UNIVERSITY OF NAIROBI

INSTITUTE OF ANTHROPOLOGY, GENDER AND AFRICAN STUDIES

GENDER EMPOWERMENT THROUGH MICRO-FINANCING: A CASE STUDY OF WOMEN GROUPS IN FUMBINI LOCATION, KILIFI DISTRICT, KENYA

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DECLARATION

This project is my original work and has not been submitted to any other college or university for academic credit.

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DEDICATION

To my dear mother Janet, and sisters Purity and Mercy for their encouragement and support during the entire programme at the University of Nairobi.

ABSTRACT

Micro-financing plays an important role in development aspirations of poor countries by providing opportunity for low income-earners to access affordable financial services, which commercial banks have deprived them. Women form the bulk of low income-earners in poor countries; hence micro-financing services provide them with opportunity for economic empowerment. Although micro-financing schemes have been partnering with women groups for over 20 years in Kenya, little is known about the effect of this partnership on the socio-economic status of women, especially in Kilifi District.

In view of this, the present study set out to assess the extent of empowerment of women through micro-financing in Fumbini Location of Kilifi District. Specific objectives included: assessment of the variation in socio-demographic attributes of women; examining the level of participation in IGAs; assessing the effect of micro-financing services on empowerment; establishing the effectiveness of micro-financing services in terms of accessibility and adequacy; as well as examining the role played by women groups in accessibility of micro-finance services.

The study applied both quantitative and qualitative approaches to source, process and analyze the requisite data. The data were collected using a survey questionnaire and in-depth interview schedules from women and group leaders respectively. The SPSS computer package was used to generate *frequency distributions* and *percentages*, *OLAP Cube reports* as well as *cross-tabulations* with *Chi square* statistic, which was used to test statistical hypotheses.

The study found that both the funded and the unfunded women portrayed near similar socio-economic attributes including age, marital status, number of dependants and level of education. The similarity of baseline characteristics provided opportunity for the researcher to attribute net change in indicators of empowerment to micro-financing intervention. The study further noted that there was no significant variation between funded and unfunded women in terms of amount of capital invested. However, variation was noted on the type of IGAs, where funded women concentrated on relatively high potential ventures. Micro-financing was an important source of capital for funded women, as it accounted for over 80% of invested capital. The study also found that there was no significant statistical association between the funding status and average monthly income, number of meals taken in a day, frequency of hunger in the past year, number of children dropping out of school, ownership of land and ownership of a cow, leading to non-rejection of the null hypotheses. Additional findings indicated that although women groups played a crucial role of linking women with micro-financing schemes, they faced critical internal and external challenges, which included inadequate management capacity and high rate of IGA failure. The study concluded that micro-financing had not made significant contributions in the empowerment of women in Fumbini Location.

The study recommended the need to encourage more women to form groups to enable them benefit from micro-financing; the need to promote functional partnership between more women groups and micro-financing schemes; and the need to provide more training to women in key skill areas. Additional recommendations focused on the need to increase the amount of resources provided as loans; the need to encourage women to utilize modern family planning methods to reduce dependence burden in future; and the need intensify poverty reduction efforts in Kilifi District. Further, the study recommended further studies on the role of merry-go-rounds in resource mobilization, factors fueling dropout rate among girls, situational analysis of women's property rights and perceptions of men regarding women's participation in group activities.

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ABBREVIATIONS & ACRONYMS

ACHR	African Charter on Human and People's Rights
AIDS	Acquired Immuno-Deficiency Syndrome
ASCRAs	Accumulative Savings and Credit Associations
AWCIN	African Woman and Child Information Network
CBS	Central Bureau of Statistics
CEDAW	Committee on the Elimination of all forms of Discrimination against Women
CMFAs	Client-based Micro-Finance Agencies
DFRD	District Focus for Rural Development
DWDS	District Women's Development Sub-committees
GEM	Gender Empowerment Measure
GoK	Government of Kenya
HIV	Human Immuno-deficiency Virus
Ibid	*Ibidem* (In the same place)
IGAs	Income-generating Activities
ILO	International Labour Organization
KES	Kenya Shillings
KPOBS	Kenya Post Office Savings Bank
K-Rep	Kenya Rural Enterprise Programme
KWFT	Kenya Women Finance Trust
MDGs	Millennium Development Goals
MFIs	Micro Financing Institutions
MMFAs	Member-based Micro-Finance Agencies
MYWO	Maendeleo Ya Wanawake Organization
NGOs	Non-Governmental Organizations
OLAP	On-Line Analytical Processing
OVC	Orphaned and Vulnerable Children
ROSCAs	Rotating Savings and Credit Associations

SACCO	Savings and Credit Co-operative
SAPs	Structural Adjustment Programmes
SHGs	Self-Help Groups
SPSS	Statistical Package for Social Sciences
TNCDW	Tamil Nadu Corporation for Development of Women
UDHR	Universal Declaration of Human Rights
UN	United Nations
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific & Cultural Organization
UoN	University of Nairobi
USAID	United States Aid
USD	United States Dollar
WB	World Bank

CHAPTER ONE

INTRODUCTION

1.0 Background to the Study

The empowerment of women is an indispensable component of the global development agenda. The empowerment process entails all measures aimed at removing obstacles to women's active participation in all spheres of public and private life through an equal share in economic, social, cultural and political decision-making (United Nations, 1996; Pietila, 2002; Republic of Kenya, 2005). This implies that the principle of shared power and responsibility should be established between men and women at home and in workplaces. Further, equality between men and women is a matter of human rights and a condition for social justice, necessary for development and peace.

In this regard, empowerment of women is based on the premise that men and women have similar abilities and talents and therefore should be treated and rewarded equally (Pietila, 2002; United Nations, 2006; International Labor Organization, 2007). According to Oxaal & Baden, gender empowerment entails participation of both men and women in challenging oppression and inequalities amongst them; 'ensuring all have choices and are liberated leading to a situation where each one can become a whole being regardless of gender, and use the fullest potential to construct a more humane society for all' (Oxaal & Baden, 1997; 40:5)

A number of studies have shown that the level of women empowerment inversely correlates with the intensity of poverty; that is, the higher the level of empowerment, the lower the chances of widespread poverty (Republic of Kenya, 2004; 2005). It therefore, plays a crucial role towards achievement of a life of dignity and prosperity not only for women but to the entire humanity. The desire to achieve this, prompted the United Nations Millennium Conference to formulate the Millennium Development Goals (MDGs), requiring member countries to empower women and promote gender equality, as a crucial path to the attainment of the other Goals, including reduction of poverty, child and maternal mortality; combating HIV/AIDS; malaria and other diseases as well as ensuring environmental sustainability by 2015 (United Nations, 2000; Republic of Kenya, 2004; 2005).

Micro-financing plays a crucial role in the life of poor members of society, the majority of whom are women. Micro-financing is the practice of sustainably delivering financial services that are affordable and accessible to the low income-earners. Better still, micro-financing refers to a movement that envisages "a world in which as many poor and near-poor households as possible have permanent access to an appropriate range of high quality financial services, including not just credit but also savings, insurance, and fund transfers" (Oxaal & Baden, 1997, 40:5). Traditionally, commercial banks do not effectively meet the needs of low income-earners because their savings are often considered uneconomical. In maintaining client accounts, commercial banks incur substantial costs regardless of the level of savings. In this regard, the smaller the savings the less economical the account and vice versa. In addition, low income-earners have low capacity to benefit from loan products offered by commercial banks. In most cases, low income-earners are considered less credit worthy because they do not have adequate assets, which could serve collateral for credit facilities from commercial banks.

The origin and development of micro-financing can be traced way back to the 14th Century, when the Franciscan monks founded the community-oriented pawnshops. The development was boosted when Friedrich *Wilhelm Raiffeisen* founded the credit union movement in the nineteenth century and when *Muhammed Yunus* among others initiated the micro-credit movement in the 1970s. These early movements played a crucial role in the design and establishment of pro-poor institutions, which brought affordable, accessible and less-risky financing opportunities at the doorsteps of poor people. In addition, the success of *Grameen Bank*, which now serves over 7 million poor Bangladeshi women, has inspired the world even though its replication in other countries has proved difficult. Better still, in nations with low population densities, meeting the operating costs of a retail branch by serving nearby customers has proven considerably challenging. Although much progress has been made, the challenges are yet to be overcome. This implies that an overwhelming majority of low income-earners operating on less than USD 1 a day, especially in rural areas continue to have no access to affordable formal financial services (Wikipedia-The free Encyclopedia; www.wikipedia.com)

Although access to the financial sector has numerous benefits to savers and investors, less than half of the households in developing countries have access to financial services, compared to over 70 per cent in the developed world. Micro-finance institutions (MFIs) serve the rural and urban poor, especially disadvantaged women. Often, commercial bank branches are far from towns and villages, and the transport costs needed to access them are unaffordable. The poor may even lack the minimum cash amounts required to open bank accounts. Unfamiliarity with the complex procedures and paperwork involved in withdrawing and depositing money can also constrain access (Chandrasekhar, 2004)

1.1 Typology of micro-finance schemes in Kenya

The first typology is based on **formality,** where micro-finance institutions are categorized as formal or informal. This again depends on the extent to which the provider is registered and regulated under formal law, as well as transactions carried out within frameworks of various statutes of the law. Examples of formal micro-finance institutions in the country include Kenya Rural Enterprise Programme (K-REP) Bank, Kenya Women Finance Trust (KWFT), Faulu Kenya, Wedco, Pride Africa-SunLink, Jitegemee, Vintage, Eclof, Pride Kenya, BIMAS and Co-op Bank micro-finance units, among others. On the other hand, the informal schemes include traders, shopkeepers, moneylenders, family and friends (Hospes, Musinga and Ong'ayo, 2002).

The second typology of micro-finance schemes is based on the **customer/provider relationship** in the management and ownership of the service-providing entity. Under this categorization, micro-finance providers could be dichotomized into Client-Based Micro-Finance Agencies (CMFAs) that comprise of all micro-finance providers - formal or informal. Under CMFAs, clients are not considered owners of the institution, thus, they have little direct involvement in management issues. In addition, they do not have a share in returns made by the institution.

The second sub-category include Member-Based Micro Finance Agencies (MMFAs), which may include like SACCOs, Rotating Savings and Credit Association (ROSCAs) and Accumulating Savings and Credit Association (ASCRAs), which are locally known in Kenya as "merry-go-rounds". Some of these are registered in the Ministry of Social Affairs, while others are not (Hospes, Musinga and Ong'ayo, 2002).

1.2 Emergence of micro-financing industry in Kenya

As an industry, micro-finance is relatively a new phenomenon in Kenya, with a few agencies starting about 20 years ago. Due to rapid development in Kenya's economic landscape, the agencies eventually graduated into a vibrant industry only in the last 10 years. The development of the industry benefited from recognition of the Government of Kenya (GoK), which also provided a direct boost to the micro-financing activities through policy and legal provisions. Between the years 1992-1994, the GoK was intensively involved in implementation of the Structural Adjustment Programmes (SAPs), which resulted in the liberalization of the economy. To counter the possible initial negative social impact of the liberalization process, the GoK identified areas that required external donor support, and the list included small-scale micro-enterprises. This move was in cognition that inadequate access to credit facilities was a serious challenge to entrepreneurial development in the country. In this regard, the donor community responded generously, from then on a conservative estimate being that the micro-finance industry has received about USD 80 million (Hospes, Musinga and Ong'ayo, 2002).

K-REP is considered the pioneer of Non-Governmental Organization (NGO) micro-finance in Kenya. With generous support from USAID, K-REP was designed as an intermediate NGO in 1984 to provide credit and technical assistance to other NGOs in Kenya. With time, a potential danger was realized in combining provision of financial services and non-financial ones such as training and technical assistance (Ibid). The organization resorted to one thing, i.e. loans without technical assistance, thus offering financial services to existing entrepreneurs. More NGO micro-finance agencies sprung up in the 1990s.

In the early 1980s, Kenyan professional women in collaboration with development partners, established the KWFT, also an NGO charged with the responsibility of supporting women, particularly those falling in the bracket of low income-earners with accessible and affordable savings and credit services. Since its inception, KFWT has worked in partnership with grassroot organizations to reach as many women as possible. The KWFT believes that women are powerful agents of social change within communities. They are involved in the care economy, where they provide nutritive and health requirements of their households. More women than men spend the bulk of their incomes on improving the family well-being. Besides, they are prudent borrowers and savers.

Presently, KWFT is the largest NGO-based micro-finance institution in the country serving the financial needs of over 40,000 Kenyan women to the tune of more than USD 4.7 million as seed money. This initiative has assisted women to improve their incomes by up to 50%. The KWFT was initiated to: accelerate the role of women in economic development of the country;

extend financial services to women because they form the majority of poor and disadvantaged citizens; and improve awareness about issues impinging on socio-economic development of women in the country. In addition, "KWFT was established to facilitate direct participation of women with inadequate access to services of established financial institutions, in the money economy" (Odhiambo 1985: 29).

KWFT has more than 100 professional staff, posted in various branch offices in 48 districts of the country. The loan facilities are in various dominions, designed to suit the capacity of borrowers. Nevertheless, slightly more than half of women borrow USD 400 or less, which is considered adequate to start a micro-business ventures such as raising chicken or selling fish among others. Loans are disbursed through women's associations whose members receive training in financial and business management. The group decides who should receive loans and agree to guarantee repayment in case of defaults. KWFT has applied this methodology since its inception as a tool to empower women, particularly in the rural areas.

1.4 Statement of the problem

Over the years, women groups have served as a platform for empowering women and to increase their participation in the economic development of the country. Women groups have been focused on bringing business ideas and services closer to members. In this regard, women groups have often promoted the involvement of women in the design, management and delivery of services. Micro-financing schemes have been strengthening and working with women groups as contact points through which they manage greater influence (Abok, 2004: 84).

Further, a national survey conducted by the United Nations Development Programme (UNDP) and the World Bank (WB) in 2007 revealed that Kilifi was among the poorest districts areas in Kenya. The study further indicated that women in Kilifi District were less empowered economically compared to those in the other parts of the country. In addition, girl -child education and training has, for a long time, not been considered a priority among the coastal communities. As a result, women in the region have often been victims of cultural prejudices, which encourage negative practices such as early marriage, and early child-bearing, which pose grave consequences in the health of women. In view of this, Kilifi District is characterized by one of the highest illiteracy rates among in the country.

In another survey focusing on women and development, Achola (1991) noted that women groups in Siaya District were incapacitated by various handicaps, which reflected the experiences of many such groups across the country, including Kilifi District. The handicaps cited include gender-based prejudices that limited participation in decision-making in spite of women's invaluable contribution in the production economy. The study noted that the biases played a role in limiting women's chances of gaining education, experiences and exposure.

In addition, development policies have often undermined women's rights of access to resources and production factors. As a result, women have not had equal access to production factors such as land and are often more prone to food shortages as well as energy crises. Further, the productive capacity of women has been affected by increasing burden of dependence due to

AIDS orphans and inadequate involvement in key decision-making organs of the country from local to the national level. As a result, development policies and programmes have not affectively addressed the needs and aspirations of women. These issues have contributed to the growth of micro-finance schemes, with a view to addressing the financing needs of women created by development policy frameworks. The idea is to offer affordable financial services, which would operate independently from the unfavourable banking sector by-laws.

Although micro-financing schemes such as KWFT have operated in partnership with women groups for over 20 years to economically empower women and improve their contributions to local and national development, whether women in Kilifi District have shared in the benefits of this empowerment arrangement remains unclear and debatable. The effect of micro-financing intervention on the socio-economic well-being of women in Kilifi District remains unexplored.

1.5 Research questions

Based on the highlighted issues, this study attempted to answer a number of research questions:

1. How do women who have benefited from micro-financing schemes differ from those that have not in terms of socio-demographic attributes?
2. Is there any variation in the level of participation in income-generating activities between beneficiaries and non-beneficiaries of micro-financing?
3. What is the effect of micro-financing on the socio-economic well-being of women and their families?

4. How effective are micro-financing services in terms of accessibility and adequacy of the resources granted to women?
5. What is the role of women groups in ensuring that women benefit from micro-financing services?

1.6 Study objectives

The overall objective of this study was to investigate the effect of micro-financing services on the level of empowerment of women in Fumbini Location. Specifically, the study sought to:

1. Assess the variation in socio-demographic attributes of the women in Fumbini Location who had accessed micro-finance loans and those who had not;
2. Examine the level of participation in income-generating activities by women who had accessed micro-finance loans and those who had not;
3. Assess the effect of micro-financing services on the level of empowerment among women who had accessed micro-finance loans and those who had not;
4. Establish the effectiveness of micro-finance services in Fumbini Location in terms of accessibility and adequacy; and
5. Examine the role of women groups in accessibility of micro-finance services by members.

1.7 Research hypotheses

$H_0 1$: There is no significant association between *financing status* of women and the *average monthly income*.

H_02: There is no significant association between *financing status* of women and the *number of meals taken* by their families in a day.

H_03: There is no significant association between *financing status* of women and the *frequency of hunger* in their families.

H_04: There is no significant association between *financing status* of women and the *number of children dropping out of school.*

H_05: There is no significant association between *financing status* of women and *ownership of land.*

H_06: There is no significant association between *financing status* of women and *ownership of a cow.*

1.8 Significance of the study

The achievement of gender empowerment through micro-financing in Fumbini Location depends on the ability of women in the location to identify their needs and the best approaches to address the needs. It also depends on the level of awareness about their socio-economic environment. For a long time, development programmes have been imposed on communities without adequate feasibility studies, advocacy and information-sharing. This approach has often undermined the level of achievement of such programmes, especially in situations where target communities fail to identify with the initiatives. In this regard, it is essential for development actors targeting the women of Fumbini Location to carry out comprehensive baseline studies to identify priority areas for intervention from the perspective of target population. This would not only ensure ownership of such programmes but also ensure their sustainability, as the target group would agree on appropriate measures to extend benefits over time.

Besides being used for academic credit, the information yielded by this study may be of great importance to all development actors operating in Kilifi District and focused on improving the welfare of women through micro-financing services. The information may serve as a training resource for leadership of women groups, a supplementary resource for micro-financing programme implementers and government agencies responsible for policy formulation at the district level. Moreover, the findings enrich the stock of knowledge available on gender empowerment. This makes the project a useful resource material to gender and development scholars, not only in Kenya but also in other developing countries.

1.9 Scope of the study

Women groups in Fumbini Location comprise of groups formed through funding provided by the MFIs and those funded through membership contributions. The women groups comprise of literate, semi-literate and illiterate members, who have ventured into a variety of businesses such as shop-keeping, kiosk operation, road-side vending, hawking and agricultural activities. The study incorporated all the above-mentioned categories of women, based on their membership to the sampled groups.

1.10 Limitations of the study

The primary limitation of a survey design is that it depends on the co-operation and honesty of respondents, which in turn affects the response rate. To ensure optimum cooperation, honesty and response rate in the process, the investigator explained the importance of the study, the need for truthfulness and the policy that guaranteed confidentiality of the responses. This was supplemented with the cover letter (see Appendix I). In addition, the constraints encountered during the study that threatened quality or comprehensiveness of the exercise included communication barrier between the researcher and respondents because some women could not speak Kiswahili or English. The inconvenience was overcome by engaging a research assistant from the community.

1.11 Delimitations of the study

The study was delimited by funding since the researcher had to use own resources. In this regard, the researcher resorted to a case study approach, which focused on Fumbini Location, Kilifi District. The approach was meant to provide information that could be generalized to depict the situation in the entire district at a minimal cost.

1.12 Organization of the project report

This project is organized into five chapters. Chapter one provides background to the study, research problem, objectives of the study, hypotheses, significance of the study as well as limitations and delimitations. Chapter two presents a review of literature on trends gender and development and the role of micro-financing in empowerment of women in developed and developing countries. Chapter three covers the research design and methodology applied in the study; and includes sections on research design, target population, sampling procedures; types of data, the research process, instruments and data analysis. Chapter four presents interpretations and discussion of the findings; followed by chapter five, which provides a summary, discussions, conclusions, as well as recommendations.

1.13 Conclusion

The chapter highlights the role played by micro-financing programmes through women groups to uplift the socio-economic status of women. The chapter notes that although micro-financing initiatives have operated in Kenya for over 20 years, there have been few follow-up studies, especially in Fumbini Location to assess the effect on the status of women. This study is an essential yard-stick that shows the achievements, failures, emerging issues and proposes measures to improve the effectiveness of micro-financing interventions in Kilifi District.

1.14 Definition of terms as used in the study

Gender: refers to the relationship between men and women, the ways in which the roles of men and women are socially constructed and to the cultural interpretations of the biological differences between men and women. Gender roles, relations and identity are socially constructed through the process of socialization.

Empowerment: is a multi-dimensional social process that helps people gain control over their own lives. It is a process that fosters power in people, for use in their lives and communities by acting on issues that they define as important.

Funded women: refers to the women who indicated that they had received micro-finance loans at the time of the survey.

Gender Empowerment Measure (GEM): is a measure of inequalities between men's and women's opportunities in a country. It combines inequalities in three areas: political participation and decision-making; economic participation and decision-making; as well as power over economic resources.

Micro-financing: entails lending money to low income-earners who may not have adequate collateral to be able to borrow from commercial banks. Micro-financing institutions are able to provide small loan facilities, tailored to suit the needs of poor people in terms of interest charged and pre-qualification conditions.

Poverty line: An abstract socio-economic divide between households that live on 1 US D or less a day and the rest of the society.

Unfunded women: refers to the women who indicated that they had not received micro-finance loans at the time of the survey.

Women Groups: are community-based organizations formed and managed by women to address women development issues by pooling resources, ideas and sharing information on pertinent issues in society.

CHAPTER TWO

LITERATURE REVIEW & THEORETICAL FRAMEWORK

2.0 Introduction

This chapter explores relevant policy instruments, programme reports and studies on gender empowerment through micro-financing conducted in the past. Literature review provides a framework within which the findings were contextualized. It began with an overview of micro-financing policy aspects and empirical studies; then covered the concept of gender empowerment - policy aspects and empirical evidence. Also covered is literature on historical development of women groups. The chapter then explore suitable theoretical and a conceptual frameworks.

2.1 Micro-financing

Micro-finance is a crucial development tool capable of providing low income-earners, particularly women, with affordable financial services to support their livelihoods. The *2005 State of the Micro-credit Summit Campaign Report* indicates that micro-finance institutions reached over 92 million clients and benefited about 333 million family members (Daley-Harris, 2005). According to Armendáriz de Aghion and Morduch (2005), micro-finance refers to "a collection of banking practices built around providing small loans, typically without collateral and accepting tiny savings deposits" (p. 1).

In addition, Claessens and Kranz (2001) contend that micro-financing entails lending money to poor communities who may not have adequate collateral to be able to access loans from commercial banks. Through micro-financing, low income-earners gain access to relatively small loan facilities with relatively low interest rates (p. 1). According to a media article, titled "*Small loans offer hope to poor women*", in developing countries, barriers to financing are an impediment to would-be female entrepreneurs who have no property or other collateral required to secure loans from traditional credit institutions (The Standard Newspaper on Tuesday 11th March, 2008). The term is often used interchangeably with 'micro-credit', but in practice the two have several key differences. Micro-credit was the phrase that came into use to describe efforts that focused on getting loans to the very poor in developing countries in an attempt to influence poverty reduction and social change, while micro-finance brings a larger package of financial services, which are of greater benefit to poor households (Armendáriz de Aghion and Morduch, 2005, p. 1).

The foundations of micro-financing can be found in several places, but the most notable example and possibly the most important early implementation of such a scheme was that of the Bangladeshi Grameen Bank. Started in the 1970s, Muhammad Yunus began a series of experiments by lending money to poor households in a village near the university where he was studying. His new methods and ways of providing finance to the poor formed the foundations of a system which currently serves over 67 million clients in both developed and developing countries (Wright, 2000).

One of the most fundamental attributes of micro-financing is the absence of a requirement to offer collateral in order to obtain help from micro-financing schemes. While this is standard practice in the developed world, the poor people in developing countries do not have much to offer in terms of collateral. This implies that the poor, who live on less than USD 1 a day, are unable to access financial services from commercial banks (Wright, 2000). Micro-financing addresses this challenge through various ways, including a system of group lending with joint liability conditions; using dynamic incentives such as lending in progressively larger amounts; providing better terms than other credit sources; and cutting off borrowers in cases of default (Johnson and Rogaly, 1997).

Recent empirical evidence has shown that a developed micro-finance system can help reduce poverty and lower income inequality between men and women. In addition, micro-financing enables individuals improve their average incomes, insure against risks and broaden investment opportunities (Claessens and Kranz, 2001, p. 1). More still, micro-financing through small loans given to the poor at slightly lower interest rates, plays an important role in empowering women with no other economic lifeline. Experts view micro-financing as the "the one glimmer of hope for the poor and the only way out of poverty, with a potential to bridge gender gap between men and women" (Ibid, p. 2). The founder of the New York-based organization Women's World Banking, Michaela Walsh, said that micro-finance is critical in creating businesses and enterprises that could spawn more jobs (Wright, 2000).

A recent survey of 3,000 micro-finance institutions conducted by the World Bank found that by the end of 2006, about 133 million people had received tiny loans from micro-finance institutions worldwide, up from 13 million in 1997. Many of the clients were women earning less than a dollar a day (World Bank, 2007). The study further noted that "less than half of the households in developing countries had access to financial services, compared to over 70 per cent in the developed world" (p. 12). Further, even in relatively successful countries such as Ghana and Tanzania, only about 6 per cent of the population had access to banking services, while in Benin, only 35 bank branches were serving a population of 7 million people. At the household level, the study found that of the 193.6 million families classified as poor worldwide, only 47.8 per cent were within reach of MFIs.

In the Sub-Saharan Africa and the Middle East, with approximately 60.4 million poor households, only 11.4 per cent had access to micro-financing services (World Bank, 2007). In Asia, the survey revealed that about 68 per cent of the region's 123 million poor households had access to micro-financing services. Nevertheless, the study noted that most consumers of micro-financing services in developing countries were generally poor and the micro-credits obtained did not create much change in their lives. Most of them continued to live below the poverty line and were termed the "richest of the poor". In addition, the study revealed that micro-financing services were biased towards urban dwellers and were excessively dependent on external funding (World Bank, 2007).

According to the *World Development Report 2003*, as of June 2003, Kenya had an estimated 3,460 legally constituted micro-finance service providers. The number included 3,397 Savings and Credit Co-operatives (SACCOs), 56 micro-finance institutions (MFIs), 4 commercial banks, 2 building societies and the Kenya Post Office Savings Bank (KPOSB). Excluded from this list were 17,305 Rotating Savings and Credit Associations (ROSCAs), 115,884 registered Women Groups and 1,342 primary agricultural producer and marketing cooperative societies, also involved in providing credit facilities (World Bank, 2003). In addition, the report showed that approximately 3.8 million Kenyans depended entirely on financial NGOs, cooperatives and the KPOSB for financial service. Another 1.1 million depend on informal associations and groups for similar services countrywide. More still, by June 2003, the total deposits held by financial cooperatives, NGOs, the KPOSB and community-based financial intermediaries was estimated at KES 82.3 billion (USD 1.1 billion); while total loans outstanding stood at approximately KES 71.4 billion (USD 940 million).

2.1 The concept of gender empowerment

The term 'gender' is often mistaken to refer to women issues only, whereas it actually refers to socio-economic attributes of both men and women. According to Suda (2002), the term gender does not refer to women or men as is usually misconceived. On the contrary, the concept of gender refers to the relationship between men and women, the ways in which the roles of men and women are socially constructed and to the cultural interpretations of the biological differences between men and women. Gender roles, relations and identity are socially constructed through the process of socialization. Gender is therefore an inclusive concept which not only entails what men and women do in society and how they relate socially but also embraces cultural ideas about "maleness" and "femaleness" and the structural inequalities which emanate from those differences (Suda, 2002, p. 302). Empowerment on the other hand, entails many aspects of existence, which range from economic, social, physical, cultural and legal to universal rights and fundamental freedoms that facilitate achievement of a life of dignity and prosperity for both men and women. Thus, gender empowerment refers to a situation where both men and women are aware of their rights and fundamental freedoms as well as have full access to knowledge and resources that enable them realize their potential.

According to the AWCIN Report (2004), empowerment of women forms an indispensable component of socio-economic and political development world over. In this regard, increasing the participation of women in socio-economic and political life has been emphasized in development circles for over four decades (p. 5). The concern arises from the realization that for a long time, most societies ignored the role of women as active members and discriminated against them in many ways and aspects of life (Ibid). The move to empower women began as a crusade to enhance the participation of women in development after the Second World War. Currently, mainstreaming of gender as well as ensuring gender equity in all spheres of life form the peak of any development discourse (AWCIN Report, 2004).

In addition, the need to empower women within the context of development has been inspired by various international declarations and conventions. These include the Universal Declaration of Human Rights (UDHR); Convention for the Elimination of all forms of Discrimination against Women (CEDAW); the Beijing Platform for Action; the African Charter on Human and People's Rights (ACHR). The instruments provide a framework for States parties and other institutions to address issues that undermine empowerment of women all over the world (AWCIN Report, 2004; Pietila, 2005).

Since its formulation in 1979, about 179 states parties have ratified CEDAW. The Convention ensures gender-based neutrality in the treatment of men and women, and also prohibits specific and indirect forms of discrimination, to which women are exposed in all spheres of life. It emphasizes the importance of equal participation of women and men in public leadership and management of production factors. Article 2 of the Convention calls on States parties to "pursue by all appropriate means and without delay a policy of eliminating discrimination against women" (Sonja, 2003, p. 45). Article 16 provides a list of the various forms of discrimination against women, which include education, employment, health, nationality and political participation, the rights of women in marriage and in family relations. It also calls on States parties to adopt comprehensive measures to counter all forms of discrimination against women (Ibid, p. 45).

In Kenya, various recent studies have noted that women constitute slightly more than half of the country's population - about 52% according to the last population census of 1999 (Central Bureau of Statistics, 2004). However, over 65% of the women continue to languish in poverty and nursing wounds inflicted upon them by patriarchal systems through inadequate access to credit facilities. This explains why emphases have often been placed on women's empowerment as opposed to men's so as to bridge the gender-gap (Sonja, 2003, p. 87). Empowerment reflects the ability of women to control their own destiny. This implies that to be empowered, women must not only have equal capabilities and equal access to resources and opportunities, but must also have the space to use those rights to make choices and decisions provided through leadership opportunities and participation in political institutions (Republic of Kenya, 2005, p. 66).

A study conducted by Robinson (2004) on *micro-finance revolution: sustainable finance for the poor in developing countries* noted women make up approximately 83 per cent of reported microfinance clients. The study observed that women not only make good clients by repaying loans on time, but were also key drivers of development. In this regard, it was noted that investing in women, had proven the most effective way to increase individual family expenditures on health and education, improve nutrition and food security, protect against emergencies and begin the slow process of tackling the gender inequalities that hinder development in so many countries around the world (Ibid).

In addition, Morduch (1999) noted that in developing countries, "women played a pivotal role as risk managers and drivers of development, particularly in settings of severe poverty" (p. 221). Micro-finance programmes in developing countries enabled thousands of women to use small sums of money in creative and successful ways to develop livelihoods, improve family well-being and accumulate savings. Nevertheless, the study noted that the benefits notwithstanding, the available micro-finance resources was limited in its ability to really empower women, create upward mobility and contribute to long-term economic growth (Morduch, 1999, p. 225). This implies that there was need for more micro-finance resources, if women were to move beyond subsistence-level.

Another study, which focused on tracking micro-finance and poverty indicators in Bangladesh conducted by Khandker (2003), found that among the earliest micro-finance borrowers, poverty rates decreased by more than 20 percentage points, over half of which was attributed to microfinance (p. 89). Due to the spillover effect of this impact on non-participants in micro-finance schemes, the study concluded that micro-finance directly accounted for 40 per cent of the entire reduction of moderate poverty in rural Bangladesh (Ibid). In a review of the study in 2005, Khandker demonstrated that the substantial impact of micro-financing on poverty was entirely the result of female borrowing, because male borrowing yielded no returns (Ibid).

In her study of SHARE Microfin Limited in Andhra Pradesh, Todd (2001) found no relationship between poverty status and school attendance for boys, but found that poor clients were more likely to send their girls to school, concluding that education of girls has more to do with attitudes than income. Similarly, Holvoet (2004) found that women's membership in group-based lending methodologies strongly affected girls' enrollment in school, whereas girls and boys' education was unchanged by individual female versus male borrowing, illustrating the importance of support networks that build knowledge and awareness among women and help close the gap in education due to pro-male bias.

Some studies have indicated that women often turn their loans over to their husbands, and thus negate empowerment unless there is individual control over a loan. However, Todd (1996) finds that even in the case where women do not have control, women are better off. Two evaluations by Freedom from Hunger, an organization that combines credit with education in all of its programming, indicates a positive correlation between better educated women and child nutrition, maternal and child health, children's enrollment in school, and women's participation in decision making. Barnes (2005) conducted a study of Zambuko in

Zimbabwe, where 40% of client and non-client control groups were most likely affected by HIV/AIDs, showed the positive impact of micro-finance on borrowers' household income, investment in boys' education, and group support mechanisms; but it also showed a need to better understand appropriate terms and conditions for financial products that avoid placing undue pressure of debt on families.

Some studies have revealed negative impacts of microfinance, such as increasing the burden of workloads, upsetting the balance of family that leads to increased divorce rates or domestic violence, and women serving only as conduits of loans to their husbands (Johnson, 2004). Many of these cases, singled out because they are so alarming, have since been refuted by other research that proves the exact opposite – reductions in domestic violence, improved family relations, and testimonies that if given a choice, most women would gladly accept an increase in workloads simply to have the choice in itself (Cheston and Kuhn, 2002).

2.3 Women groups as an interface between MFIs and women

Women groups are forums created by women to address socio-economic and political issues affecting their well-being. Through such groups, members gain from the opportunity for economic empowerment, skills training, awareness creation, social interaction and moral support. According to Sahbarwal (2003), women groups are a form of Self-Help Groups (SHGs), which are voluntary associations of poor people, "who join efforts, ideas and resources for the purpose of addressing issues affecting them through self-help and mutual help" (p.12). SHGs promote small-scale savings among its members, which are often kept with a bank under the name of the group. In most cases, the membership to such groups rarely exceeds twenty (Ibid).

In Kenya, the women groups' movement emerged in the pre-independence era and scaled up in the wake of independence in response to the development aspirations targeting illiteracy, poverty and the disease burden (Republic of Kenya, 1965). In the colonial era, women were organized into small groups to provide labour in the white farms. The grouping approach was effective in terms of control of the labourers, moral support and the amount of output. This form of organization became a culture that transcended into the independence period, because women realized that by embracing the group mentality they were able to achieve many things, let alone higher out put in the farms (Otieno, 1985). For instance, the Agikuyu women came together in SHGs and initiated housing projects for members to uplift their living standards (Hay and Stichter, 1984). The advancement of women groups' movement was synergized by the national philosophy that promoted unity and spirit of togetherness (p. 63).

According to Otieno (1985), among the early structured women groups' organization is the Maendeleo Ya Wanawake Organization (MYWO), which was founded in 1952, primarily to "mobilize women into small regional groups and promote their socio-economic and political welfare" (p. 26). In addition, the MYWO was mandated to promote skills in areas such as handcraft, basic home economics, child care and immunization, basic agricultural knowledge and family planning among other skills.

Gariyali and Vettivel (2006) provide an account of the efforts to empower women in Tamil Nadu region in India, which began in earnest in 1983 through establishment of the Tamil Nadu Corporation for Development of Women (TNCDW). The organization operated through grassroots NGOs by using their human resource and infrastructure to reach needy women. Over time, this led to creation of a state-wide network of NGOs, which in turn, enhanced accessibility of services provided and greater impact on the lives of women.

In Kenya, there are three basic categories of women groups, as identified by Abok (2004). These include the traditional *lelemama* dance groups, which were popular among Muslim communities, especially in the 1950's. "Such dance groups offered prestige to women who had few other sources of dignity and honor' (p. 85). The second category includes associations created by women working in the same occupation, office or business. Such groups enable members to meet explicit economic needs, which in turn expand their effectiveness and influence. The third category of women groups includes the MYWO, whose intended activities included raising skill levels among women, particularly in areas such as handcrafts, childcare, nutrition and hygiene (Abok, 2004, p. 86).

The women groups ensure the survival of both rural and urban women, through merry-go-rounds, which provide affordable sources of financial resources that could be invested in income-generating activities as well as personal development (Abok, 2004). Women groups also link their members with MFIs to be considered for credit services. Nevertheless, the model adopted often extends such loans to women groups, as collective entities, rather than to individual members. The leadership of such groups then considers financial needs and capabilities of individual members for credit. The benefits of financial services offered by MFIs then trickle down to women through their groups.

2.5 Theoretical framework

The *Feminist Conflict Theory* was formulated by Blumberg in 1984. The theory focuses on women's control of the means of production and distribution of economic surplus. The theory is based on broad empirical knowledge of diverse society types, including the hunting and gathering, agrarian and industrial societies of the late 20th Century (Turner, 2003). The theory holds that *sexual stratification* is driven by the degree to which men and women control the means of production and allocation of productive surplus in society. Arguably, gaining control of production factors enables women to achieve economic power, which in turn facilitates acquisition of political power and prestige (Turner, 2003).

The theory further holds that sexual inequalities are *nested* at various levels, which include household, local community and state-managed society. Similarly, women's control of economic resources can be located at the different nesting levels. According to Blumberg, nesting of economic power is marked by a *discount rate*, which refers to reduction or enhancement of women's economic power depending on the level at which it is concentrated. For instance, where women's economic power is concentrated at the household level, they have no authority proportionate to their economic contribution, especially where men control more macro-social spheres (Turner, 2003). Arguably, men's control at the macro-levels *discounts* or reduces women's power at the household level. Conversely, where women possess power at macro-levels, the *discount rate* turns positive and enables them to consolidate power at the micro-level as well.

The theory asserts that economic power for women at macro-levels enables them to gain access to political power. It also increases their economic contributions at the household and community levels. Nevertheless, as women's economic power increases, men are likely to perceive such changes as a threat and may react to repress women's efforts to gain power (Turner, 2003). As women's economic and political power consolidates, they gain opportunity to counter policies that negatively affect their welfare. Thus, gaining economic power improves women's position in the stratification system of a society. In class-less societies, women gain economic power through the demand for their labour. This however, depends on the compatibility of their productive labour and reproductive roles (Turner, 2003). In class-stratified societies, the demand for women's labour becomes important alongside child care arrangements. Besides, mobility to male-dominated positions depends on inadequacy of qualified men to hold those positions. Thus, the strategic responsibility of women's labour is an important determinant of their access to economic power.

Women's access to economic power is also a function of the kinship system in terms of inheritance and residence rules. In this regard, where women are allowed to inherit property, they have opportunity to attain economic power. In addition, the way surplus and other resources are distributed also influences women's economic power. Here, women are likely to have more economic power in systems where men and women share work and its outputs equally. Blumberg notes that male control increases class-stratification inequalities. Under such circumstances, women's ability to gain economic power is reduced drastically. Without economic power, women are denied the opportunity to make decisions about their reproductive health; they are also denied the right to seek divorce and education as well as pursue diverse interests and opportunities. Thus, gaining economic power has important consequences for women's status (Turner, 2003).

Another theoretical framework that focuses on empowerment of women is the *Gender Equity Theory*, formulated by Chafetz in 1990. The theory explains the forces that sustain gender inequality in society as well as how such a system can be re-oriented to ensure gender balance. The theory identifies two broad categories of forces that sustain a system of gender inequality. These include *coercive* and *voluntary* forces, which according to Turner (2003), are interrelated. Under the *coercive forces of gender inequality*, Chafetz argued that gender stratification is related to the macro-level division of labour in a society, where work is defined and distributed based on sex. In such arrangements, men typically receive more resources than women. The resource advantage translates into more power for men over women at the micro-level. Men often use the power to perpetuate their domination over women in all spheres of life.

In societies where macro-level division of labour favours men, their contribution to family and domestic work remains marginal. As a result, women are burdened with domestic chores, which undermine their effective competition with men for resource-generating work outside the home. This situation sustains macro-level gendered division of labour. Further, where men have advantages at the micro-level division of labour, they are more likely to ascend to leadership positions, through which they accrue even more power resources. Domination of leadership positions in society by men implies that the distribution of opportunities for work and power is likely to favour men over women. This reinforces attitudes and behaviours, which continue to undermine women's efforts to improve status. This ensures that women remain powerless and under competitive for positions that generate material resources and power.

As men control power resources, they often use this same power to regulate micro-level relations with women. This ensures that women remain focused on traditional domestic roles which, in turn, support macro-level bias in the division of labour. Nevertheless, male-dominated systems often devalue the work that women perform, inside and outside of the domestic sphere. For instance, women are never paid for domestic family work, while traditional office positions like secretarial work are not valued as highly as the roles performed by men (Turner, 2003). According to Chafetz, gender social definitions are a critical link between macro- and micro-level *coercive* and *voluntary* processes, which typically operate at personal decision-making level. Chafetz identifies three types of gender definitions, viz. *gender ideology*, *gender norms* about the appropriate ways for men and women to behave; and *gender stereotypes* about the differences between men and women in how they respond to situations. The greater the level of consensus in a society about these gender definitions, the more the definitions influence both macro- and micro-level social processes sustaining gender inequality (Turner, 2003).

Under the *voluntary bases of gender inequality*, the theory holds that as economic division of labour, domination of leadership positions by men, and cultural definitions reveal a gender bias, a society is likely to define gender differentiation of office work and home activities. As a result, adults become active socializing agents for engendering the next generation through their behaviours, expectations and definitions of reality (Turner, 2003). Through socialization process, individuals act *voluntarily* to sustain macro-level division of labour and cultural definitions about differences between men and women. However, the theory emphasizes that once the forces maintaining a system are understood, the critical targets for change are also identified. The targets for changing a system of gender inequality include gender division of labour; resulting superior resource power of men; social definitions comprising gender ideologies, norms and stereotypes as well as the engenderment process that influences the orientation, expectations and behaviours of men and women (Turner, 2003).

Of the two theoretical frameworks, the study adopted *Feminist Conflict Theory* because the basic tenets reflect challenges experienced by Kenyan women, as they struggle to attain economic empowerment. Although women are increasingly securing employment in the formal sector, they have not achieved equity with men in terms of positions held and remuneration. Very few women manage to break through the glass ceilings to ascend to leadership positions. Further, women have made significant efforts by venturing into entrepreneurship. But as highlighted by the theory, they often face hurdles created by policies designed to favour men. In most cases, women find it difficult to balance their reproductive and productive roles. In matrilineal societies, women often attain economic empowerment by inheriting resources from parents.

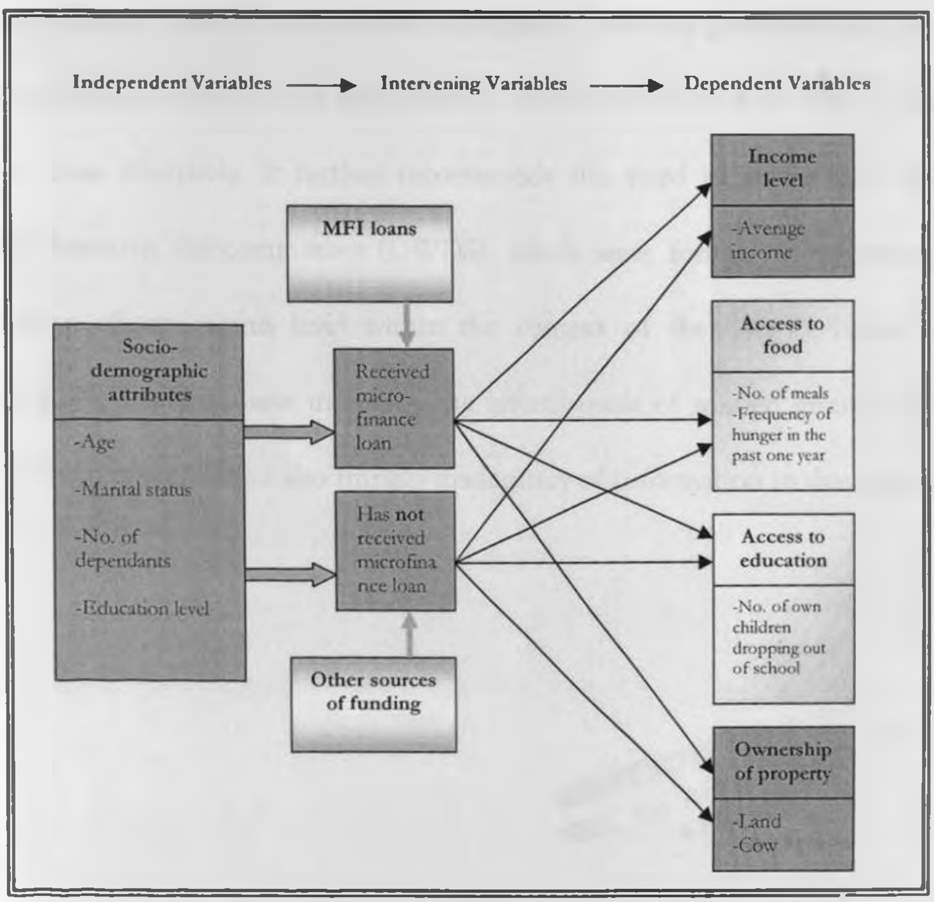
However, in Kenya, patriarchal systems work in favour of men, as women are not entitled to inherit property such as land, which is a crucial means of production. In agriculture, cash crops introduced by colonial rulers have reinforced patrilineal control, since they have barely benefited women (Hay and Stichter 1984; 62). Micro-financing provides a unique opportunity for women to overcome patrilineal challenges and attain economic empowerment.

2.6 Conceptual framework

Micro-financing is an essential development tool that increases overall family welfare and also bars the potential to empower women. Gender equality and women's empowerment are considered central to achieving long-term development goals (UN, 2000). Some of the most obvious gender inequalities that microfinance attempts to address include, the fact that women form over 70 per cent of the 1.3 billion people living in poverty; that women perform a greater proportion of work and work longer hours, but their earnings remain 50 to 75 per cent of men's earnings; and that women form between 40 and 70 per cent of the informal sector participants, yet they almost always are excluded from access to finance (Burjorjee, 2002). Empowerment of women is reflected by parameters such as average incomes, access to food and nutrition, access of basic needs such as shelter, education and healthcare, especially reproductive healthcare services. It also includes increased access and ownership of immovable property such as land; increased participation in decision-making positions in society and political process as voters as well as aspirants for political offices.

Studies have shown that through micro-financing services, women are able to achieve better indicators of empowerment. It is on this realization that government agencies and development planners have been encouraging active linkage of women groups to MFIs, with assumption that the credit facilities would trickle-down to group members. Based on this, the study sought to assess if there was any significant association between the funding status of women and selected indicators of empowerment, viz. average monthly income, number of meals affordable in a day for the families, frequency of hunger in the one-year period preceding the survey, number of own children dropping out of school due to lack of fees and ownership of properties such as land and a cow. The linkage between the variables has been summarized in figure 2.1 below: -

Figure 2.1: Conceptual framework



2.7 Literature gaps

The literature review reveals that there are no empirical studies that have assessed the empowerment of women as a result of micro-financing. For instance, Parker and Torres (1993) established the general constraints experienced by beneficiaries of micro-financing in developing countries; however, this may have changed over time and may cease to be the valid picture (p. 24). Further, Aspaas (1991) observed that "marketing and marketing analysis of women's businesses has not been adequately carried out" (p. 20). In her research, she established that women's clients were based on friendship and acquaintance. This appears to be a major marketing mechanism when one considers that there is lack of diversity or even quality among products and services that are offered for sale. There is inadequate literature to dispute these findings. Khasiani (2000) recommends investigation into the problems and prospects of existing women groups in Kenya, how these groups can be restructured in order to make them serve women more effectively. It further recommends the need to assess how the District Women's Development Sub-committees (DWDS), which were formed to augment planning and coordination efforts at this level within the context of the District Focus for Rural Development (DFRD) policy, have increased the effectiveness of women groups' activities in rural areas. This recommendation also implies inadequacy of information in this regard.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.0 Introduction

This chapter describes how the requisite data were obtained, processed and analysed to realise the study objectives. The items considered were research design, target population, sampling design and procedures. This is followed by types of data, the research process, research instruments; data analysis techniques, including quantitative and qualitative procedures, as well as reliability and validity of the instruments and the data obtained.

3.1 Research design

A research design is the investigator's plan of action for answering the research questions and realizing the objectives (Nachmias & Nachmias, 1996). The type of research design determines the kinds of statistical manipulations that can be performed on the resulting data. With this in mind, the study applied both quantitative and qualitative approaches. For the quantitative dimension, a survey design was adopted. According to Bryman and Cramer (1997), survey designs are often known as correlational designs to denote the tendency to reveal relationships between variables and to draw attention to their limited capacity in connection with the elucidation of causal processes. The design was most appropriate for the phase because of its ability to elicit a diverse range of information about the background characteristics of women along with their perceptions about accessibility of micro-finance services as well as experiences as individuals and as groups supported through micro-financing. The information obtained was used for descriptive and inferential purposes.

On the qualitative dimension, the study applied unstructured in-depth interviews to source requisite data. Mwanje (2001) contends that unstructured interviews are characterized by extensive probing and open-ended questions. It is conducted on a one-on-one basis between a respondent and a highly skilled interviewer. The approach befits the proposed study because it provides opportunity for the researcher to engage respondents with follow-up questions, which in turn yield in-depth information, clarification and validation of the sourced information.

3.2 Research site

The study was conducted in Fumbini Location of Kilifi District, which is one of the six districts that comprise Coast Province. The District covers an area of about 12,464 sq. km including 109 sq. km of water surface in the Indian Ocean. By 2002, the human population in the District was estimated at 700,000 people, 66% of which lived below the poverty line (Republic of Kenya, 2002).

3.3 Target population

The study targeted women groups funded through micro-finance programmes and through active membership contributions. Typically women groups consist of a maximum of twenty members. Within sampled women groups, the study targeted women – both leaders and members. Women formed the ultimate unit of analysis from where quantitative and qualitative information was elicited.

3.4 Sampling procedures and sample size

In most cases, it is difficult to subject the whole target population to investigations because of prohibitive costs and temporal requirements. This calls for a sample, which is a sub-set of the target population through which the requisite information can be obtained at reasonable costs (Nachmias and Nachmias, 1996). Samples should be as representative as possible, because too-small-a-sample is likely to yield under-estimated information that may not reflect the actual population characteristics or perceptions (Brewer & Collins, 1981). This may be caused by the effect of sampling error. Samples are drawn from well-defined lists of the target population known as *sampling frames*. In situations where a population is too small to be sampled, it is logical to sample all the elements (Nachmias and Nachmias, 1996; Mugenda and Mugenda, 1999). This study applied *convenience, stratified random* and *purposive sampling* procedures to obtain samples of women groups and women, as the ultimate units of study.

Convenience sampling is a non-probability sampling procedure, which is applicable in situations where a researcher is limited by resources and time (Mugenda and Mugenda, 1999). In such situations, a researcher selects sampling units that are conveniently available. The researcher has no way of estimating the representativeness of convenience samples and therefore cannot estimate the population's parameters (Nachmias and Nachmias, 1996; Jaeger, 1984). The study applied convenience sampling to select a sample of 2 women groups for pilot-testing instruments and another 7 for data collection, from a sampling frame of 35 women groups, which were functional at the time of the study. Out of this number, 16 had some form of financing through MFIs, while the remaining 19 were financed entirely from members' contributions.

Based on this, the sample of 7 women were be categorized into two strata – those with MFI financing and those financed entirely from membership contributions. *Stratified random sampling* is a probability procedure, where a sampling frame is divided into two or more segments called strata and each element in each stratum is given an equal chance of selection into the intended sample (Jaeger, 1984). The procedure ensures that all sub-groups of elements are included in the sample, which would otherwise be omitted entirely by other sampling methods because of their small numbers in the sampling frame (Jaeger, 1984; Hess, 1985). The procedure was appropriate for this study because the researcher wanted to assess the lived experiences and perceptions among members of MFI-financed groups and those financed through members' contributions. This necessitated stratification of the sampling frame on the basis of linkage with MFIs. To ensure that each stratum was effectively represented in the study, the formula indicated below was applied to obtain a sample that is representative from each stratum (Nachmias and Nachmias, 1996).

$$n_1 = n_{ij} * f;$$

Where n_1 *– Stratum sample size,*
n_{ij} *– Stratum sampling frame*
f – Sampling factor, obtained from the ratio of n/N
N – Population or national sampling frame
n – Desired sample size

Based on the formula, a sampling factor of 0.2 was obtained and the samples from each stratum were as indicated in table 3.1 below.

Table 3a: Sampling women groups

Origin of institution	Stratum sampling frame	Ultimate sample
MFI-financed	15	3
Financed entirely by members	18	4
Total	33	7

Note: The sampling frame of 33 women groups was obtained after correction for pilot-testing

In addition, from each women group, an average of 20 members were selected and interviewed. This process yielded an overall sample size of 140 respondents. The women were selected purposively, based on membership to the selected women groups. The selection was also based on the willingness to participate in the study. *Purposive sampling* is a non-probability procedure, which allows a researcher to use cases that have the required information with respect to the subject of the study. Such cases are often handpicked because they are informative or possess the required characteristics (Mugenda and Mugenda, 1999).

3.5 Informed consent

Ethical considerations continue to be important in research that involves human participants (Greig & Taylor, 1999; Holloway, 1997). Social science researchers concur that research projects involving human participants should be performed with informed consent of the participants (Nachmias and Nachmias, 1996; Kimmel, 1988). Further, informed consent is essential whenever participants are exposed to substantial social, psychological, privacy or health risks. The informed consent policy requires the use of informed participants. In this regard, "participants should know that their involvement is voluntary at all times, and they should receive thorough explanation before hand of the benefits, rights and risks involved in their participation in the research project" (Nachmias & Nachmias, 1996, p. 82).

The idea of informed consent is rooted in the high value attached to freedom and self-determination. Freedom is a cherished value in most societies. As asserted by the great philosopher, John Locke: being free is a natural right and whatever restrictions on freedom must be carefully justified and agreed to. In other words, when participation in a research project limits an individual's freedom, then it is only natural that they be asked to agree to this limitation (Nachmias and Nachmias, 1996). In addition, requesting individuals to provide informed consent before participating in a research initiative reflects a respect for the right of self-determination. Informed consent also shifts part of the responsibility to participants for negative eventualities that might occur in the course of the study. It further reduces legal liability of the researcher because participants will have voluntarily agreed to take part in the research process.

This study sought informed consent from the sampled women. In the process, the respondents were informed that they were participating in a research and that the information yielded would be used for the purpose of research only to stimulate policy formulation to facilitate economic empowerment of women. The participants were also informed about the procedures of the research, potential risks and benefits. They were informed that participation was purely on voluntary terms and that they reserved the right to stop interviews at any point in the event that they felt uncomfortable with particular questions. In addition, the researcher prepared a consent form containing all the requirements, through which the researcher gained consent to proceed with the study (see Appendix II). Those who declined to participate in the research were substituted for appropriately.

3.6 Confidentiality

Ensuring confidentiality of the information gathered through a social research process is an indispensable part of the moral and professional obligations of social researchers (Beauchamp, 1982). Nachmias and Nachmias (1996) recommend that participants involved in research projects should be informed that the information they provide would treated as confidential, as this would help respondents build confidence in the study, reduce suspicion and promotes sincere responses (Bailey, 1996). In this study, the participants were assured that their personal background information, lived experiences in business and perceptions would be handled and processed in confidentiality. In addition all interviews were kept confidential.

3.7 Research instruments

The study used two sets of research instruments to capture the requisite information, namely a survey questionnaire for active members of women groups and an in-depth interview schedule for women group leaders. These have been highlighted in the subsequent sections.

3.7.1 The survey questionnaire

The survey questionnaire was used to source background information from members of women groups, which included age, gender, marital status, area of residence, level of income and the number of dependants. It also captured information about the type of business activities initiated; the duration of such activities, the amount of capital invested, source of capitation funds, returns on investment, accessibility of MFI financial services, challenges experienced among other information. The questionnaire mainly comprised of closed-ended questions, in which respondents were provided with a set of pre-conceived answers and asked to choose the one that closely represented their characteristics, views or opinions (Nachmias and Nachmias, 1996). The main advantage of this type of question is that it is easy to ask and quick to answer and analysis is straight forward. The survey questionnaire was administered by selected research assistants drawn from the local community. The instrument captured cross-sectional data, which was the used for descriptive and inferential purposes (see Appendix III).

3.7.2 In-depth interview schedule

The in-depth interview schedule was used by the researcher to source qualitative and in-depth information from women group leaders. The instrument captured information about the type of groups, year on inception, core areas of business, level of membership, partnership with MFIs in the district, the role of women groups in linking members with MFIs, the roles in training on business skills, challenges encountered with IGAs in the area among others. The schedule mainly comprised of open-ended questions. These type of questions do not restrict respondents to adapt to preconceived answers. Open-ended questions also provide the researcher with opportunity to make probes in case of unclear response; hence the questions yield more data than the closed-ended type (Nachmias and Nachmias, 1996).

3.8 Validity of research instruments

The validity of instruments is a key element of an accomplished study. It denotes the extent to which instruments capture what they purport to measure (Nachmias & Nachmias, 1996). The acceptable level of validity largely depends on logical reasoning, experience and professionalism of the investigator (UNESCO, 2004). According to Mugenda and Mugenda (1999), pilot-testing is a crucial step in the research process because it helps in refining instruments so that they capture the intended information. Pilot-testing reveals what works and what does not, for instance, vague questions and unclear instructions. It also captures key comments and suggestions from the respondents that enable the investigator to improve efficiency of the instruments, adjust strategies and approaches to maximize response rate. The process also helps in reviewing the objectives, research questions and hypotheses. Based on this realization, the instruments were pilot-testing using members of two women groups in Fumbini Location, which were selected randomly. The sampled elements were however, not included in the main data collection as the sampling procedure was restricted.

The data collected were processed, analysed and interpreted. From the results, it was noted that some questions did not yield what was expected as per the objectives. Based on this, the instruments were reviewed, by re-phrasing the questions that were not well-understood; while irrelevant questions were removed. Moreover, from pilot-testing, it was noted that some hypotheses were not attainable and this necessitated reformulation.

3.9 Reliability of instruments

Reliability ensures scientific usefulness of any research work (UNESCO, 2004). Reliability is the ability of a research instrument to consistently measure the characteristics of interest over time. Reliability is influenced by random error. Thus as error increases, reliability decreases. The error may arise at the time of data collection and may be due to inaccuracy by the investigator or inaccuracy of the instrument (Best & Khan 2004; Mugenda & Mugenda, 1999: Nachmias & Nachmias, 1996).

In this study, a high level of reliability was achieved using a number of ways. First, since it is affected by the way questions are phrased and presented, the investigator ensured that questions were designed and put across in the simplest way possible. This was improved further through pilot-testing. Second, during pilot-testing, two sets of the questionnaire were prepared, one had structured questions and the other one was open-ended. This was the *parallel forms technique*. The two sets of questionnaires were given to the same set of women respondents, beginning with the one with structured questions. At the end of the exercise, questionnaires with open-ended questions were post-coded and keyed into the computer. The SPSS package was used to generate correlation co-efficients for the two sets of responses. The mean alpha value stood at 0.77361, implying that the questionnaire had the power to capture about 77% of what the study intended to measure. Third, in-depth interview schedules were basically qualitative instruments, and application of quantitative techniques such as *parallel forms* was constrained. In this study, the reliability of qualitative data was achieved through the unstructured open-ended interviews, where the researcher had the opportunity to make appropriate probes to ensure that respondents provide consistent responses for each question. The researcher also elaborated questions in cases where they were not well understood; this also enabled respondents to provide reliable answers.

3.10 Data collection

The study began in June 2008 with recruitment of two research assistants to assist with data collection activities. This was followed by consensus building involving the investigator and the research assistants. The purpose was to discuss the items contained in the instruments for familiarity, logistical requirements and acquisition of a research permit. At the end of the session, the budget was adjusted to reflect the actual costs; some questions were reformulated to enhance clarity and grammatical errors were corrected before final copies were produced. Data collection began in July 2008, soon after the instruments were revised following the pilot-testing output. The sampled women groups were informed in advance, for a high response rate. The respondents were mobilised to their usual meeting points, where they were engaged in interviews, which lasted for between 10 and 20 minutes. Data collection took four days.

3.11 Data processing and analysis

According to Bryman and Cramer (1997), data analysis seeks to provide answers to research questions and fulfils research objectives. The choice of analysis procedures depends on how well the techniques are suited to the study objectives and scale of measurement of the variables in question. This study applied both quantitative and qualitative approaches to process, analyse and interpret the data. The two approaches have been highlighted in the subsequent sections.

3.11.1 Quantitative data processing and analysis

Quantitative analysis began with field editing to minimize errors. This was followed by coding the open-ended data, entry, cleaning, transformation, analysis and interpretation of data (Obure, 2002). The Statistical Package for Social Sciences (SPSS) was used to run univariate analyses to produce frequency distributions, percentages and OLAP cube reports, while charts and tables were produced using Ms-excel. For inferential analysis, the hypotheses were tested using *cross–tabulations* with Chi *square* statistic. According to Nachmias and Nachmias (1996), Chi *square* (X^2) is a statistical technique which attempts to establish the association between two variables both of which must be categorical in nature. The X^2 test was applied to test null hypotheses, Ho_1, Ho_2, Ho_3, Ho_4, Ho_5 and Ho_6. The technique was appropriate for the study because most variables in question were captured in nominal scale and ordinal scales. However, it could not tell the magnitude and direction of the association between the variables (Nachmias and Nachmias, 1999).

3.11.2 Qualitative data processing and analysis

Best and Khan (2004), assert that the challenge of qualitative data analysis is to make sense of massive amounts of data, reduce the volume of information, identify significant patterns and construct a framework for communicating the existence of what the data reveal. Based on this realization, the qualitative information obtained through in-depth interviews with officials of women groups were processed and analyzed following three steps (Ibid). In the first step, data was *organized* following the key thematic areas. In the process, data will be summarized into daily briefs after each interviewing session. The second step involved *description* of the responses to produce interim reports; areas that required additional information were identified and the requisite data sourced. The third step involved *systematic analysis and interpretation* of the interim report, which was then integrated with quantitative data to form the project.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents findings of the study, which have been discussed under five thematic sub-sections in line with the study objectives. The thematic areas include: socio-demographic attributes of the respondents; the level of participation in income-generating activities; effect of micro-financing on the level of empowerment; effectiveness of micro-financing services in Fumbini Location and the role of women groups in accessibility of micro-financing services. Details of the findings follow.

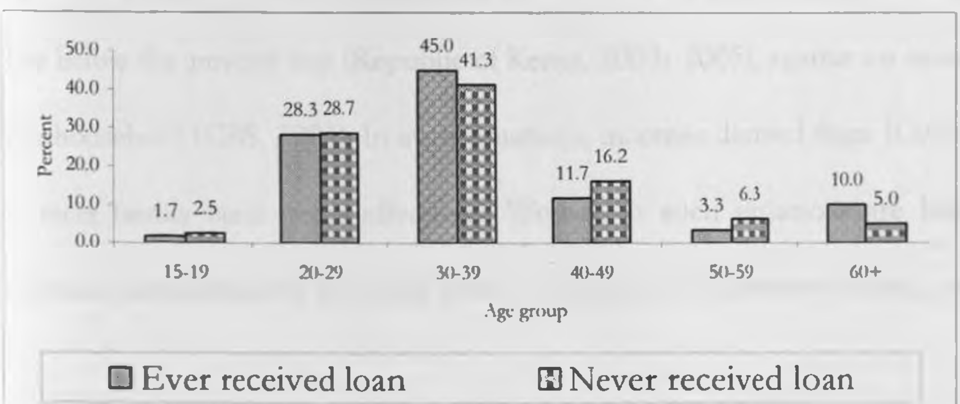
4.2 Socio-Demographic Attributes of the Women

The study covered 140 women, of which 60 (42.9%) had benefited from loan facilities from Micro-finance Institutions (MFIs) and 80 (57.1%) had never received financial support from any MFI. In the subsequent sections of this chapter, the women who had received loans are referred to as 'funded' while those who had not are referred to as 'unfunded'. The attributes of interest included age, marital status, number of dependants and the level of education. The idea was to assess if there were similarities and differences in the attributes of funded and unfunded women. By holding background attributes constant, variation in the indicators of empowerment was then attributed to the intervention through micro-financing.

4.2.1 Age distribution

Age is a crucial demographic attribute that influences decision-making ability by rational individuals. Business ventures require effective and timely decision-making to correct anomalies, maximize profits and ensure sustainability. In this regard, mature individuals of sane mind are more likely to make effective decisions than youthful individuals. Based on this perspective, the women were asked to state their age in absolute numbers, from where the study noted that the majority of the respondents in both categories were aged between 30 and 39 years. This group consisted of 27 (45.0%) women who had received MF funding and 33 (41.3%) who had never received such funding. Further, as indicated in figure 4.1, the age group 20-29 was the second largest, with 17 (28.3%) people who had been funded and 23 (28.7%) who had never been funded.

Figure 4.1: Age distribution of the women



(n: Ever received loan=60, Never received loan=80) *Source: Survey data, 2008*

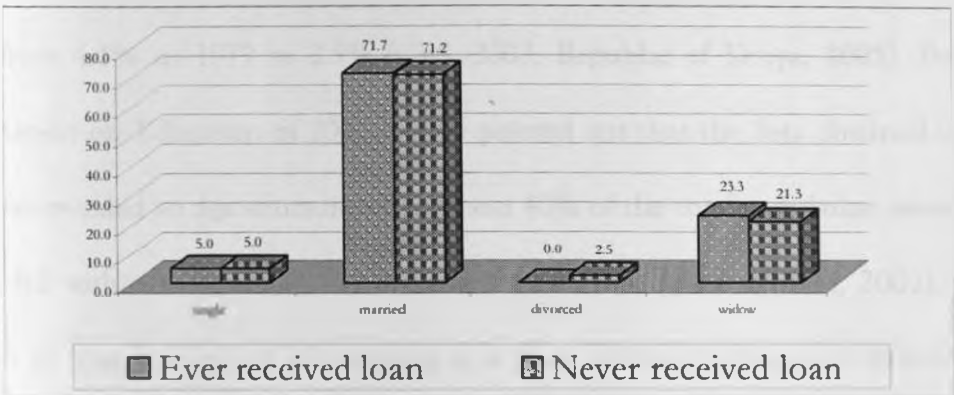
The third largest group was 40-49 years, which comprised of 7 (11.7%) women who had been funded and another 13 (16.2%) who had never received funding. The fourth largest group, consisting of 6 (10.0%) funded women and 5 (6.3%) unfunded women, was the 60+ years. This was followed by the 50-59 years group and the 15-19 years groups in that order.

4.2.2 Marital status of the women

Marital status can affect the level of empowerment among women in two ways: first, where a husband is capable of providing basic needs effectively, a woman stands a good chance of accessing education and training, food and nutrition, capital for investment, healthcare, shelter as well as clothing. In such situation, a woman obtains economic power through the husband (assuming that the husband is not a chauvinist) and is likely to actively participate in leadership forums. In such marital unions, the incomes earned by women are only used to supplement provisions from husbands. Second, where women are separated, divorced or widowed, the incomes of households reduce significantly and there is high chance that basic needs may outweigh a family's income base. The situation is worsened by the fact that about 56.8% of Kenyans live below the poverty line (Republic of Kenya, 2003; 2005), against an average of 4.7 children per household (CBS, 2003). In such situations, incomes derived from IGAs are barely enough to meet family basic needs effectively. Women in such situations are less likely to achieve economic empowerment, especially given the amount of capitation funding provided by MFIs.

In view of this, the respondents were requested to state their marital status. The study noted that the majority were married at the time of the study, followed by those widowed, single and divorced in that order. Figure 4.2 illustrates that out of 60 women who had ever received a loan from MFIs, 43 (71.7%) were married, 14 (23.3%) were widows, 3 (5.0%) were single, while none had divorced.

Figure 4.2: Marital status of the women



(n: Ever received loan=60, Never received loan=80) Source: Survey data, 2008

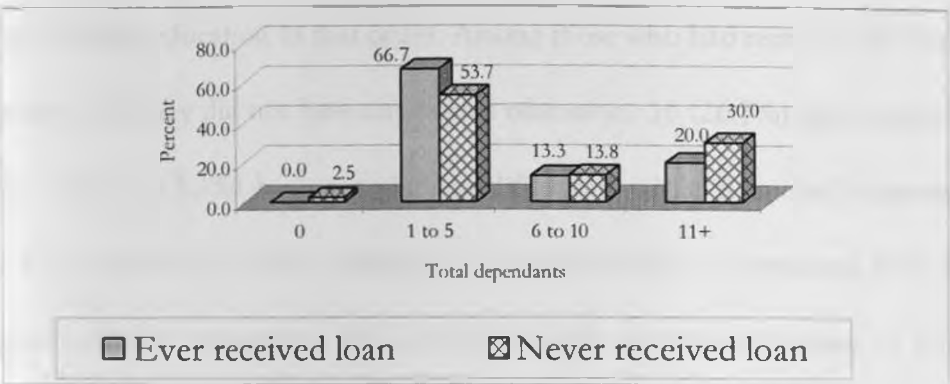
By comparison, among those who had not received any MFI funding, 57 (71.2%) women were married, 17 (21.3%) were widowed, 4 (5.0%) were single, while 2 (2.5%) had divorced. Further assessment of the data noted three features, viz. that marriage was near universal in the community; that the proportion of widows was significantly high and that funding from MFI loans was equitable irrespective of marital status. In addition, membership to women groups was frequented by women aged between ages 30-39, when most women have achieved desired family size.

4.2.3 Number of dependants

The level of parental responsibility has a direct bearing on the incomes earned by women and the ability of women to accumulate adequate resources. The in-depth interviews revealed that the number of dependents has been growing steadily due to the HIV and AIDS pandemic, which is blamed for the upsurge of the number of orphaned and vulnerable children (OVCs). As documented in the *Kenya Demographic and Health Survey* report of 2003 and reiterated in the *Sessional Paper No. 1 of 2005*, Kenya had experienced a high population growth since independence to 1999 when the census report revealed that the annual growth rate had dropped from 4.1% in 1979 to 2.5% (CBS, 2003; Republic of Kenya, 2005). Besides, the Analytic Report on Education of 2002 further pointed out that the data obtained during the 1999 census revealed an age structure where about 40% of the total population were below 19 years and fell within the primary and secondary school age brackets (CBS, 2002). The large proportion of young people of school-going ages poses serious challenges to women who are already dwelling in poverty. This undermined the ability of women to improve their living standards.

Based on this, the respondents were requested to state the number of dependants they had, including their own children. The results are illustrated in figure 4.3. The figure shows that the majority of women in both categories had between 1 and 5 dependants. This was hinted by 40 (66.7%) funded and 43 (53.7%) unfunded women. The second largest category were those who had at least 11 dependants and included 12 (20.0%) funded and 24 (30.0%) unfunded women. Those who had between 6 and 10 dependants were 8 (13.3%) funded and 11 (13.8%) unfunded respondents, while 2 (2.5%) unfunded women reported that they did not have dependants in their households.

Figure 4.3: Total number of dependants



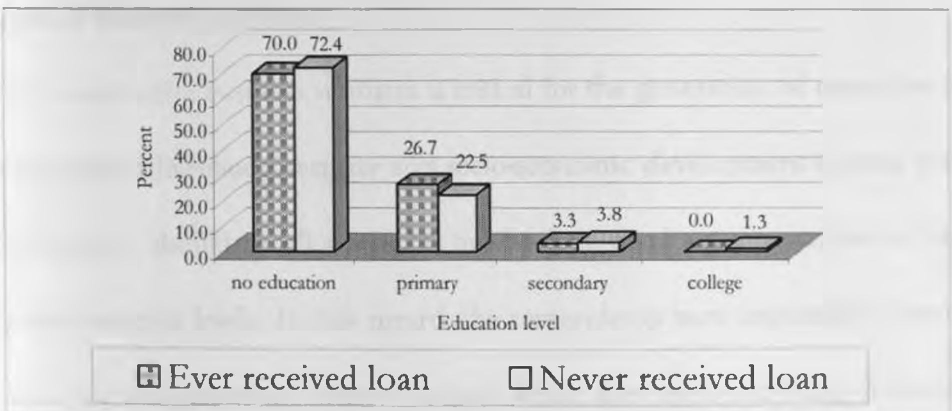
(n: Ever received loan=60, Never received loan=80) *Source: Survey data, 2008*

The distribution indicated that nearly all women who participated in the study had dependants. Of these, more than a third of funded and 40% of unfunded women had at least 6 dependants. This shows that the women required reliable source of income to effectively provide basic needs. However, this scenario meant that Income-generating Activities (IGAs) were heavily depended upon to provide a means to sustain huge families. Yet the ability of such IGAs to effectively support dependants was a function of the amount of capital invested and the market share commanded. Given the heavy dependence, there was a likelihood that the resources provide to women through MFIs would create little or no impact on the level of empowerment.

4.2.4 Highest level of education

Formal education is an indispensable element for socio-economic, political and technological development world over. Access to formal education is not only one of the fundamental rights of an individual but also, and more importantly, a crucial tool for sustained socio-economic development and hence an important exit route from poverty. In view of this, the respondents were requested to indicate the highest level of education attained. As indicated in figure 4.4, the majority of women had no formal education; this was followed by those with primary, secondary and college education in that order. Among those who had received MFI funding, 42 (70.0%) women said they did not have any formal education, 16 (26.7%) had attained primary qualifications, only 2 (3.3%) had secondary qualifications while none had acquired college education. By comparison, in the category of those who had not received MFI loans, 58 (72.4%) women had no education, 18 (22.5%) had only primary education, 3 (3.8%) held secondary education qualifications, while 1 (1.3%) possessed college education.

Figure 4.4: Highest level of education attained by women



(n: Ever received loan=60, Never received loan=80) *Source: Survey data, 2008*

Further, the distribution shows that women in the community had similar characteristics in terms of education acquisition. Besides, the study noted that most women in the target area were illiterate, which implies that a large proportion of members of women groups had low capacity to effectively management business ventures. This further indicates that most income-generating activities were likely to fail due to poor management arising from inability to keep records, manage finances, as well as monitor and evaluate progress attained. The in-depth interviews revealed that the low level of education was attributed to high dropout, especially among women. This was noted to be directly responsible for widespread poverty, which currently affects over 60% of the population in Kilifi District. While poverty renders victims desperate; deprives them of basic means of life support and makes them vulnerable to exploitation, abuse and marginalization, education equips individuals with essential skills to enable them fight their way out of poverty and enhances the capacity for more effective participation in the community as well as national development agenda.

4.3 The level of Participation in Income-generating Activities

4.3.1 The type of business initiatives

Engagement in productive business ventures is critical for the generation of resources to ensure sustainable household livelihood security and socio-economic development among women. To achieve this, women should at all times be involved in productive activities at individual, community and national levels. In this regard, the respondents were requested to indicate the most important income-generating activity through which they earned a living. Table 4a shows the types of business activities, which women in Fumbini location engaged in at the time of the study. The table shows that out of the 60 women who had been funded, 11 (18.3%) were involved in selling vegetables and fruits, 9 (15.0%) mainly depended on crop farming, 7 (11.7%) were shop-keepers and another 7 (11.7%) traded in fish. These were the most important ventures that funded women participated. Among the 80 women who had never been funded, 16 (20.0%) sold vegetables and fruits, 15 (18.8%) relied on crop farming, 12 (15.0%) operated road-side food kiosks, 8 (10.0%) sold fuels while another 8 (10.0%) traded in plastic ware.

Table 4a: Economic activities for the women

Responses	Ever received loan		Never received loan	
	Freq.	Percent	Freq.	Percent
Tailoring/dressmaking	4	6.7	1	1.3
Selling vegetables and fruits	11	18.3	16	20.0
Shop keeping/grocery	7	11.7	2	2.5
Selling fuels/paraffin	5	8.3	8	10.0
Selling cereals	3	5.0	7	8.8
Fish monging	7	11.7	4	5.0
Selling second hand clothing	2	3.3	1	1.3
Crop farming	9	15.0	15	18.8
Selling snacks/roadside food kiosk	4	6.7	12	15.0
Hairdressing	2	3.3	0	0.0
Poultry keeping	3	5.0	2	2.5
Handcrafts	1	1.7	3	3.8
Hawking plastic products	0	0.0	8	10.0
Keeping rabbits	0	0.0	1	1.3
Brick making	2	3.3	0	0.0
Total valid responses	60	100.0	80	100.0

Source: Survey Data, 2008

Although both the funded and unfunded women engaged in nearly similar economic activities, there were slight variations on the level of participation in high potential ventures such as shop-keeping, fish monging, tailoring and dressmaking, hairdressing, brick making and selling second-hand clothes, which were dominated by women who had received funding. This however, did not yield much difference in terms of average returns, since the businesses operated under similar economic environments and targeted a common market of consumers.

4.3.2 Duration since business initiatives began

One of the challenges that have been facing IGAs initiated by women is lack of sustainability. Various studies have noted that although women are actively involved in IGAs, such initiative barely last for a period of 12 months before collapsing. In view of this, the respondents were requested to state the duration for which they had been in business. Table 4b shows that among the women who had been funded, 30 (50.0%) reported that their businesses had lasted for a period of between 1 and 2 years; 21 (35.0%) hinted that they had been in business for between 3 and 4 years; while 6 (10.0%) said they had just began operation less than 12 months before the survey. However, 3 (5.0%) had stayed in business for at least five years. The in-depth interviews revealed that the upsurge of business ventures among members since the year 2004 was attributed to the linkage between women groups and MFIs, which increased access to micro-credit.

Table 4b: Duration of business operation

Duration	Ever received loan		Never received loan	
	Freq.	Percent	Freq.	Percent
<1 yr	6	10	9	11.3
1-2 yrs	30	50	31	38.8
3-4 yrs	21	35	17	21.3
5yrs+	3	5	23	28.8
Total	60	100	80	100

Source: Survey Data, 2008

Further assessment of the data indicated that among the women who had never received MFI funding, 31 (38.8%) said they ventured into business in the period of 1 to 2 years before the study; another 23 (28.8%) had been in business for at least 5 years; while 17 (21.3%) hinted that their businesses were aged between 3 and 4 years; only 9 (11.3%) IGAs were initiated within the 12-months period prior to this study. The data further revealed that women who had been funded were relatively young in business as compared to women who had never received MFI funding. This implies that the availability of MFI funding spurred a number of women to venture into IGAs with a view to earn money to improve their living standards.

4.3.3 The amount of capital invested

People invest physical, financial and human resources in business ventures with the hope of getting returns. The margin of business returns directly varies as the level of capital invested. In this regard, the respondents were requested to state the amount of capital that they had invested in their IGAs. The study noted that there was no significant variation between the amount of financial capital invested by funded women and women who had never received any funding. As presented in table 4c, women who had received MFI loans invested a total of KES 322,750 at a per capita mean of KES 5,380. By comparison, those who had never received funding invested KES 298,050 at a mean of KES 3,730 per capita.

Table 4c: The amount of capital invested

Category of women	Sum	N	Mean	Std. Deviation
Ever received loan	322,750	60	5,379.2	5,266.5
Never received loan	298,050	80	3,725.6	4,543.3

Source: Survey Data, 2008

The data shows that funded women had invested slightly more than their counterparts by a mean of KES 1,650. The variance could be attributed to the MFI funding made available to them. This implies that funded women were relatively in a better position to reap higher returns than those unfunded women. Based on this, MFI funding played a crucial role in increasing the business worth of women, which in turn, provided the advantage of higher returns and a faster rate of economic empowerment.

Although the study was keen on the effect of funding provided by MFIs in form of loans, it was noted that women had alternative sources of capitation funds, which could also produce similar effects as MFI funding. By exploring the alternative sources of funding IGAs in Fumbini Location, the researcher wanted to control for their effects so as to make valid conclusions. In view of this, the respondents were asked to state the ways through which they obtained funding to start their business activities. As presented in table 4d, out of the 73 multiple responses provided by funded women, 60 (82.2%) hinted that MFI was the most important source of capital for this category of women. This was followed by personal savings, as reflected by 5 (6.8%) responses; donations by family members such as husbands, sons and daughters among others, 4 (5.5%); and fundraisers including merry-go-rounds initiatives, 2 (2.7%). By comparison, merry-go-rounds played the most crucial role, as a source of capitation funds for women who had not received MFI funding. This was followed by personal savings, which accounted for 19 (18.4%) of the multiple responses; disposal of personal properties such as livestock, farm produce and light industry machinery to raise funds, 9 (8.7%), as well as loans from other institutions, including commercial banks, 6 (5.8%).

Table 4d: Source of capital funds

Responses	Ever received loan		Never received loan	
	Freq.	*Percent*	*Freq.*	*Percent*
MFI loans	60	82.2	0	0.0
Other loans	1	1.4	6	5.8
Personal savings	5	6.8	19	18.4
Donations (husband/family)	4	5.5	4	3.9
Dispose personal assets	1	1.4	9	8.7
Fundraisers (Merry-go-round)	2	2.7	65	63.1
Total valid responses	73	100.0	103	100.0

Source: Survey Data, 2008

The data show that MFI funding in form of loans was a crucial source of capital for women in Fumbini Location. It formed the major source of financing for women, whose groups had established functional linkages with MFIs in the region. The in-depth interviews with officials of women groups indicated that the availability of MFI funding, however, impacted negatively on the need for women to explore alternative and sustainable sources of funding. The study noted that MFI loans were provided to women in various denominations, depending on recommendation of women groups and viability of the identified business venture. It also depended on the level of commitment to group activities as a member. Data revealed that the minimum amount that had been advanced to a member was KES 1,750, while the maximum was KES 40,000. This created a range of KES 38,250 and a mean of KES 5,270 per capita. Overall, MFI funding accounted for about 82% of the capital invested by funded women in Fumbini Location. This implies that alternative sources accounted for only 18% of the requirements.

In addition, the study assessed the change in level of income in response to injection of MFI funding into business. Based on this requirement, the respondents were requested to state their average monthly incomes before they received MFI funding and after being funded. As presented in table 4e, the pre-funding level of income summed to a total of KES 127,600 per month for all the 60 respondents. This yielded a mean of KES 2,130 per capita. By comparison, the post-funding level of income summed to KES 155,610 for all the respondents, at a mean of 2,590 per capita.

Table 4e: Change in level of income before and after MFI funding

Incomes	Sum	N	Mean	Std. Deviation
Income before MFI funding	127,600	60	2,126.67	1,446.06
Current level of income	155,610	60	2,593.5	1,763.49

Source: Survey Data, 2008

The variance between the pre-funding and post funding level of incomes stood at about KES 470, which accounted for 22.0% change. This implies that MFI funding improved incomes among women of Fumbini Location by about 22.0%, which is not significant compared to the level of need. This further shows that MFI funding had not contributed much to the empowerment of women, probably because most businesses supported were still young and because of unfavourable business environment, characterized by consumers with low purchasing power. The next sections examine variation in selected indicators of empowerment among funded women and those who had not received MFI financial support. This is likely to bring out clearly the role of MFIs in empowerment of women. The selected indicators included average monthly incomes, access to food, access to education by own children and ownership of properties.

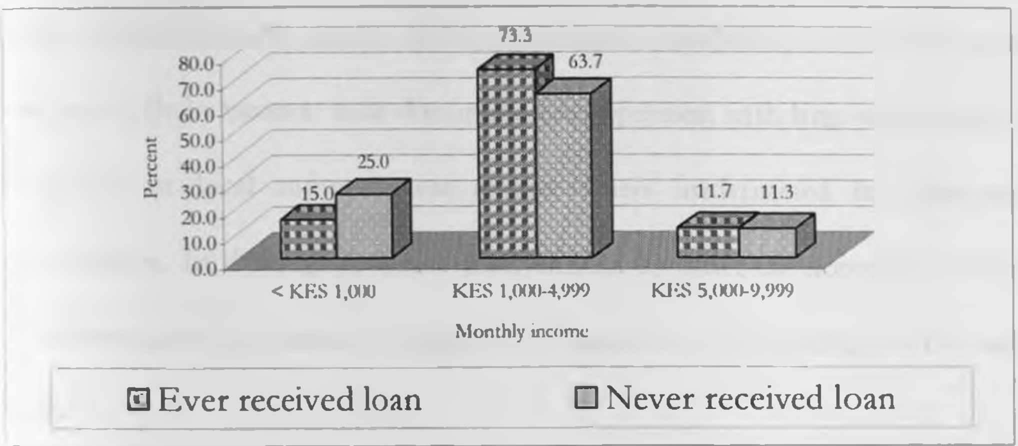
4.4 Effect of Micro-financing on the level of Empowerment

Micro-financing is a useful tool for empowerment of the poor, including women. Through micro-financing, women obtain affordable capital, which they invest in small business ventures. The returns from such business initiatives enable women to meet the basic needs of their families in terms of food, shelter, clothing, education and healthcare. The amount of returns on capital invested determines the amount of surplus that can be used to acquire properties such as land, business premises and livestock among others. Further, with economic empowerment, women are able to break through glass ceilings created by patriarchal societies and actively participate in decision-making in society. In view of this, the study assessed the effect that micro-financing had caused in the lives of funded women in terms of the average monthly income, access to food, access to education by own children and ownership of selected properties. The comparative approach adopted ensured that the effect of alternative sources of capital was controlled for, as both the funded and unfunded women exhibited similar background characteristics.

4.4.1 Average monthly income

The average monthly income is an indicator of the level of empowerment among women. According to the *Millennium Development Goals Progress Report for Kenya*, the country is ranked among the top ten low-income economies in the world with a high concentration of income amongst its highest earners, that is, 10% controlling 35% of national income (Republic of Kenya, 2003). Women form the bulk of low income-earners in the country. In view of this, figure 4.5 illustrates that the majority of women in Fumbini Location earned below KES 5,000 monthly from the IGAs that were functional at the time of the survey. The study noted that out of 60 women who had ever benefited from MFI loans, the majority, 44 (73.3%) earned between KES 1,000 and KES 4,999; 9 (15.0%) women stated that their incomes were below KES 1,000; while another 7 (11.7%) reported that they earned between KES 5,000 and KES 9,999. By comparison, among the 80 women who had never obtained MFI funding, 51 (63.7%) earned between KES 1,000 and 4,999; 20 (25.0%) of them earned below KES 1,000; while 9 (11.3%) reported that they were in the income bracket of KES 5,000 to 9,999.

Figure 4.5: Average monthly income



(n: Ever received loan=60, Never received loan=80)   Source: Survey data, 2008

The data revealed that women in both categories were low-income earners by any standard. This shows that even though MFI funding was granted to some of them with the hope that the returns would facilitate economic empowerment, persistent low incomes means that the intervention had not made significant impacts. Further analysis revealed that the mean income of women with funding stood at about KES 2,590, while that of women who had never obtained any MFI funding stood at KES 2,150 as summarized in table 4g, below.

Table 4g: Difference between mean incomes

Category of women	Sum	N	Mean	Std. Deviation
Ever received loan	155,610	60	2,593.5	1,763.49
Never received loan	171,992	80	2,149.9	1,479.46

Source: Survey data, 2008

The difference between mean income of funded women and unfunded women was about KES 444. This accounts for a 20.7% variation of income between the two categories of women. The data showed that MFI funding, though important to the women, had not made significant contribution in terms of improved incomes for those funded. This further implies that although the intervention was meant to enhance economic empowerment of women, external factors such as high levels of poverty among community members; low level of educational attainment, especially by women; male domination; competition with large-scale traders as well as public policy on local authority cess among others undermined its effectiveness in empowering women. In this regard, future interventions by other development actors should consider addressing the cited issues to improve the impact of MFI funding on the welfare of beneficiaries.

Further analysis of the association between financing status and average monthly income indicated that the distribution assumed a normal curve for both the funded and unfunded women, as presented in table 4h. In the category of less than KES 1,000 were 9 (31.0%) funded and 20 (69.0%) unfunded women; hence, the unfunded were the majority in this category. In the next level of KES 1,000 to 4,999, there were 44 (46.3%) funded against 51 (53.7%) unfunded women. The category of those earning between KES 5,000 and 9,999 comprised of 7 (43.8%) funded against 9 (56.3%).

Table 4h: Association between financing status and average income

Ever received loan from MFI	Average monthly income		
	<KES 1,000	KES 1,000-4,999	KES 5,000-9,999
Yes	9 (31.0%)	44 (46.3%)	7 (43.8%)
No	20 (69.0%)	51 (53.7%)	9 (56.3%)
Total	29 (100.0%)	95 (100.0%)	16 (100.0%)

Source: Survey data, 2008

The analysis yielded a calculated *Chi square* of 2.214, which was not significant. Accordingly, the null hypothesis (H_{01}), stating that *there is no significant association between financing status of women and the average monthly income* was not rejected because of lack of sufficient evidence to warrant rejection. This implies that provision of micro-financing loans to women in Fumbini Location had not caused any effect on their average incomes. Hence, the study found no significant variation in the incomes of funded and unfunded women. This further implies that either the amounts provided were too small to create impact or the business environment was not conducive for the small businesses, leading to persistently low incomes.

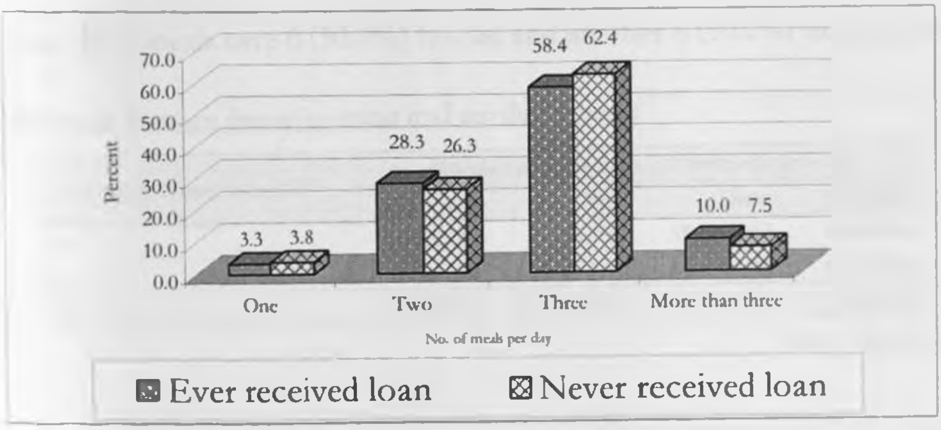
4.4.2 Access to food

Food and nutrition form one of the components of household livelihood security, alongside access to water and sanitation, housing as well as sustainable incomes. Further, food is one of the basic needs of human beings. Due to their reproductive and lactation roles, women need unrestricted access to proper nourishment and nutrition to enable them give birth to healthy babies. Similarly, children need appropriate nourishment and nutrition to facilitate their physical and cognitive development. Sustainable access to food and nutrition in a community may be a function of physical elements such as weather vagaries and soil exhaustion, as well as socio-economic attributes such as food taboos, inadequate labour input, unemployment and poverty. In addition, sustainable access to food is an indicator of socio-economic empowerment in a household. Based on this realization, the study assessed access to food in terms of the number of meals taken by a family in a period of 24 hours, as well as the number of times a household went without anything to eat for a period of at least 24 hours within the 12 months-period preceding the study.

4.4.2.1 Number of meals available to households

The number of meals accessible to a family in a day is a reflection of the level of socio-economic empowerment of the household heads. On average, a household should have at least three warm meals in a day. This implies that below three meals is an indication of hunger and food insecurity. Food insecurity perpetuates vulnerability among women, which in turn exposes them to abuse and marginalization within patriarchal systems. As indicated in figure 4.6, the majority of women reported that around the period when the study was conducted, their families were having an average of three meals in a day. Among the 60 women who had accessed MFI funding, 35 (58.4%) affirmed that their families had three meals; 17 (28.3%) women hinted that their families had an average of two meals; 6 (10.0%) stated more that three meals, while 2 (3.3%) respondents reported that their families could only manage an average of a meal a day. By comparison, among the women with no MFI funding, 50 (62.4%) cited three meals a day; 21 (26.3%) indicated two meals; 6 (7.5%) talked of more than three meals, while 3 (3.8%) cited a single meal a day.

Figure 4.6: Average number of meals taken by households in a day



(n: Ever received loan=60, Never received loan=80) Source: Survey data, 2008

Further assessment of the data revealed that there was no significant variation on access to food by women in the two categories. They basically portrayed similar attributes in terms of the number of meals taken per day. Nevertheless, the study noted that quite a high proportion of households did not have sustainable access to food, judging from the proportion managing to have less than three meals. In-depth interviews with women group leaders revealed that food insecurity made women more vulnerable to sexual exploitation by men wielding economic power in exchange for financial and food handouts. About a third of funded women had no food security, as compared to about a quarter of unfunded women. This implies that MFI loans had not created positive impacts in terms of food access. Indeed, the unfunded women were slightly better-off than their funded counterparts in terms of access to food.

As presented in table 4i, among those whose families took only a meal a day were 2 (40.0%) funded against 3 (60.0%) unfunded women; in the category of those who accessed two meals were 17 (44.7%) funded and 21 (55.3%) unfunded women. The category of three meals consisted of 35 (41.2%) funded and 50 (58.8%) unfunded women, while among those in who had more than three meals were 6 (50.0%) funded and another 6 (50.0%) unfunded women.

Table 4i: Association between financing status and number of meals

Ever received loan from MFI	Number of meals accessed by family in a day			
	One	Two	Three	>Three
Yes	2 (40.0%)	17 (44.7%)	35 (41.2%)	6 (50.0%)
No	3 (60.0%)	21 (55.3%)	50 (58.8%)	6 (50.0%)
Total	5 (100.0%)	38 (100.0%)	85 (100.0%)	12 (100.0%)

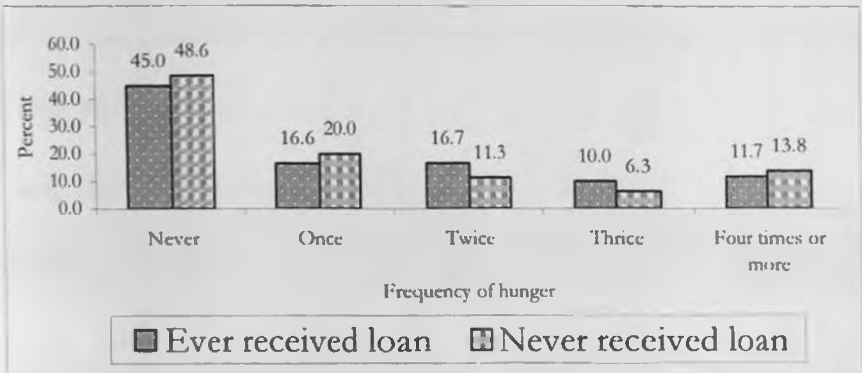
Source: Survey data, 2008

The analysis obtained a calculated *Chi square* of 0.420, with 2 degrees of freedom was not significant. As a result, the researcher failed to reject the null hypothesis (Ho_2), stating that *there* *is no significant association between financing status of women and the number of meals taken by their families in a day* because there was no sufficient evidence to warrant rejection. This further affirmed that micro-financing had not created a statistically significant effect on the number of meals accessed by families of funded and unfunded women. Basically, women in both categories exhibited similar attributes when it came to the number of meals taken in a day.

4.4.2.2 Frequency of food shortage

Food insecurity is better explained by a history of food shortage. In this regard, the respondents were asked to indicate if their families had ever gone without food for a period of at least 24 hours within the 12-months period before this survey. The results as illustrated in figure 4.7 show that about half of the women hinted that their families had never gone without food within the reference duration. In the category of funded women, 27 (45.0%) said they had never missed food; 10 (16.6%) reported that they had gone without food once; another 10 (17.7%) cited twice; 7 (11.7%) said at least four times, while 6 (10.0) had experienced food shortage thrice. Among women who had no MFI funding, 39 (48.6%) had not gone without food; 16 (20.0%) had experienced hunger once; 11 (13.8%) had gone hungry for at least four times; 9 (11.3%) women affirmed that their families had missed food twice in the reference period, while those that had experienced hunger thrice were 5 (6.3%) women.

Figure 4.7: The frequency of food shortage in households



(n: Ever received loan=60, Never received loan=80) *Source: Survey data, 2008*

The findings showed that more than half of households in Fumbini Location did not have food security, which in turn affected the health of women and children. Again, there was no major variation in the proportion of funded women and that of their counterparts with sufficient food security. Generally, both the funded and unfunded women were at risk of experiencing hunger. MFI funding had not empowered beneficiaries so as to create a positive impact in terms of socio-economic empowerment. In addition, in-depth interviews indicated that food poverty was exacerbated by inadequate access to certified seeds, low productivity of farms due to exhaustion of essential nutrients, inability to afford fertilizers especially by female and child-headed households, drought and ignorance about appropriate farming methodologies among others factors.

As illustrated in table 4j, among those who had never experienced hunger in their households were 27 (40.9%) funded against 39 (59.1%) unfunded women; those who had experienced hunger once included 10 (38.5%) funded and 16 (61.5%) unfunded women, while in the category of twice were 10 (52.6%) funded against 9 (47.4%) unfunded women. More still, among those who had gone hungry thrice were 6 (54.5%) funded and 5 (45.5%) unfunded respondents, while the category of four times or more consisted of 7 (38.9%) funded and 11 (61.1%) unfunded respondents

Table 4i: Association between financing status and frequency of hunger

Ever received loan from MFI	No. of times family went without food				
	Never	Once	Twice	Thrice	Four times +
Yes	27 (40.9)	10 (38.5%)	10 (52.6%)	6 (54.5%)	7 (38.9%)
No	39 (59.1%)	16 (61.5%)	9 (47.4%)	5 (45.5%)	11 (61.1%)
Total	66 (100.0%)	26 (100.0%	19 (100.0%)	11 (100.0%)	18 (100.0%)

Source: Survey data, 2008

Further analysis of the statistical association obtained a calculated *Chi square* of 1.778, with 4 degrees of freedom. Again the calculated Chi square statistic was not significant. Hence the null hypothesis (Ho_3), which stated that *there is no significant association between financing status of women and the frequency of hunger in their families*, was not rejected due to insufficient evidence. This implies that hunger was not unique to women without MFI funding alone, even those who were funded faced the challenge of ensuring sustainable food supply. Micro-financing had not enhanced positive effects by ensuring sustainable food security.

4.4.3 Access to education for own children

Formal education is an indispensable element for socio-economic, political and technological development world over. Access to formal education is not only one of the fundamental rights of an individual but also, and more importantly, a crucial tool for sustained socio-economic development and hence an important exit route from poverty (Republic of Kenya, 2005). Regular attendance of school by children and retention is an indicator that parents are able to provide them with both school requirements and basic needs. Lack of fees and other school requirements is one of the leading factors that encourage drop-out of children at all tiers of the education system. Besides, lack of fees and other school requirements is an indication of household poverty. Being the primary care givers, women are often in charge of education of their children. They play a key role in direct financing of children's education and in influencing family decisions regarding education of children. Based on this perspective, when children drop out because of fee payment difficulties, the primary reason is often low level of economic power of women. "An empowered woman is less likely to ignore education of children unless in circumstances that may be beyond her control", so it was asserted by an interviewee.

The women were asked to state if they had any child of school-going age in their households, who had stayed out of school for a period of at least three months for various reasons. As presented in table 4k, out of the 60 women who had ever received MFI funding, 19 (31.7%) indicated that they had at least a child of school age but had bee out for the reference period of time. The women in this category stated a total of 27 children being out of school for various reasons. Among women with no MFI funding, 17 (21.3%) hinted that they had school-aged children not going to school for various reasons.

Table 4k: Children out of school for at least three months

Category of women	Sum	N	Mean	Std. Deviation
Ever received loan	27	19	1.42	0.51
Never received loan	31	17	1.82	1.51

Source: Survey data, 2008

Further, women in this category reported a total of 31 children out of school for at least three months. The data revealed that both funded and unfunded women experienced the challenge of children dropping out of school. When asked to state the reasons why the reported children were not in school, table 41 shows that the main reason why the children were out of school was school fees, as reported by 9 (47.4%) funded women and 11 (64.7%) unfunded respondents. This was followed by early pregnancy, stated by 5 (26.3%) funded women and 4 (23.5%) unfunded women. Next in order of importance was lack of school requirements drugs and sickness.

Table 41: Reasons for children being out of school for at least three months

Main reasons	Ever received loan		Never received loan	
	Freq.	Percent	Freq.	Percent
Lack of school fees	9	47.4	11	64.7
Pregnancy	5	26.3	4	23.5
Lack of school requirements	2	10.5	2	11.8
Drugs	2	10.5	0	0.0
Sickness	1	5.3	0	0.0
Total	19	100.0	17	100.0

Source: Survey data, 2008

More still, in-depth interviews with leaders of women groups revealed that issues impeding access to education among boys included peer influence, which led to rampancy of drug abuse and involvement in pre-marital sexual activities. In extreme situations, overindulgence in drug abuse encouraged drop-out of boys. Among girls, peer pressure was experienced from their contemporaries not in school. This encouraged early debut to sexual activities, which in turn led to teenage pregnancies and subsequent drop-out. This study was interested in the proportion of children out of school because of lack of fees and other school requirements, as key indicators of the level of empowerment among the respondents. Of the funded women, a cumulative 14 (73.7%) could not affectively support their schooling children because of poverty. By comparison, 15 (88.2%) women without MFI funding were also not capable of ensuring retention of their schooling children. This shows that the majority of women had not achieved economic empowerment irrespective of whether they had received MFI funding or not. Again MFIs had not succeeded in changing the lives of women in Fumbini Location.

The cross-tabulations revealed that 41 (39.4%) funded and 63 (60.6%) unfunded women had no school-aged children out of school; while 19 (57.6%) funded against 14 (42.4%) unfunded respondents had between 1 and 2 children of school-going age. Among those who had between 3 and 4 children out of school was 1 unfunded respondent, while another 2 respondents reported that between 5 and 6 of their children had dropped out of school.

Table 4m: Association between financing status and dropout of children

Ever received loan from MFI	Number of children dropped out of school			
	None	1 to 2	3 to 4	5 to 6
Yes	41 (39.4%)	19 (57.6%)	0 (0.0%)	0 (0.0%)
No	63 (60.6%)	14 (42.4%)	1 (100.0%)	2 (100.0%)
Total	104 (100.0%)	33 (100.0)%	1 (100.0%)	2 (100.0%)

Source: Survey data, 2008

Further, the study obtained a calculated Chi *square* of 5.670 with 3 degrees of freedom, which was not significant. This led to non-rejection of the null hypothesis (Ho_4), which stated that *there is no significant association between financing status of women and the number of children dropping out of school.* This implied that the micro-financing intervention had not put the funded women in any better economic position than their unfunded counterparts. There was no sign that the children of funded women had greater chance to stay in school than children of unfunded women. Hence, micro-financing had not created significant change in the lifestyles of the funded women.

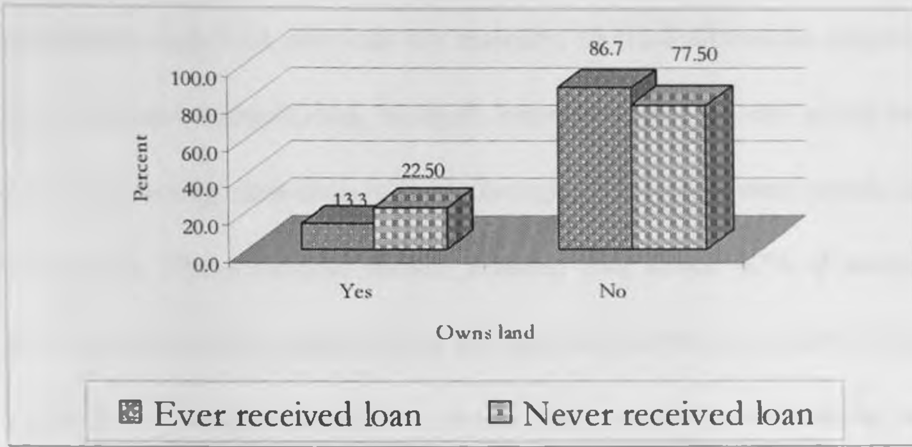
4.4.4 Ownership of property

Women have the right to own property just like men. Ownership of property is also a key indicator of the level of socio-economic empowerment of an individual. The more one owns, the more powerful that person is in society and vice versa. This stud was keen on two forms of property - land as a primary factor of production and a cow, as the basic property that a woman can own at home. Also important was how such properties were acquired. The idea was to assess the proportion of such properties acquired through proceeds of IGAs, which would imply that the women have been empowered economically.

4.4.4.1 Ownership of land

As already highlighted, land is one of the most critical factor of production. Land ownership, access and control is central to the sustenance of the livelihood system in Kenya. It is the key asset at the centre of the right to own and inherit property. Although over 80% of women derive their livelihoods from farming, only less than 5% are registered landholders. The respondents were requested to indicate if they owned at least a parcel of land at the time of the study. Figure 4.8 shows that the majority of women in Fumbini Location did not own any piece of land. Out of 60 funded women, 52 (86.7%) against 62 (77.5%) women without funding hinted that they did not own any land. Only 8 (13.3%) funded women and 18 (22.5%) women without funding reported that they owned at least a parcel of land.

Figure 4.8: Ownership of land by the respondents



(n: Ever received loan=60, Never received loan=80) Source: Survey data, 2008

In this study, the data highlighted that about a tenth of funded women and a fifth of those who had not been funded owned land. Additional measures were taken to assess how the reported parcels of land were acquired. The study was keen on parcels of land acquired through resources generated by the IGAs and for which the women held title deeds, which is the official and legal document that prove ownership. In this regard, table 4n shows that of the 8 funded women who said they owned land, only 2 (25.0%) had purchased such land using IGA proceeds, while 6 (75.0%) women had acquired ownership through family members such as husbands, sons and daughters among others.

Table 4n: Land acquisition method

Responses	Ever received loan		Never received loan	
	Freq.	Percent	Freq.	Percent
Purchased using IGA proceeds	2	25.0	5	27.8
Given by husband/family member	6	75.0	13	72.2
Total valid responses	8	100	18	100

Source: Survey Data, 2008

By comparison, among those in the unfunded category, while 5 (27.8%) women indicated that they acquired land through IGA proceeds, the majority, 13 (72.2%) women acquired such land through family members. Nevertheless, in-depth interviews with women group leaders found that most women reporting ownership of land through such means were merely custodians or users of such parcels. The interviews further revealed that about 40% of women reporting ownership of land had actually acquired them through inheritance from their husbands. Again, the study noted from in-depth interview sessions that in most homesteads, women were assigned pieces of land, which they farmed each year to feed their families. This was particularly important to minimize conflicts that would arise between co-wives and between mothers-in-law and daughters-in-law. These were the parcels of land reported by the respondents.

Based on the findings, one would argue that out of 60 women who had benefited from MFI loans, only 2 (3.3%) had achieved some level of economic empowerment through the resources provided by MFIs. By comparison, out of 80 women who had not received loans from MFIs, only 5 (6.3%) had achieved true economic empowerment in terms of land ownership. This implies that MFI funding to women of Fumbini location, had not achieved much in facilitating women to empower themselves. The efforts and resources so far invested were surmounted by intervening factors such as high levels of poverty, poor markets and marketing infrastructure, high costs of production, weather vagaries and inadequate support from the governments in terms of favorable polices and programmes among other factors.

Further assessment through cross-tabulations found that 8 (30.8%) funded and 18 (69.2%) unfunded respondents reported ownership of land, while 52 (45.6%) funded against 62 (54.4%) unfunded women said they did not own any parcel of land. This has been presented in table 4p.

Table 4p: Association between financing status and ownership of land

Ever received loan from MFI	Owns land	
	Yes	No
Yes	8 (30.8%)	52 (45.6%)
No	18 (69.2%)	62 (54.4%)
Total	26 (100.0%)	114 (100.0%)

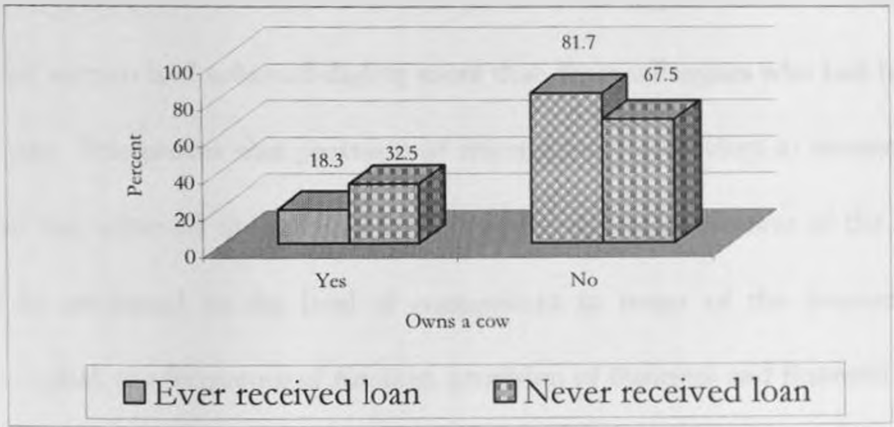
Source: Survey Data, 2008

The analysis yielded a calculated *Chi square* of 1.905 with 1 degree of freedom. Again the association between financing status and ownership of land had no statistical significance, which led to non-rejection of the null hypothesis (H_{05}) stating that *there is no significant association between financing status of women and ownership of land*. This implies that micro-financing had not effectively empowered women to own land. The proceeds derived from investments had not changed the economic power of the funded women.

4.4.4.2 *Ownership of a cow*

A cow is a fundamental livestock in the home, whose benefits are numerous. Acquisition and ownership of a cow is not only an indicator of economic empowerment but also a form of investment with potential returns. To women, ownership of a cow is a crucial indicator of empowerment because it is crucial to family nutrition through milk and farming through organic manure. Based on this perspective, the respondents were asked to state if they owned at least a cow at the time of this survey. The results as presented in figure 4.9 shows that majority of women in Fumbini Location did not own a cow at the reference time. Among women who had received MFI funding for business, 48 (81.7%) had not owned a cow, while 12 (18.3%) women reported ownership of the same. By comparison, among women who had not obtained MFI funding 54 (67.5%) had no cow, while 26 (32.5%) reported ownership of such livestock.

Figure 4.9: Ownership of at least a cow by respondent



(n: Ever received loan=60, Never received loan=80) *Source: Survey data, 2008*

Overall, about a fifth of women who had obtained MFI funding for business as compared to about a third of those without such funding owned a cow at the time of the study. This again shows that unfunded women were slightly more empowered that their counterparts who had accessed MFI funding for business. Further assessment of how the reported owned cows were acquired found that among the funded women, only 3 (25.0%) had purchased the reported cows through IGA proceeds. The rest, 9 (75.0%) had gained ownership of the reported livestock through family members such as husbands. In some cases, such livestock were inherited from late husbands. More still, of the women who had not accessed MFI funding for business, only 8 (30.8%) had managed to purchase the reported cows through IGA proceeds, while 18 (69.2%) had not gained ownership through family members.

Table 4q: Acquisition of a cow

Responses	Ever received loan		Never received loan	
	Freq.	*Percent*	*Freq.*	*Percent*
Purchased using IGA proceeds	3	25.0	8	30.8
Given by husband/family member	9	75.0	18	69.2
Total valid responses	12	100.0	26	100.0

Source: Survey Data, 2008

Once again, ownership of a cow as an indicator of economic empowerment of women indicates that unfunded women had achieved slightly more than their colleagues who had been provided with MFI loans. This proves that provision of micro-financing services to women in Fumbini Location had not achieved much in synergizing economic empowerment of the target group. This could be attributed to the level of engagement in terms of the amount of finances provided as capital, the frequency of funding, provision of business and financial management skills through regular seminars, as well as external factors as already mentioned.

As indicated in table 4r, cross-tabulations revealed that 11 (29.7%) funded against 26 (70.3%) unfunded respondents said they owned at least a cow at the time of the study. Those who did not included 49 (47.6%) funded and 54 (52.4%) unfunded women.

Table 4r: Association between financing status and ownership of a cow

Ever received loan from MFI	Owns a cow	
	Yes	No
Yes	11 (29.7%)	49 (47.6%)
No	26 (70.3%)	54 (52.4%)
Total	37 (100.0%)	103 (100.0%)

Source: Survey Data, 2008

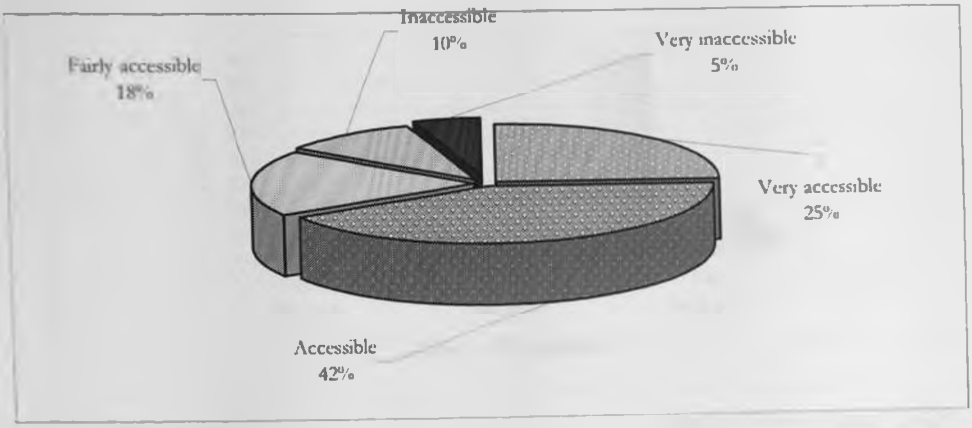
The analysis yielded *Chi square* value of 3.539 with 1 degree of freedom. However, the distribution was not statistically significant, leading to non-rejection of the null hypothesis

(Ho_6), which stated that *there is no significant association between financing status of women and ownership of a cow.* This meant that micro-financing had not created a significant effect on the ability of funded women to own at least a cow from IGA proceeds. Both funded and unfunded women were nearly at par in terms of ownership of a cow. This further implies that micro-financing had not effectively empowered the women to own livestock.

4.5 Effectiveness of Micro-financing Services in Fumbini Location

The availability of micro-financing programmes in an area does not necessarily man that the target population have automatic access to the services provided. Based on this notion, the study assessed the effectiveness of micro-financing services in terms of accessibility and adequacy of the funds provided. This information was sourced respondents whose groups worked in partnership with MFIs. In this regard, the respondents were requested to rate their opinions on a Likert scale of five points from 'very accessible' to 'very inaccessible'. As indicated in figure 4.10, the funds were very accessible according to 15 (25.0%) women. The majority, 25 (42.0%) were of the view that the funds were accessible, while a significant 11 (18.0%) opined that the funds were fairly accessible to members expressing need. On the opposite side of the scale, while 6 (10.0%) felt that the MFI funds were inaccessible, a paltry 3 (5.0%) expressed their concern that the funds were very inaccessible.

Figure 4.10: Accessibility of MFI funding

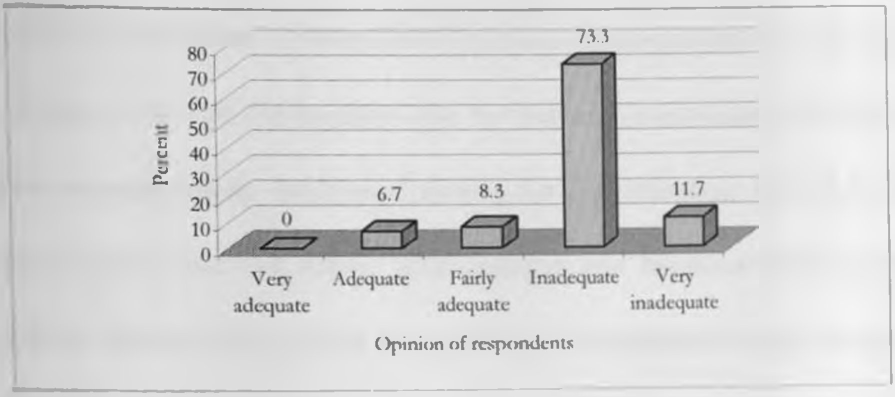


(n: Ever received loan=60) Source: Survey data, 2008

The majority of respondents (85%), affirmed that in-deed MFI funding was accessible to women in need, especially in situations where women were guaranteed by their parent groups. This is a key characteristic of MFIs and by being accessible; the funds provided opportunity for many women who are not able to meet pre-qualification conditions set by commercial banks to access affordable financial services and turn their dreams into reality. Through in-depth interviews, the study learnt that accessibility was increased by the virtue that women did not required collateral to access MFIs loan facilities. Most members relied on their membership to groups for endorsement and recommendation.

In terms of adequacy of the resources provided, figure 4.11 illustrates that the funds were inadequate to the majority of respondents, 44 (73.3%). Another 7 (11.7%) women reported that the funds provided were very inadequate. Further, 5 (8.3%) women opined that the funds were fairly adequate, while 4 (6.7%) respondents hinted that the resources provide were adequate. None of the women felt that the resources were very adequate.

Figure 4.11: Adequacy of MFI funding



(n: Ever received loan=60) Source: Survey data, 2008

The data revealed that over 80% of the women were of the view that the financial resources provided through micro-financing were barely adequate for business requirements. Arguably, this contributed to the low returns experienced by funded women, because the level of returns on investments directly varies as the amount of capital invested. With small capitation funds, the women entrepreneurs did not enjoy economies of large scale production such as discounts and alternative credit facilities. Further, in-depth interviews indicated that sustaining small businesses in environments of competition was no easy and this contributed towards high rate of IGA failures as reported by respondents. It also contributed to the low impact created by micro-financing on the empowerment of beneficiaries.

4.6 Role of Women Groups in Accessibility of Micro-financing Services

Through in-depth interviews, the study noted that women groups facilitated access to MFI funding by guaranteeing and endorsing members for consideration. The endorsement was based on several factors, which were identified as the level of commitment to activities of the group, which was determined through regular attendance of meetings, participation in group activities, as well as contribution of ideas during forums. Endorsement was also determined by the level of savings, viability of the business idea fronted and commitment to make repayments as per schedule, among others. Additional factors for consideration included history of the applicant regarding repayment of similar advancements and business skills acquired through occasional training sessions organized by group leaders in partnership with development actors in the district.

As women groups provided the point of contact between MFIs and the community, as well as facilitating members to achieve economic empowerment, they experienced various challenges. The respondents were asked to outline the challenges faced by their respective women groups. The idea was to assess variations between the challenges experienced by women groups which were linked to MFIs and those that were yet to create such linkages. As indicated in table 4s, the challenges cited were common for both categories of women groups.

Table 4s: Challenges faced by women groups

Responses	Ever received loan		Never received loan	
	Freq.	*Percent*	*Freq.*	*Percent*
High default rate	27	17.0	39	17.6
High rate of IGA failures/low incomes	54	34.0	71	32.1
Low contribution rates/irregular savings	32	20.1	19	8.6
Mismanagement of funds by officials	5	3.1	14	6.3
Lack of morale/irregular attendance of m	21	13.2	33	14.9
Inadequate capitation funds/no resources	2	1.3	45	20.4
Inadequate/lack of training	12	7.5	8	3.6
None	6	3.8	1	0.5
Total valid responses	**159**	**100.0**	**221**	**100.0**

Source: Survey data, 2008

Among those linked to MFIs, the most common challenges, which accounted for 54 (34.0%) of all the multiple responses was high rate of IGA failure leading to low levels of income. The in-depth interviews revealed that the high level of poverty in the district coupled with low purchasing power among the population resulted to low business prosperity. Most IGAs were under-productive, which in turn, affected sustainability. In addition, due to low productivity of IGAs and low incomes, the rate of group contributions was affected, as reflected by 32 (20.1%) of the multiple responses. The repayment of loans was also affected by low incomes, which in turn prompted high default rates among past loanees, according to 27 (17.0%) of the responses. More still, due to poor performance, low incomes and disillusionment, women groups were affected by low morale and irregular attendance of meetings by members, 21 (13.2%). Also identified was inadequacy of training opportunities, which could help members identify unique business opportunities in anticipation of better returns. This accounted for 12 (7.5%) of the responses.

By comparison, the women groups that had no linkages with MFIs were also antagonized by high rate of IGA failures and low incomes, as indicated by 71 (32.1%) of the responses. This situation was also attributed to high poverty levels in the district, which undermined the ability of respondents to purchase products offered. In one instance, a respondent described the target community as a lot afflicted by the *Robert Merton's culture of poverty*, where people resorted to buying commodities in small quantities, which were not economical for the IGAs. Another challenge cited by respondents was inadequate capitation funds. Due to low level of savings and contribution, some women groups had no resources to lend to members because of constrained backflow. This accounted for 45 (20.4%) of the multiple responses. The third most crucial challenge for this category of women groups, as reflected by 39 (17.6%) of the responses was high default rates by members, which also resulted from poor performance of IGAs among other variables. This was followed by lack of morale and irregular attendance of meetings, which accounted for 33 (14.9%) of the responses. Additional challenges included low contribution rates, 19 (8.6%); and mismanagement of funds by officials, 14 (6.3%).

CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the study findings, provides discussions on policy and practice, and conclusions to facilitate deliberation on the options for the micro-financing services for women through women groups in Fumbini Location. This is succeeded by recommendations for programmatic or policy action and for further research to shed more light on the role of micro-financing on empowerment of women.

5.2 Summary of findings

Assessment of the variation in terms of age noted that the majority of funded and unfunded women were aged between 20 and 49 years. People in this age-group are generally considered to be economically active and ambitious. Further, over 70% of the women in both categories were married and about a fifth were widowed. Marriage was near universal in the community; and the proportion of widows was significantly high. In addition, about 30% of funded and 40% of unfunded women had at least 6 dependants. This shows that the women experienced a high level of dependence, which required reliable sources of income to effectively provide basic needs. More still, most women were illiterate, which implies that a large proportion had low capacity to effectively management business ventures and run their groups.

Regarding the level of participation in income-generating activities, the study noted that although the types of IGAs was similar for both the funded and unfunded women, the former were more involved in relatively higher potential ventures such as shop-keeping, fish-monging, tailoring and dressmaking, hairdressing, brick-making and selling second-hand clothes. Further, it was noted that the upsurge of new business ventures since the year 2004 was attributed to partnerships between women groups and MFIs, which increased access to micro-credit. Funded ventures were relatively younger than those unfunded in terms of the duration of existence. In addition, the funded women had invested slightly more than their counterparts by a mean margin of KES 1,650. The variance was attributed to MFI funding. The study noted that MFI funding was the most crucial source of capital, as it accounted for over 80% of capital invested by funded women. The variance between pre-funding and post funding levels of incomes was about KES 470, which accounted for 22.0% change.

In addition, assessment of the effect of micro-financing services on the level of empowerment found that women in both categories were generally low-income earners, as over 60% earned below KES 5,000. The difference between mean income of funded and unfunded women was about KES 444. This accounts for a 20.7% variation of income between the two categories of women. The analysis yielded a *Chi square* of 2.214, which was not statistically significant. This led to non-rejection of the null hypothesis (H_{01}), stating that *there is no significant association between financing status of women and the average monthly income* because of lack of sufficient evidence to warrant rejection.

Additional findings indicated that there was no significant variation on access to food in terms of the number of meals taken per day. The study noted that over a third of households did not have sustainable access to food, judging from the proportion managing to have less than three meals. The analysis obtained a *Chi square* of 0.420, which was not statistically significant. Hence, the null hypothesis (Ho_2), stating that *there is no significant association between financing status of women and the number of meals taken by their families in a day* was not rejected. Further, more than half of households did not have food security. Both the funded and unfunded women were at risk of experiencing hunger. The analysis obtained a *Chi square* of 1.778, which was not statistically significant. Hence, the null hypothesis (Ho_3), which stated that *there is no significant association between financing status of women and the frequency of hunger in their families*, was not rejected.

Both funded and unfunded women experienced the challenge of children dropping out of school. The main reason for dropping out was lack of school fees, followed by early pregnancies. The analysis obtained a *Chi square* of 5.670, which again was not statistically significant. This led to non-rejection of the null hypothesis (Ho_4), which stated that *there is no significant association between financing status of women and the number of children dropping out of school.* More still, about a tenth of the funded and a fifth of the unfunded women owned land. However, over 70% of reportedly owned land was not acquired through proceeds of IGAs. The analysis yielded a *Chi square* of 1.905, which again was not statistically significant. This led to non-rejection of the null hypothesis (H_{05}) stating that *there is no significant association between financing status of women and ownership of land.*

About a fifth of women who had obtained MFI funding for business as compared to about a third of those without such funding owned a cow. The analysis yielded a *Chi square* value of 3.539. However, the distribution was not statistically significant, leading to non-rejection of the null hypothesis (Ho_6), which stated that *there is no significant association between financing status of women and ownership of a cow.* The efforts to establish the *effectiveness of micro-finance services* noted that over 80% of the respondents affirmed that in-deed MFI funding was accessible to women. In addition, over 80% of the women were of the view that the financial resources provided through micro-financing were not adequate for business requirements.

Regarding the role of women groups in accessibility of MFI funding, the study found that women groups facilitated the process by guaranteeing and endorsing members for consideration. The endorsement was based on several factors, which were identified as the level of commitment to activities of the group. This was determined through regular attendance of meetings, participation in group activities, as well as contribution of ideas during forums. Among the groups linked to MFIs, the most common challenge was high rate of IGA failures leading to perpetually low levels of income.

5.3 Discussions and conclusions

The study noted that both the funded and unfunded women in Fumbini Location generally portrayed similar socio-demographic attributes. In terms of age, over 60% were aged between 20 and 49 years in both categories. This age bracket is composed of economically and physically active individuals, who sustain society through provision of basic needs. Nevertheless, the age bracket also coincides with child-bearing, which often undermine the participation of women in economic activities. This in turn, affects productivity leading to heavier burden of dependence on the few active family members. In this case, the study notes that the two categories of women consisted of physically capable women, who could compete effectively given equal platform.

Further, over 70% of women in both categories were married and about a fifth were widowed. Marital status is crucial in terms of supplementary funding for IGAs and sharing of the dependence burden. Based on this premise, one would argue that women in marriage stand a better chance of sustaining their IGAs because they may be supported by their spouses. Besides, women in marriage stand a better chance of success because the dependence burden is shared between them and husbands. This conjecture, however, assumes that men in such marriages are economically active and are not dependants themselves. On the contrary, widows, divorcees and separated women are not advantaged in terms of supplementary financial support from spouses and in sharing the dependence burden. In view of this, women in marriage are more likely to succeed in IGAs. Both the funded and unfunded categories were composed of married, widowed, divorced and separated women in nearly equal proportions. This implies that the success of one group would be attributed to an external intervention such as MFI funding.

The level of dependence affects the success of business ventures, especially young businesses. With heavy dependence, women are not expected to achieve much in terms of economic empowerment. However, assessment of the respondents in both categories noted that over 50% had between 1 and 5 dependants to provide for, while between 30 and 40% had 6 dependants and above. Generally, the women depicted similar levels of dependence; such that any variation in the indicators of empowerment would be attributed to some external intervention and not the dependence burden. Regarding the level of education, more than 70% of the respondents in both categories had no formal education; another 20 to 30% had only primary education. The level of education influences the general understanding about business environments, locally, regionally and nationally. It also influences the capacity of an individual to make effective and timely decisions regarding the present and anticipated condition of a business venture. Better educated individuals stand better chances of succeeding in business activities than individuals with little or no formal education. Since the target respondents in both categories exhibited similar attributes in terms of education attained, the equal footing provided an opportunity to estimate the effect of intervention through micro-financing. In conclusion, women in Fumbini Location had similar attributes regardless of the financing status.

The study noted that women in both categories were involved in small IGAs, which were generally similar in terms of wares and amount of capital invested. However, funded women dominated ventures with slightly higher potential, which included shop-keeping, fish-monging, tailoring and dressmaking, hairdressing, brick-making and selling second-hand clothes. This situation could be attributed to training provided on identification and management of business activities, as well as instant availability of seed money. Despite this pattern, there was no significant variation in terms of average returns. This implies that the seemingly high potential ventures had not been fully exploited due to reasons such inadequate capital to scale-up productivity and utilization of proceeds to support households with basic needs. In addition, the study noted that most IGAs initiated by funded women started in 2004 onwards. Hence, the funded IGAs were relatively young and had not exerted a lot of influence in the market. This further indicates that although many women nurture business ideas, they lack capitation funds, which would enable them to transform their ideas into reality.

The study noted that funded women had invested slightly more capital than their counterparts by a mean of KES 1,650. This is attributed to accessibility of MFI funding. However, the variation margin is small and is not likely to create significant change in the lives of funded women. This further illustrates that the main constraint was inadequacy of funds provided MFIs. Although it appears that funded women were likely to reap better returns, a holistic perspective notes that the amount of capital invested by funded women would not make significant difference on the level of empowerment. Nevertheless, for the funded women, micro-financing was the most important source of capitation funds, as it accounted for about 82% of the total investments. Nevertheless, over reliance on MFI funding was noted to be disadvantageous because funded women ceased to explore alternative sources of financing, which would be readily available and more sustainable.

The variance between pre-funding and post funding incomes was about KES 470, which accounted for 22.0% change. This implies that MFI funding improved incomes by about 22.0%. However, this change shows that micro-financing had only contributed minimally to the empowerment of women in terms of better incomes. Compared to the level of need, the mean increment was like a drop in the ocean. It also implies that the majority of IGAs funded through micro-financing were making huge losses, thereby reducing its impact on the level of empowerment. There is a possibility that the low contribution of micro-financing was due to relatively young age of the ventures and unfavourable business environment, characterized by low purchasing power.

Given the low level of investment, both the funded and unfunded women were generally low-income earners, concentrated at below KES 5,000 monthly. The finding was also attributed to low potential markets of the rural areas. This shows that although MFI funding was meant to increase the level of income for poor women, the goal had not been achieved, as indicated by persistently low incomes, especially among the funded women. The difference between mean income of funded and unfunded women was about KES 444. This accounts for a 20.7% variation of income between the two categories of women. More still, the intervention had not succeeded in enhancing the economic empowerment of women - a situation, which could be attributed to external factors such as high level of poverty among community members; low level of educational attainment, especially by women; male domination; competition with large-scale traders as well as public policy on local authority cess among others.

The limited contribution by micro-financing schemes to income levels was confirmed by *Chi square* results, which were not statistica lly significant and led to non-rejection of the null hypothesis (H_{o1}), stating that *there is no significant association between financing status of women and the average monthly income* for lack of sufficient evidence to warrant rejection. This implies that provision of micro-financing loans to women in Fumbini Location had not caused any effect on their average incomes. In this regard, it is important for future micro-financing interventions to consider addressing external factors, thereby improve impact on the welfare of beneficiaries.

In addition, the study noted that there was no significant variation on access to food by women in the two categories. The respondents reported a similar pattern with regards to the number of meals taken per day by members of their households. The study also noted that over a third of the households could not access up to three meals in a day. This indicated lack of sustainable access to food, which in turn could have negative effects on the health of women and children. Given that this challenge was experienced by women in both categories, it implied that MFI loans had not created positive impacts in terms of access to food. This was confirmed by *Chi square* results, which were not statistically significant and le d to non-rejection of the null hypothesis (Ho_2), stating that *there is no significant association between financing status of women and the number of meals taken by their families in a day* due to lack of sufficient evidence to warrant rejection. This further affirmed that micro-financing had not created a statistically significant effect on the number of meals accessed by families of funded and unfunded women.

Still of access to food, the study revealed that more than half of households in Fumbini Location did not have food security, as illustrated by the number of times a household went without food for a period of more than 24 hours in the 12 months-period preceding the survey. It is anticipated that families with highly productive IGAs were likely to afford their food regularly. In this case, both the funded and unfunded women were at risk of experiencing hunger. This finding was confirmed by *Chi square* results, which were not statistically significant prompting the researcher to fail to reject the null hypothesis (Ho_3), which stated that *there is no significant association between financing status of women and the frequency of hunger in their families.* Again this showed that even funded women faced the challenge of hunger in their homes, hence were as vulnerable as those unfunded.

Regarding the number of children dropping out due to fee-payment difficulties, the study indicated that both the funded and unfunded women experienced the challenge alike. Productive IGAs are likely to enable families ensure retention of their children in school. Although the MFI funding was meant to increase the capacity of women to effectively keep their children in school, this had not been achieved. This was also confirmed h by results from *Chi square* analysis, which were not statistically significant. Again this led to non-rejection of the null hypothesis (Ho_4), which stated that *there is no significant association between financing status of women and the number of children dropping out of school.* The implication was that micro-financing intervention had not increased the capacity of funded women to pay fees and provide other school requirements for their children without interruption.

Ownership of land was considered a critical indicator of economic empowerment among women. However, the study noted that only a tenth of funded women and a fifth of those who had not been funded owned land. Nevertheless, over 60% of the reported parcels were not acquired through proceeds of IGAs. True empowerment would be reflected by the proportion of women purchasing their parcels of land using resources generated through IGAs. However, in both categories, this proportion was less than 7%, implying that micro-financing had not created the intended empowerment. The majority of women were still unable to possess land of their own. This finding was confirmed by *Chi square* results, which were not statistically significant and prompted the researcher to fail to reject the null hypothesis (H_{05}) stating that *there is no significant association between financing status of women and ownership of land.* This implies that micro-financing had not effectively empowered women to own land.

Ownership of a cow is considered basic in many Kenyan societies. A cow is useful in both family nutrition, provision of income and agricultural production in terms of labour and organic manure. The provision of MFI funding to women was intended to empower women and give them the opportunity to own livestock such as a cow. However, the study noted that ownership of at least a cow was generally low among the funded and the unfunded women. About a fifth of funded women against a third of the unfunded women owned at least a cow at the time of the study. This shows that micro-financing had not yielded much in terms of enabling women to possess livestock such as a cow. The results from *Chi square* analysis also reflected this finding. The results led to non-rejection of the null hypothesis (Ho_6), which stated that *there is no significant association between financing status of women and ownership of a cow.* In view of this, micro-financing had not created a significant effect on the ability of women to own at least a cow through IGA proceeds.

The study noted that MFI funding was highly accessible as reported by over 80% of the funded women. The funding was provided through parent groups. Accessibility of services is considered an important dimension that determines the level of uptake by the intended population. It entails aspects such as the need for collateral and the amount of interest chargeable per denomination of loan services. Generally, micro-finance services are known to be more accessible to the poor than services offered by established commercial banks. Despite the opportunity, over 50% of women groups in Fumbini location had not exploited the services offered by MFIs. More still, over 80% of the funded women acknowledged that MFI funding were not adequate for business requirements. This was noted to be a major constraint. Accessibility of services is not an end in itself, rather it is critical for the services to effectively suffice the intended purpose. The inadequacy of loans provided contributed to the low returns experienced by funded women, because the level of returns on investments directly varies as the amount of capital invested.

Finally, the study noted that women groups played a crucial role in linking members with MFIs. They also recommended and endorsed members for funding considerations. Although women groups provided the contact between MFIs and women, they had not played their role effectively because of a number of constraints both internally and externally. Based on the reported level of education among the women, it follows that the management of most women groups had no capacity to effectively run the organizations, manage the needs of members and respond to environmental stimuli, such as poor markets and marketing infrastructure, high failure rates of IGAs and competition. This implies that efforts to improve empowerment of women should seriously consider the capacity of women groups, as a matter of priority.

5.4 Recommendations

Based on the findings, the study makes the following recommendations for policy action and for further research that would shed more light on micro-financing and empowerment of women.

5.4.1 Policy and programmes

1. Encourage more women in Fumbini Location to form groups

Women groups provide a forum where development actors interface with women, who form the poor majority. Empirical evidence shows that women groups have assisted women to access micro-financing resources. Development actors should encourage proliferation of more women groups in the district.

2. Promote functional partnership between more women groups and MFIs

Out of the 140 women who were involved in the study, only 60 had benefited from such partnerships. The rest had not accessed MFI funding. Development actors should encourage formation of more partnerships to enable benefits trickle down to women.

3. Provide more training to women

Training is a crucial approach to improving capacity of women in Fumbini Location, especially given that the level of education is low. Training is needed in areas such as identification of business ventures, business management, basic accounting skills, marketing and resource mobilization among other areas.

4. Increase the amount of resources provided as loans

The main reason for limited impact of MFI funding on the empowerment of women was inadequacy of funds provide as loans. Sustaining small businesses in competitive environments requires reasonable amount of resources. In this regard, MFIs should consider reviewing the denominations granted to women. They should also prepare women affectively to enable them handle large amounts of seed money.

5. Encourage women to utilize modern family planning methods

One of the challenges facing IGAs in the study area is heavy dependence by children and orphans. In this regard, development actors should encourage the use of modern family planning methods, which will help women achieve manageable family size.

6. Intensify poverty reduction efforts in Kilifi District

High poverty level was identified as one of the factors inhibiting prosperity of IGAs in the study area. Poverty affected the purchasing power of the people, leading to poor returns on investment. Development actors should intensify their programmes aimed at reducing the scourge. The public sector has a key role through decentralized funds such as Constituency Development Fund, Local Authority Trust Fund, HIV and AIDS fund, Sports Development Fund among others.

7. Reduce market cess for women small-scale traders

Market cess reduces the returns achieved by women, especially given low stock turn-over. In this regard, development actors should advocate for reduction of market cess to enable women nurture their small businesses and repay credit resources.

8. Support women traders to access markets outside the district

Given the low level of market in the district, development actors should focus on supporting women to explore markets out of the district and province. This would help them improve returns on investments.

9. Organize peer review forums to enable women groups share experiences

Women groups should form umbrella bodies, which would periodically bring them together through peer review meetings. The meetings would serve as forums to discuss common issues affecting their progress, share lessons learnt and new strategies to deal with emerging issues.

5.4.2 Further research

1. Merry-go-rounds are crucial in resource mobilization. However, the study did not go deep into the potential of such schemes, challenges experienced and reliability. In view

of this, there is need for further research to explore and shed more light on merry-go-rounds in Kilifi District.

2. The level of education among women in the study area is low. This was partly attributed to high drop out rate among girls. Yet economic empowerment is closely correlated with level of education. There is need for further study to explore the factors encouraging drop-out of women in Kilifi District. This would assist future development initiatives aimed at empowering women to set priorities.

3. The study assessed ownership of selected properties by women in Fumbini. However, in most African societies, women are not allowed to own immovable properties such as land. In view of this, there is need for further research to shed light on the situation of property rights of women in Kilifi District.

4. Although the study suggests that more women should be encouraged to join women groups, there is limited information about the attitude of men in the community towards women's participation in such activities. There is need for further research to illuminate the attitude of men on women's involvement with group activities.

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APPENDICES

APPENDIX I: Cover Letter

UNIVERSITY OF NAIROBI
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P.O. Box 30197
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18/6/2008

TO WHOM IT MAY CONCERN

Dear Sir/Madam

Ms. MAKOKHA, JACKLINE NEKESA – N50/P/7893/2006

The above named is a Master of Arts in Gender and Development Studies student in the Institute of African Studies, University of Nairobi

She successfully completed her first year of study and is now in her second.

She is in the field to collect data for her Project Paper titled: **"Gender Empowerment Through Microfinancing: A Case Study of Women Groups in Fumbini Location, Kilifi District".**

The purpose of this letter is, therefore, to request you to accord her the necessary assistance during her data collection exercise.

Thank you in advance.

Yours Faithfully

INSTITUTE OF AFRICAN STUDIES
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NAIROBI
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WANYONYI MASINDE
SENIOR ADMINISTRATIVE ASSISTANT
INSTITUTE OF AFRICAN STUDIES

WM/ewk

APPENDIX II: Introduction and Consent

Hello. My name is ________. I'm a student at the University of Nairobi. Currently, am conducting a survey on 'empowerment of women through micro-financing'. In this survey, am interested in women groups and their members. The study has two parts: in the first part, I will have an interview with group members individually. The interview will request for personal information such as age, marital status, level of income, access to food, as well as participation in business activities, among others. The interview will last for about 10 minutes. In the second part, I will have an interview with the chairperson, secretary or treasurer of the group. The interview will dwell on general issues of the group, such as role played in linking members with micro-finance institutions and challenges experienced, among others. The second interview will last for about 20 minutes.

Given the importance of the study, I would request you to participate and provide the required information, which will stimulate policy makers and organizations participating in development issues in this District to strengthen micro-financing schemes for the benefit of women. Whatever information you provide will be kept strictly confidential and will not be shown to other persons.

The study has no immediate and direct benefits to you as a participant. Your participation is voluntary, and if we should come to any question you do not want to answer, just let me know and I will go on to the next question; or you can stop the interview at any time. However, I hope that you will participate since your views are important.

At this juncture, do you want to ask me anything about the survey?

May, I begin the interview now?

☐ Yes
☐ No
(If no, thank the respondent and look for another member of the group)

APPENDIX III: Survey Questionnaire

	SURVEY QUESTIONNAIRE		
	QUESTIONS	*RESPONSES*	*INSTRUCTIONS*
1.0	INTRODUCTION		
1.1	Field No.	______________	*For official use ONLY*
1.2	a) Date of interview:	_________/_________/ 2008	DD/MM/YY
	b) Start Time	______/______	HH/MM
2.0	SOCIO- DEMOGRAPHIC ATTRIBUTES		
2.1	Name of respondent	______________________________	
2.2	Age	______________________________	*State in complete years*
2.3	The total number of dependants living in your household.	______________	*This should include all the children plus other adults and the elderly*
2.4	Respondent's highest education level	▯ None ▯ Primary ▯Secondary ▯ College ▯ University	*Tick the most appropriate response*
2.5	Marital Status	▯ Single ▯ Married ▯ Separated ▯Divorced ▯Widowed	
2.6	Have you ever received a loan from a micro-financing institution?	▯ Yes ▯ No	
3.0	PARTICIPATION IN INCOME-GENERATING ACTIVITIES		
3.1	Indicate your **main** income-generating activity for earning a living.	______________________________	*Tick all the appropriate responses*
3.2	For how long have you been running this income-generating activity?	▯ < 1 year ▯ 1 -2 years ▯ 3-4 years ▯5 years +	*Tick the most appropriate response*
3.3	What amount of capital did you use to start this income-generating activity?	______________________________	*In whole numbers*
3.4	Indicate two ways through which you obtain capital used to start this income-generating activity.	______________________________ ______________________________	*State only two main ways*

5	Indicate the amount you used to earn before you started this income-generating activity.	______________________________	*Indicate if it is daily/weekly or monthly*
0	**EFFECT OF MICRO-FINANCING ON LEVEL OF EMPOWERMENT**		
1	Indicate your current average monthly income.	______________________________	*Indicate if it is daily/weekly or monthly*
2	On average, how many meals does your family have in a day?	☐ One ☐ Two ☐ Three ☐ More than three	*Tick the most appropriate response*
3	About how many times did your family go without food for a period of 24 hours or more in the past one year?	☐ Never ☐ Once ☐ Twice ☐ Thrice ☐ Four times or more	
4	Indicate the number of your children who are below 18 years but have been out of school for at least three months due to various reasons	______________________________	*If none, indicate zero*
.5	State two main reasons why the child/children have been out of school for the specified duration.	______________________________ ______________________________	*State only two main reasons*

	Indicate if you own the following properties	*Owns*	*Method of Acquisition*	
			Inherited	*Purchased using IGA proceeds*
4 6	*4.6.1 Land*			
	4.6.2 Cow			

5.0	**EFFECTIVENESS OF MICRO-FINANCING**		
5.1	How would you rate the effectiveness of micro-financing services in terms of accessibility?	☐ Very accessible ☐ Accessible ☐ Fairly accessible ☐ Inaccessible ☐ Very inaccessible	*Tick the most appropriate response*
5.2	How would you rate the effectiveness of micro-financing services in terms of adequacy for your business needs?	☐ Very adequate ☐ Adequate ☐ Fairly adequate ☐ Inadequate ☐ Very inadequate	
6.0	**ROLE OF WOMEN GROUPS**		
6.1	Outline any two ways through which women groups help you to access micro-financing services.	______________________________ ______________________________	*State only two main ways*
6.2	State any two challenges experienced by you group.	______________________________ ______________________________	
6.3	END: Time	______/______	HH/MM
	THANK YOU		

APPENDIX IV: In-depth Interview Schedule

INTERVIEW SCHEDULE FOR WOMEN GROUP LEADERS		
a) Date of interview: ____/___/ 2008	b) Start Time________________	**Probe all questions exhaustively**
Name of the Women Group	______________________________	
How many members do you have currently?	______________________________	
What are the main activities of your group? ______________________________		
5. How do most members of your group raise capital funds for investment? ______________________________		
6. How do you assist your members to access micro-financing services? ______________________________		
7. How would you describe the effect of micro-financing on the life of your members who have benefited from small loans? ______________________________		
8. What are the challenges faced by your group, with regard to linking members with micro-financing services? ______________________________		
9. Suggest appropriate measures that should be taken to improve the effect of micro-financing on the living standards of women. ______________________________		
THANK YOU	End Time____/_____	