was noted that majority of the respondents (76%) indicated that they did not have access to bank loans after access to micro credit. Only a mere 24% of the total respondents indicated that they had access to bank loans before the program.

4.5.3: Access to the Amount Requested

The study sought to establish whether the respondents got the amount they requested as loan. The results from the analysis of findings is illustrated in the figure below as shown.

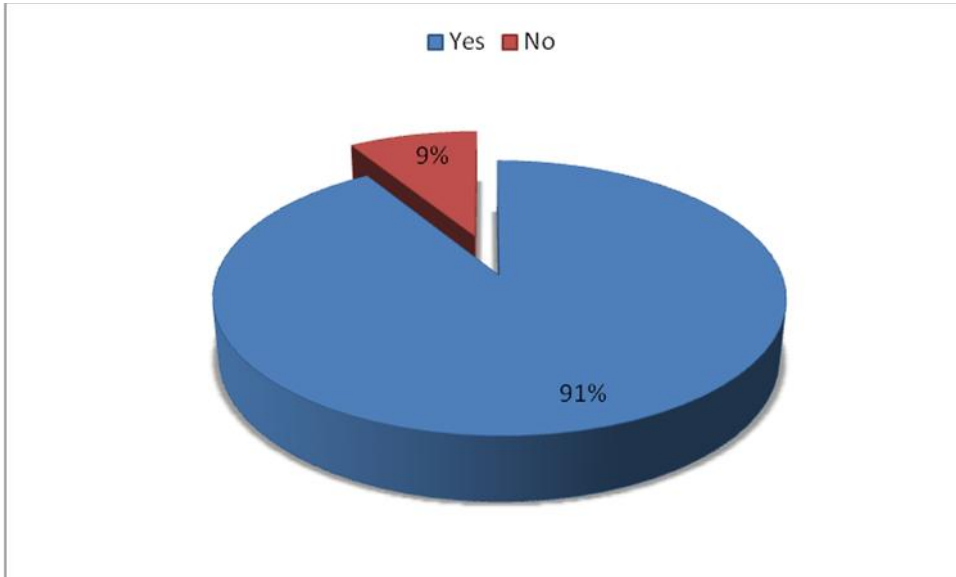


Figure 4.4: Got Amount Requested

From the analysis of findings, majority of the respondents (91%) indicated that they did not get the amount they requested for their business while only a mere 9% of the total respondents indicate that they got the amount they requested for their business.

4.6 Correlation Analysis

Pearson correlation was utilized to quantify the relationship between factors under thought. Pearson correlation coefficients range between - 1 to +1. Negative qualities demonstrates negative relationship and positive qualities shows positive relationship where Pearson coefficient <0.3 demonstrates frail relationship, Pearson coefficient $>0.3<0.5$ demonstrates direct relationship and Pearson coefficient >0.5 demonstrates solid relationship.

Table 4.6 Correlation Coefficients

	Number Of Microfinance Institutions	Amount Of Loans Received	Access To Microfinance
Number of microfinance institutions	1		
Amount of loans received	0.331	1	
Access to microfinance	0.564	0.662	1

*. Correlation is significant at the 0.05 level (1-tailed).

The analysis above shows that the variables number of microfinance institutions and amount of loans received had the strong positive correlation with micro finance in Tharaka Nithi County (Pearson correlation coefficient =.564 and 0.662) respectively. The correlation matrix implies that the independent variables taken into consideration have significant association with the dependent variable.

4. 7: Regression Analysis

Various investigations were utilized to quantify the relationship of the needy and free factors. The model's decency of fit was resolved utilizing general connection and the coefficient of assurance between the autonomous factors and microfinance; that is, the quality of the relationship.

Table 4.3 presents a connection coefficient of 0.686 and assurance coefficients of 0.471. This shows a solid relationship between access to microfinance and the autonomous factors. In this manner, Number of microfinance establishments, amount of advances got represent 47.1% of access to microfinance. Durbin Watson (DW) test which check if the

residuals of the models were not auto correlated with a specific end goal to decide the freedom of the residuals delivered an estimation of 2.029.

Table 4.2: Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
.686 ^a	.471	.465	.0003998	2.029

a. Predictors: (Constant), Number of microfinance institution, Amount of loans received

b. Dependent Variable: Access to microfinance

Analysis Variance (ANOVA) was used to test the relationship that exists between factors. The ANOVA introduced in Table 4.4 demonstrates that the relapse show has a room for mistakes of $p < .001$. This shows the model has a likelihood of under 0.1 of giving false forecast; this indicates how critical the model is.

Table 4.3: Analysis of Variance (ANOVA)

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	.101	2	.034	9.760	.003
Residual	.003	31	.000		
Total	.104	33			

a. Dependent Variable; Access to microfinance

b. Predictors: (Constant), Number of microfinance institution, Amount of loans received

Table 4.5 shows that the regression coefficients of independent variables. The following regression model was established:

$$\text{Access to microfinance} = 2.021 + 0.262 * \text{Number of microfinance institutions} + 0.039 * \text{Amount of loans received}$$

From the equation, the study found that number of microfinance institutions, amount of loans received at zero access to microfinance becomes 2.021. Additionally, when amount of loans are constant, a unit increase in number of microfinance would lead to a .262 unit increase in access to microfinance.

When number of microfinance institutions is constant, a unit increase in amount of loans received would lead to a 0.039 increase in access to micro credit.

Table 4.4: Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	2.021	.461		.935	.599
Number of microfinance institutions	.262	.000	.020	2.797	.044
Amount of loans received	.039	.005	.044	3.425	.013

a. Dependent Variable: Access to microfinance

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This section is a combination of the whole study, and contains outline of research results, conclusions and recommendations.

5.2: Summary of Findings

The main objective of the study was to investigate the effect of micro-credit in improving living standards of the poor people in Tharaka Nithi County. It was noted from the information gathered; out of the 40 surveys directed to respondents in Tharaka Nithi County, 34 questionnaires were filled and returned. This translated to a 85% reaction rate, which is viewed as good to make conclusions for the study.

From the results, it was noted that most respondents demonstrated that they were farmers because most recurrence of the respondents (16) expressed that they were so. This was resulted to about 47.1% of the aggregate respondents. From the discoveries in the SPSS examination, it was noticed that larger part of the respondents concurred ($M=4.5$, $S.D = 0.53$) that the salary has increased after access to small scale credit. A significant number of the respondents also strongly agreed ($M=4.31$, $S.D = 0.30$) to the statement; savings have increased after access to micro credit.

Majority of the respondents (76%) indicated that they did not have access to bank loans after access to bank loans. Only a mere 24% of the total respondents indicated that they had access to bank loans before the program. From the analysis, number of microfinance institutions and amount of loans received had the strong positive correlation with micro finance in Tharaka Nithi County (Pearson correlation coefficient =.564 and 0.662 respectively).

A correlation coefficient of 0.686 and determination coefficients of 0.471 was noted in the model summary. This depicts a strong relationship between access to microfinance and the independent variables. Thus, Number of microfinance institutions, Amount of loans received account for 47.1% of access to microfinance. The study thus established that the model variables were significant in measuring access to micro credit at Tharaka Nithi County.

5.3 Conclusion

It was concluded from the analysis that provision of loan facilities and acquiring the necessary skills on how to manage the funds to generate extra income and gain profits serves as a way to improve living standards. Also established from the study is that a community or a household that is financially empowered will be able to educate their children, have an access to clean water, electricity as well appropriate housing which are the basic measures of poverty.

Moderate money related services are a key segment of the microfinance advancement procedure. Entrepreneurship plays an important function in ensuring economic growth.

5.4: Recommendations

In view of the conclusions, the study suggests that the measure of advance given to the general public should be expanded to empower their organizations develop to medium scale ventures. The amount of loans given to individuals should be increased to propel transition from their poor living standards. The people given access to micro credit services should be allowed a grace period before they start repaying the loans. The microfinance institutions demand for the payment immediately of the loans advanced to borrowers should be extended.

5.5 Suggestions for Further Studies

The main target of the study was to set up the impact of small scale credit in enhancing the expectations for daily comforts of the needy individuals in Tharaka Nithi County.

Further studies ought to be completed to build up the impact of microcredit in different districts and in Kenya for the most part to set up the general impact of access to scale.

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APPENDIX: QUESTIONNAIRE

Dear Respondent,

My name is Njeru Purity Kawira, carrying out a research on the role of microfinance in improving living standards in Tharaka Nithi County. Kindly respond to the following questions. Your response will be treated with strict confidentiality.

(Use tick ' ' to indicate your answer. Multiple answers are accepted to some questions)

Q1. What is your highest level of education?

- i. No formal education
- ii. Primary School
- iii. Secondary School
- iv. Post secondary (College and University)

Q2. What is your main occupation?

- i. No work
- ii. Civil servant
- iii. Farming
- iv. Business
- v. Others (specify).....

Q3. Level of monthly net income in Ksh.

- i. Below Ksh. 5000
- ii. Ksh. 5000-10,000
- iii. Ksh. 11,000 to 15,000
- iv. Ksh.16,000 to 20,000
- v. More than Ksh.20,000

Q4. How much do you spend in a month?

- i. Below Ksh. 5000
- ii. Ksh. 5000-10,000
- iii. Ksh. 11,000 to 15,000
- iv. Ksh.16,000 to 20,000
- v. More than Ksh.20,000

Q5. Which are the microfinance institutions that operate in your area?

- i. Kenya Women Finance Trust
- ii. Faulu Kenya
- iii. Sidian Bank
- iv. Family Finance
- v. Others

(specify).....

Q6. Have you benefited from the micro credit services from the year 2013?

- i. Yes
- ii. No

Q7. If yes above, what kind of service did you get?

- i. Business loan
- ii. Money for education purposes
- iii. Money construction and infrastructure
- iv. Investment and financial empowerment training

Others (specify).....

If No please specify the reason.....

Q8. For how long have you been a member of MFI?

- i. 0-6 months
- ii. 6-12 months
- iii. Above one year

Q9. Did you have any business and your own income source before accessing the loan?

- i. Yes
- ii. No

Q10. What are the developments that have resulted from the microcredit services offered?

- i. Construction of permanent structures
- ii. Installation of electricity power supply

- iii. Education for the kids or self
 - iv. Supply of piped water to the homestead
 - v. Savings and financial empowerment
 - vi. Other (specify).....
- Q11. What is your status of accommodation?
- i. Owned house
 - ii. Rented
 - iii. Sharing
 - iv. Other
- Q12. Have your savings in the last 12 months?
- i. Increased
 - ii. Decreased
 - iii. Remained the same
- Q13. Have your income in the last 12 months?
- i. Increased
 - ii. Decreased
 - iii. Remained the same
- Q14. After accessing the MFI services:
- I. The income has increased
- i. Strongly disagree
 - ii. Disagree
 - iii. Agree
 - iv. Strongly agree
 - v. Why, explain
- II. The saving has increased
- i. Strongly disagree
 - ii. Disagree
 - iii. Agree

- iv. Strongly agree
- v. Why, explain

III. Better access to education

- i. Strongly disagree
- ii. Disagree
- iii. Agree
- iv. Strongly agree
- v. Why, explain

IV. Better access to healthcare

- i. Strongly disagree
- ii. Disagree
- iii. Agree
- iv. Strongly agree
- v. Why, explain

V Better housing conditions

- i. Strongly disagree
- ii. Disagree
- iii. Agree
- iv. Strongly agree

If you agree, explain what kind of improvements and changes you have done or achieved in your housing and related facilities

VI. Employment opportunities and living standards in general have increased

- i. Strongly disagree
- ii. Disagree
- iii. Agree
- iv. Strongly agree

Q15. In your view has joining microfinance improved your quality of life?

- i. Yes

- ii. No.
 - iii. If yes, in what way?
- Q16. How do you explain your ability to buy clothing for self and for your children in General after the loan?
- i. Better before accessing the loan
 - ii. Better after accessing the loan
 - iii. Why?
- Q17. How do you explain the differences (in terms of before and after joining accessing the loan) in affording to pay for service expenses of electricity and water?
- i. Better before joining the credit program
 - ii. Better after joining the credit program
 - iii. Why.....
- Q18. Have you had any training or consultancies from the MFIs for your business activities?
- i. Yes
 - ii. No
- Q19. Where did you get credit before becoming a member of the MFI?
- i. Friends and relatives
 - ii. Local money lenders
 - iii. Banks
 - iv. Others.....
- Q20. Did you have access to bank loans before the programme?
- i. Yes
 - ii. No
 - iii. Why.....
- Q21. Did you get the amount you requested for your business?
- i. Yes
 - ii. No
- Q22. The rate of interest of microcredit provided by this credit institution is reasonable
- i. Strongly disagree

- ii. Disagree
- iii. Agree
- iv. Strongly agree

Q23. Briefly give your overall experience with the microcredit services and what should be done to improve the financial services.....
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<The end>
Thank You for taking Part