THE INFLUENCE OF MICRO–FINANCING ON THE ECONOMIC WELFARE OF URBAN WOMEN IN KENYA: A CASE OF KAWANGWARE REGION, NAIROBI COUNTY.

BY

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DECLARATION

This project is my original work and has not been submitted for a degree in another university.

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

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DEDICATION

I would like to dedicate this study to my family whose love, sacrifice and commitment towards giving me an education remains unrivalled.

ACKNOWLEDGEMENTS

I would like to acknowledge my supervisor Dr. Christopher Gakuu for his diligence in supervising my project. I would also like to acknowledge all my lecturers for adding to my knowledge as I pursued my masters degree.

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ABBREVIATIONS

MFIs-	Micro Financing Institutions
NGOs-	Non Governmental Organizations
UNDP-	United Nations Development Fund
SLMFIs-	Saving Led Micro Finance Institutions
KWFT-	Kenya Women Finance Trust
SMEP-	Small Micro Enterprises Programmes
UN-	United Nations

ABSTRACT

The study aimed at finding out how micro financing influences the economic welfare of urban women in Kenya. Key words include micro-financing and economic welfare of urban women. This is because today, micro- financing schemes are considered as a means of combating poverty in Africa. The schemes address the problem of access to resources, participation in the economy and taken into account in national policy making, considering as they do the skill and resource levels of customers and their social cultural environment. This study contains four main variables. The independent variables include the provision of savings and credit services by MFIs, the formation of self help groups for economic benefits, informal micro-insurance services by MFIs and entrepreneurial training facilities. The target population was women at Kawangware Township who are members of the various micro financing institutions within that area. Data was collected by means of a questionnaire which was adopted using 'Drop and Pick' method. Descriptive statistics consisting of means and standard deviations was employed to conduct data analysis. Construct validity and test retest reliability technique was applied to ensure the data collected is reliable and valid. Both content and descriptive statistics methods were use to analyze the data and presented in form of tabular summaries. From the findings, the study concludes that indeed micro financing schemes have led to better economic status in the lives of their members.

CHAPTER ONE
INTRODUCTION

1.1 Background of the study

A micro-finance institution (MFI) is an organization that provides financial services to the poor. This definition includes a wide range of providers that vary in their legal structure, mission, and methodology. Micro financing consequently is the lending of small amounts of money to help particularly marginalized or grassroots women who in this case include the peasants, low income workers, family laborers and self employed traders in the formal and informal sector and other members of the poor majority in both urban and rural areas (Otieno, 2006).

Modern micro-finance is often credited to Dr. Mohammad Yunus, who began experimenting with lending to poor women in the village of Jobra, Bangladesh during his tenure as a professor of economics in the 1970s.He aimed at offering poor people with financial services, entrepreneurship opportunities as well as put an end to mistreatment by money lenders and a system where they could produce, manage and maintain their finances. He would go on and found Grameen Bank in 1983 which then became the mother of micro financing that has evolved in astounding ways, incorporating into it, its practice of social and economic development concepts; as well as principles that underlie financial and commercial markets (Robinson, 2001).

The emergence of micro finance institutions challenges the conventional banking as they tender to focus on providing small loans without collateral and at full-cost interest rates that are payable in frequent installments. These institutions have demonstrated that the poor majority, who were excluded by the commercial banks, can be in fact, a market niche for innovative banking services that are commercially sustainable.

During the last two decades, there has been a rapid entry and increased participation of women in the market economy as self employed or casual workers in the informal sector in Africa and in particular East Africa. Women have become major providers of family cash income and continue to produce most of the goods and services consumed within the households. Micro finance programs have basically targeted women. This is by providing access to financial services through women; making women responsible for loans, ensuring repayment through women, maintaining savings accounts for women, providing insurance coverage and so on (Iyesha, 1996).

In Kenya, micro finance is a relatively new phenomenon with few agencies starting about 20 or so years ago. The Government of Kenya has indirectly provided a boost to the micro-finance sector. The schemes are almost without exception dominated, run and organized by women who are far more effective in managing both family and village finances (Alila,1992).

Seventy percent of Kenya's poor are women. Yet traditionally women have been disadvantaged when it comes to accessing credit and other financial services. Commercial banks often focus on men and formal businesses, neglecting the women who make up a large and growing segment of the informal economy hence the targeting of urban women by micro finance (UNDP Evaluation Office,1999).

1.2 Statement of the problem

Most of Kenya's people are poor, and the majority of Kenya's poor are women. Micro finance institutions are therefore trying to reach the poor at affordable costs and thus help to empower women because they as a group are consistently better in promptness and reliability of credit repayments. On the other hand, as the rapid population growth rate continues to rise in Kenya, the urban population equally grows. Due to this; capital requirements have increased at least proportionally, if not faster, due to the rising expectations of urban residents for improved services. Yet approved expenditure in the recent past represents not only an absolute decline in available resources, but a more marked decline in investment per urban resident (Shabbir, 1995).

Kenya, like other developing countries suffers from high economic constraints rate. Opportunities to find salaried employment are few especially for uneducated, poor women therefore they seek means of livelihood from the so - called informal sector of the economy. Thus micro-credit is thought to be a solution for the problems of female micro-entrepreneurs. Poverty is feminized and many micro-finance organizations focus on women.

1.3 Purpose of the study

Based on the problem stated, the purpose of this study is to stimulate debate and research in order to shed more light on how micro financing influences the economic wellbeing of urban women in Kenya.

1.4 Objectives of the study

These are generated from the independent variables in the conceptual framework and they include savings and credit services, pooling groups together, informal insurance services and entrepreneurial training services.

1. To examine the extent to which savings and credit services through micro financing influence economic welfare of urban women.
2. To assess the extent to which micro-financed self-help groups influence the economic welfare of urban women in Kenya.
3. To examine the extent to which urban women benefit from informal insurance services offered by micro-financing institutions.
4. To establish economic benefits of entrepreneurial training services to urban women by micro financing institutions.

1.5 Research Questions

1. To what extent does savings and credit services influence the economic welfare of urban women?
2. To what extent are self-help groups effective in improving the economic well being of Kenyan urban women?

3. How does informal insurance as a new growth area of micro financing influence the lives of urban women in Kenya?
4. To what extent does MFIs entrepreneurial training services help urban women to improve their economic welfare?

1.6 Justification of the study

Recent years have seen the growth of micro financing due to shrinking national economies. MFIs have become important avenues for employment and income generation in Kenya. The sector absorbs most of the labor force and this means creation of income for those involved. Micro-financing is often aimed at improving particularly women's economic situation. This is justified with women's poorer opportunities for economic independence in the family and in society, and their high repayment level; women are often argued to have a higher repayment level than men. Even the government of Kenya promotes women as borrowers: "facts are that women usually are better borrowers than men and their pay back rates much higher. Women can often be better entrepreneurs as well because of their attention to people and detail" (Government of Kenya, 1992, 14).

1.7 Significance of the study

The results will be used to educate and inform the public on how micro financing promotes the economic empowerment of women thus allowing them to play a more active role in the community at large. The results will also be used to shed some light on how the development of women's economic activities greatly influences their awareness, their day to day lives, their involvement in the running of the society and their control of life in general.

The results focus on micro-financing organizations that target at improving particularly women's economic situation. The study seeks to challenge the formal banking systems which have high requirements of liquidity, depositor protection, formal reporting impose costs, high collaterals and costly processes which create access barriers for poor people.

1.8 Assumptions of the study

The study assumed that the sample chosen is a good representation of micro-financing scheme members or beneficiaries. The study also assumed that the data collection instrument has validity and was measuring the desired constructs; the respondents answered questions correctly and truthfully.

1.9 Limitation of study

The study is limited to the plight of urban centers of Kenya and in particular Kawangware town of Nairobi with a specific focus on women who rely on micro financing for their daily livelihoods and survival. Lack of published work on micro financing in Kawangware Township which has led to information gap will also be a limiting factor. Technology will also be limited. It would be faster if all respondents had Internet access.

1.10 Delimitation of the study

The scope of this study will be Kawangware Estate which is in Nairobi. This is because the population of this neighborhood is a representative of the target of urban slum women who highly rely on micro financing for their economic well being and survival.

1.11 Definition of significant terms

Formal Credit- A loan especially lent by a registered creditor.

Group- More than one person working in partnership i.e. co-guaranteeing each other to get a loan.

Grassroots women- Refers to peasants; low-income workers, family laborers and self employed producers/ traders in the formal and informal sectors; and other members of the poor majority in urban and rural areas.

Gender needs- The practical demands women have for clean water, readily available fuel, cheap food and good housing and adequate income.

Lending- To allow someone use a sum of money on the understanding that it will be repaid and earn interest.

Loan- To lend especially money on condition that it will be returned.

Poor- Lacking in value; insufficient and poor wages.

1.12 Organization of the study

Chapter one captures the background of the study, the statement of the problem, purpose of the study, justification and the significance of the study. It also includes the research objectives and questions. We also find assumptions, limitations and delimitations of the study in this chapter.

The second chapter deals with three sub topics namely the introduction, the literature review, theoretical and conceptual frameworks in that order. The theoretical framework attempts to explain the theoretical fit of the study. The conceptual framework describes the relationship between the dependent and independent variables. It also mentions other less important variables like moderating, intervening and extraneous variables. The literature review is a comprehensive study of relevant literature which has been achieved through identification, location and analysis of related studies to obtain a detailed knowledge of the subject of study.

Chapter three deals with the research design and methodology, which implies data collection procedure. It mentions the type of research adopted by the researcher and why. We also define the target population which leads us to the sample frame.

The fourth chapter is about analyzing, presenting and interpreting the findings to make them meaningful to the audience. The last chapter summarizes findings on how micro financing influences the economic welfare of urban women in Kenya. It captures discussions, mentions conclusions, suggestions and recommendations of the study.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

Micro finance is a long term investment in human potential that has the power to generate long term economic returns while simultaneously improving grass roots economical and social involvement. It typically focuses on women's individual economic aspects and other individual choices. This emphasis in turn makes a major instrument in achieving economic development for urban women welfare. Factors that bring about this economic development are influenced by the offering of savings and credit services, self-help groups, informal insurance services and entrepreneurial training services (Handleman, 2006).

According to the State of the Micro credit Summit Campaign Report 2001, women account for 74% of people who have access to financial services through specialized micro finance institutions, NGOs and other non bank financial firms. Micro finance has thus served to partly compensate for the marked gender bias in access to formal financial services (Sanchel 2001).The language of 'clients and members' that peppers the voluminous literature on micro-financing tends to obscure the fact that vast majority of borrowers are women and that some micro-finance organizations, lend solely to women. The focus is therefore 'economic' on women and in particular, urban women (Boserup, 2000).

2.2 Saving and Credit facilities

Self-employment, supported by credit has more potential for improving the economic welfare of the people. Credit has the capacity to create self employment for women instantaneously. Basically, the micro-credit schemes involve the most typical product which is small and short term loans of Ksh10,000 for often less than 90 days. The loans are repaid in a series of small, regular and frequent amounts usually weekly. Successful repayment of the loan leads to the immediate disbursement of the next and clients are required or expected to borrow continuously and invest their loans in businesses. The cash flows generated is expected to provide the repayments (McCormick, 1995).

There are two main ways that micro-loans are used: One is consumptions and household risk management and two is production and investment. Gulli (1998) formulates four ways of how micro-credit assists the poor: 1) to promote investment in assets,2) to facilitate activities that earn a livelihood and help them to manage their economic activities efficiently, 3) to protect against income shocks and prevent selling productive assets ,and 4) to build social capital and improve quality-of – life through participation in solidarity groups.

Income of borrowers has risen and the asset base has widened hence they seek bigger loans the next time round and hope to expand their projects. Many have succeeded beyond their own expectation (Panganiban 1998). Although MFIs have proved relatively successful in meeting credit needs of small and micro- enterprises, their limited resources limit the extent to which they can effectively and suitably satisfy the credit needs of the borrowers. This is because as the micro enterprises expand in size, the characteristics of loans required become increasingly difficult to satisfy; yet they remain too small for the formal lenders (Aryeety 1996).

Saving with formal institutions is not popular mainly because of the low capacity to save. Urban women are also known not to save with formal banks notably due to the following reasons: severe government interferences in the operation of the system; low incomes suggesting that only the ones with high incomes are expected to deal with banks; too much formality in banks such as paper work which lead to unnecessarily extended transaction time; and banks are usually disinterested in too frequent deposits in torn, dirty notes hence discourage this (Gockel and Aryeety 1991).

Savings facilities are seen either as substitutes or supplements to credit. It's argued that more important than mere credit, savings is a system that provides both credit and savings facilities for the poor (Rhyne and Otero, 1992). Savings is divided into mandatory and voluntary saving. Mandatory saving is based on the view that poor people do not save and cannot save, and they need to be educated to save; whereas voluntary saving reflects the view that poor people do save in a monetary or non-monetary form and they are willing to save even though they often lack saving facilities. Therefore MFIs offer an opportunity to save and relevant services (Robinson, 1996).

Consequently, various innovations of micro finance schemes have led to the emergence of the "savings led micro-finance" models. Here, instead of offering credits, MFIs encourage individuals or groups to mobilize their own savings and manage their own accounts. If it's saving on a group basis, members determine both the amount and the frequency of periodic saving deposits and charge fines where a member does not comply to enforce discipline. One is however allowed to save beyond the minimum amount set.

The main service offered by Saving Led Micro Finance Institutions (SLMFIs) is that of savings mobilization which turns deposits into useful lump sums. They are not distracted from this purpose by any political or social agendas. Membership may however be restricted to certain groups or individuals (Rutherford, 2000).

SLMFIs recognize the wide range of needs and opportunities that induce the poor to save. They therefore do not restrict on the use to which the lump sum is put to. Individuals may wish to have funds to manage life cycle events, emergencies, businesses or opportunities to acquire an asset and to start or grow businesses. The model makes pay-in and access to savings commitment as it is done locally and quickly on demand and with minimum delay. Its services are open to all poor people not just women, adults or one person per household (Rutherford, 2000).

All in all; study shows that the depressed interest rates on savings and the conventional free funding from the state or donors discourage savings mobilizations. If the full potential of micro-finance for economic impact is to be realized, it is essential that savings be incorporated alongside credit models as this will expand the outreach especially in the urban centers (Dondo, 2001).

2.3 Pooling groups together/ self-help groups

The self- help group approach was pioneered by the Mysore Rural Development Agency (MYRADA) in South India and its more of a savings – led. Self-help groups are made up of 15-20 women from nearly homogeneous socio-economic backgrounds who come together to strengthen their livelihoods and to build up cohesion and skills required for civic engagement, participative management of community resources and democratic governance. They may meet weekly, monthly or as agreed. They agree to save a specific amount per meeting and contribute it to a common pool (Dash 2003).

Once the contributions add up to a reasonable amount, self-help group members start lending to each other on the basis of mutually stated ground rules. When they have become familiar with the principles of financial management, they are linked up by the micro-finance organizations to external sources such as government banks and programs for the poor. The loans are intended for clients who do not meet the wealth requirements of the formal banking systems. Since the clients have little material wealth, no collateral requirements exists. The only guarantee on the loan is the joint liability of the group members (Rasmussen, 2006).

The establishments of groups of mutually supportive independent entrepreneurs are also a point of departure in a process of personal and collective development in which the development of technical skills and capacities for collective organization are key milestones. They use joint-liability group lending to individuals, particularly women to create self-employment together with larger individual loans without collaterals to generate wage employment for the poor (Nelson C, 1996).

The fact that groups of women meet regularly at the same time and place provides the opportunities for outreach and extension work in relation to health, nutrition and other social services. As is widely recognized, the simultaneous provision of complementary services like credit, primary education and health is likely to be far more effective in bringing down poverty levels than the concentration on a single service. The effectiveness of the self-help group model has led to its adoption by the government through a program that seeks to link groups with local branches of commercial, regional or co-operative banks (Rasmussen & Sinha, 2006).

According to Huppi and Feder (1990), the self-help groups have advantages which are: Lenders can achieve economies of scale by lowering their transaction costs per unit as direct costs of lending vary inversely with the size of the loan. Thus, its more costly to lend small amounts to several individual borrowers than lending a larger amount to a group. Second, poor people / low income earners prefer to work in groups for financial reasons e.g. access to credit as well as well as social reasons. Third, is that repayment rates are more favorable in group lending schemes because of homogeneous groups and peer pressure. Finally, is that group lending has been found to offer some "un usual" advantage i.e. it provides pecuniary returns especially to women hence giving them self esteem ,mutual trust, empowerment etc.

2.4 Informal Insurance Services

While micro-finance services to the poor have hither to focus on credit and savings, there is now a growing interest in extending service provision to include variants of community- based insurance. They appear to be well placed to harness the necessary information, monitor behavior and enforce micro-insurance contracts that would be too difficult or costly for the government or for any private insurance agency which the urban poor cannot afford by all means (Mosley, 2003).

A number of micro-finance institutions have in fact running insurance schemes. Many have risen as a result of 'emergency fund' life insurance schemes which the MFIs often operate to repay outstanding balance of a loan in the event that a borrower dies. MFIs have also recognized that providing insurance against a limited range of other risks as well can help to stabilize the income of clients thus save the cost of chasing unpaid loans (Berenbach, 1994).

One perspective involves loose groupings of neighbors who start off their relationship by pooling cash to buy seats, lanterns and canvas as examples. Here cash and kind contributions for ceremonial expenses are given on the understanding that the favor will be reciprocated on another occasion. Members of social groups for functions such as weddings, funerals and baptismal parties save money and make use of this facility e.g. benevolent funds for funerals. These are further extended into regular meetings held to obtain further small cash donations from members to build up a fund that can be tapped in the event of contributions of a fixed sum for an agreed period. If any member suffers loss through fire or theft among others within the saving period, the need is met from the fund and a new cycle commences. The limited lifespan ensures an 'action audit' and helps the insurance scheme to retain the confidence of its members. In many cases the practice transforms into a true money management device that offers financial services with regularity, predetermined pay outs and becomes less embedded in social relationship (Bhasin, 2005).

Another perspective revolves around health insurance and reflects concerns that have arisen in the context of health sector. Community based health insurance refers to any program that is managed and operated by a community based organization (i.e. other than a government or a private or for profit company) and that provides risk-pooling to cover all or part of the costs of health care services The drive to mobilize financial resources for health care through the introduction and consolidation of cost recovery mechanisms, including for-profit private practice, user fees and drug charges; have had the effect of reducing access to health care by the urban poor. A common response to this problem of exclusion has been the promotion of social and community based insurance schemes (Mackintosh, 2004).

However, there are challenges which explain why the insurance schemes may not appeal to the very urban poor women:. Indeed, they are less likely to appeal than savings and credit schemes. Insurance works differently from credit and savings in important ways. It provides members with the guarantee of financial compensation or services in return for payment of regular premiums if certain specified events occur. Unlike credit schemes, members renounce ownership of the contributions that they make. People are thus being asked to pay for a service that they may or may not use from the perspective of those with very little surplus to invest. This entails weighing up the certainty of having to pay regular premiums against the uncertainty of an illness episode (Tabor, 2005).

2.5 Basic Entrepreneurial Training Services

These are opportunities created by MFIs for their members to learn about the principles and practices that will help them grow and develop themselves economically through the micro-financing/micro-credit. They include: awareness seminars, entrepreneurship development programs, working capital management workshops, customer relations seminars, record management workshops, marketing seminars, technical training workshops, industrial visits, book- keeping workshops, publications and so on. All these and many more are now generally seen as a strategy to speed the space for economic development not only in Kenya but also in the developing countries at large. Methods used in these training programs include interactive lectures, discussions, case studies, group work, role-plays and practical exercises (Bhasin & Akpalu, 2001).

2.6 Economic Welfare of urban women

According to Anand (2005), Micro-financing has been attributed with its ability to help households diversify their income sources by fostering different types of jobs and capital, generating employments and providing livelihood opportunities for women to earn money. Health and education are key areas that micro-finance has created an impact on at the household level. Research conducted by Hashemi, (2003) concludes that micro-finance clients appear to have better nutrition, health practices and health education than comparable non-micro finance clients.

Micro finance interventions have shown to have a positive impact on the education of clients' children. Littlefield and Murdoch (2003) state that one of the first things that poor people do with new income from micro enterprise activities is to invest in their children's education. They further note that children of micro-finance clients are more likely to go to school and stay longer than those of non-clients.

Robinson, (2001) in a study of 16 different MFIs all over the world shows that having access to micro-finance has led to an enhancement in the quality of life of clients, an increase in their self-confidence; and has helped them to diversify their livelihood security strategies and thereby increase their income. He further claims that women, through micro-financing continue to form the foundation of the economy and society of many communities and their contribution in the household, local and national economy is tremendous.

Women empowerment is another key objective of many micro-finance interventions. According to Mosedale, (2003), Empowerment refers to the process by which those who have been denied the ability to make strategic life choices acquire such ability; where strategic choices are critical for people to live the lives they want. Therefore MFIs cannot empower women directly but can help them through training and awareness-raising to challenge the existing norms, cultures and values which place them at a disadvantage in relation to men, and to help them have greater control over resources and their lives.

Access to micro-financing has proved to empower women to become more confident, more assertive, more likely to take part in family and community decisions and better able to comfort gender inequalities. It has also led to increased per capita income which has generally improved women's standards of living (Littlefield, 2003).

2.7 Theoretical Framework

There are various micro-finance models currently being used by MFIs throughout the world. The most commonly known is the Grameen Model which is the most relevant and discussed in this study. Other models however are: co-operative model and Village Bank Model.

2.7.1 Grameen Model

It is the most acclaimed of the micro-financing models developed in 1975 by Dr. Yunus of Grameen Bank as mentioned earlier. In order to find a lasting solution to the poverty problem, Dr.Yunus decided to formalize the lending process with a view to making capital accessible to the poor. This was done using alternative arrangements and procedures that were tested in the search for the best ways of providing credit and setting terms that poor borrowers could meet easily without additional strain (Khandler, Khalily and Khan, 1995).

It is further noted that over a three year pilot phase, it became obvious that lending the poor was viable and practical so long as institutional follow up measures were implemented alongside reasonable credit terms set. Success of this phase eventually led to institutionalization of the Grameen Bank as a separate institution to lend money to Bangladesh's poor and landless who comprise 80% of the total 100 million populations. The government had a 60% shareholding in the Bank while Bangladesh's poor owned 40% of the shares. The Grameen credit delivery model has several lending concepts which are: group lending, mandatory savings/collateral substitutes, social development program and transparency of transactions (Khanker et al 1995).

2.8 Theories of Micro-financing

As mentioned earlier, it is generally agreed that women should be the prime recipients of loans, as they are at better risks than men and the loans have greater impact on them. The main theories of micro-finance are outlined below:

2.8.1 Poverty eradication theory

The theory of poverty eradication underlies many NGO integrated poverty targeted community development programs. Poverty alleviation is defined as the ability of market incomes to encompass increasing capabilities and choices and decreasing the vulnerability of poor people (Bakhtiari 2006).

Micro-financing focuses on developing sustainable livelihoods, community development and social service provision. This includes literacy, health care and infrastructure development. Policy debates particularly on the importance of small savings and loan provision for consumption as well as production, group formation and the possible justification for some level of subsidy for programs have developed effective methodologies for poverty targeting and operating in urban areas. Such strategies have recently become a focus interest for some donors as well as the micro credit summit campaign. Availability of credit to low – income households and small business can thus greatly enhance their economic strength and eventually break the circle of poverty. (Aredo, 1993).

2.8.2 Financial stability theory

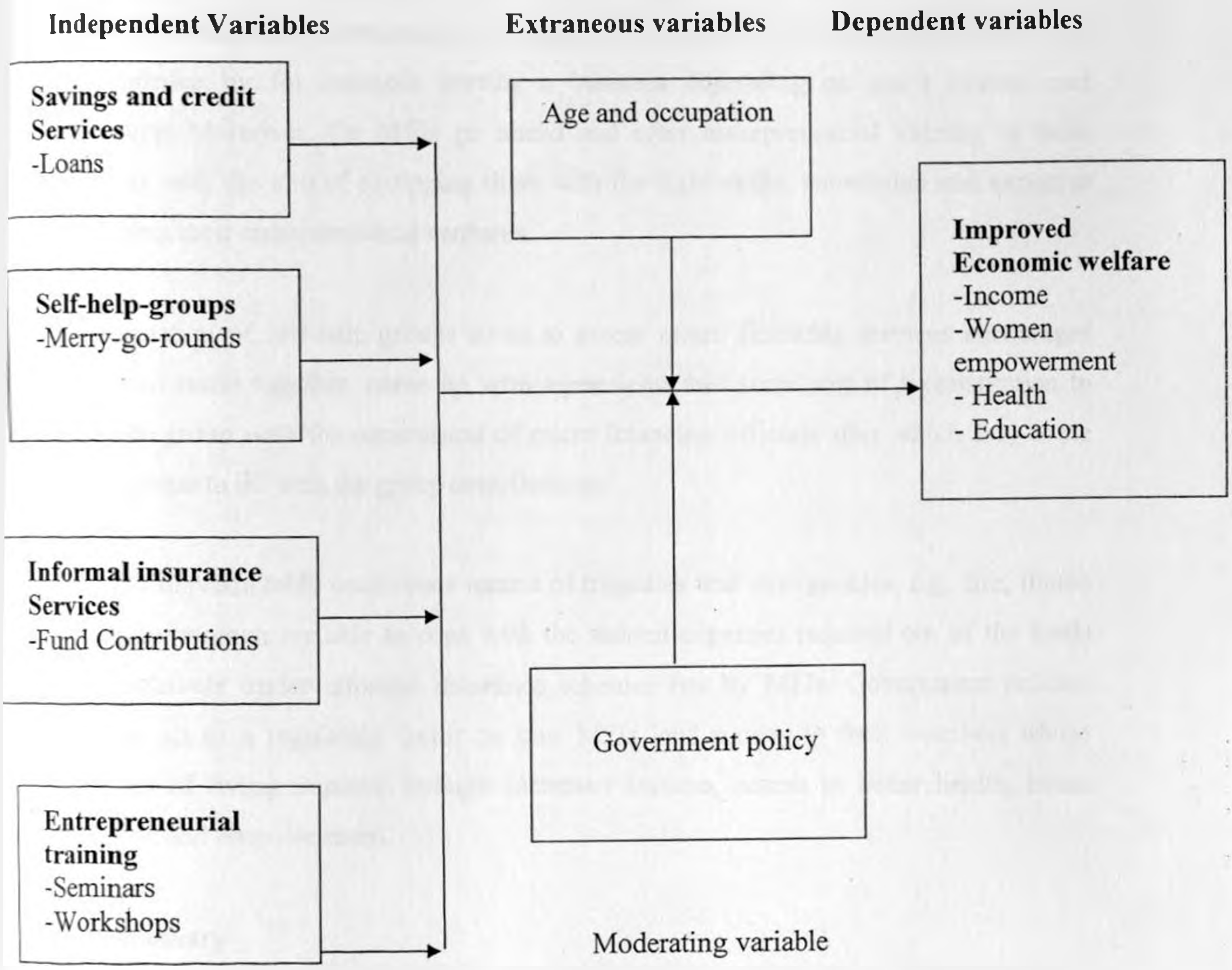
It is also referred to as the financial systems approach or sustainability approach. It underlies the models of micro-financing promoted since the mid 1990s by most donor agencies. The ultimate aim is to grow large programs which are profitable and fully self supporting in competition which other private sector and banking institutions are able to raise funds from international financial markets rather than relying on funds and development agencies. This emphasis on financial sustainability is seen as necessary to create institutions which reach significant numbers of poor people in the context of declining aid budgets and opposition to welfare and redistribution in micro economic policy (Gibbons, 1992).

2.8.3 Women empowerment theory

The key feature of micro-financing programs as noted earlier is that they are mostly directed towards women. On average, 90% of the clients of MFIs are women. Women make up a large section of informal businesses and micro-finance very often involves self-employment in the informal sector (Murdoch 2007).

Moreover, it has been noted that women, being more credit constrained than men are more likely to engage in micro finance programs and participate regularly in related training sessions and weekly meetings. They have also been viewed as more conservative in their investment strategy, more responsive to peer pressure for repayments, and therefore ultimately more responsible in repaying loans. Targeting loans to women fosters their empowerment (Remenyi, 1997).

Figure 1: Conceptual Framework



2.9.1 Interpretation of Conceptual Framework

The access of loans offered by MFIs is the major reason why women choose to join them. This in turn helps the women to get a starting point on how to establish their economic independence by for example starting a business depending on one's interest and preference. Moreover, the MFIs go ahead and offer entrepreneurial training to these members with the aim of equipping them with the right skills, knowledge and expertise on running their entrepreneurial ventures.

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The formation of self-help groups so as to access micro financing services encourages women to come together, come up with agreements and some sort of a constitution to guide the group with the supervision of micro financing officials after which they come up with what to do with the group contributions.

With the unpredictable occurrence nature of tragedies and emergencies, e.g. fire, illness and so on, women are able to cope with the sudden expenses required out of the funds they contribute under informal insurance schemes run by MFIs. Government policies however act as a regulating factor on how MFIs lend money to their members whose standards of living improve through increased income, access to better health, better education and empowerment.

2.10 Summary

Based on literature review of this study, it can be argued that varied factors influence the economic welfare of urban women in Kenya. The literature cited the need for MFIs to review their services more so on the amount of loans given so as to realize more tangible results on the beneficiaries. Moreover, the study revealed that not all the micro financing services are appealing to members because of the little impact they have like in the micro insurance schemes. The organizations should therefore come up with strategies aimed at improving and bettering their services if they are to reach and help millions of women in the country. However, the study through the set objectives reveals that MFIs indeed are a major survival kit for the women at Kawangware against all other limiting factors they face in the economically challenged urban lifestyles.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents a detailed description of the selected research design. In this section, the researcher described the general methodology applied in carrying out the research project. The researcher described the general research design used and defined the target population and sampling technique applied. This is followed by a description of the methods used to collect data from the respondents. The researcher went on to identify and describe the methods used to analyze the data collected.

3.2 Research Design

A descriptive research design was used for this study. According to Cooper & Schindler (2001), descriptive studies deal with question of who, what, when, where and how a topic, and are used when there is some understanding of the topic. The major purpose of descriptive design is description of the state of affairs as it exists. Kerlinger (1969) points out that descriptive studies are not only restricted to fact findings, but may often result in the formulation of important principles of knowledge and solution to significant problems.

3.3 Target Population

Target population in statistics is the specific population about which information is desired. According to Ngechu (2004), a population is a well defined or set of people that are being investigated. This research was conducted in Kawangware, Nairobi County.

Kawangware is a low-income neighborhood in Nairobi, to the West with hundreds of thousands of residents many of whom are women and children who mostly live on less than one U.S dollar a day. This urban informal settlement is associated with poor living conditions, no access to piped water, few schools and sparse hospital systems and it is characterized by shanties, overcrowding and high unemployment rates.

The target population of this study consisted of 1000 women who are members of popular MFIs at Kawangware and in particular; KWFT, Faulu Kenya, SMEP and Jamii Bora. Mugenda and Mugenda, (2003), explain that the target population should have some observable characteristics, to which the researcher intends to generalize the results of the study. The table below shows the distribution of the target population.

Table 3.1: Target population

Target Group	Population	Percentage
KWFT Members	300	30
Faulu Kenya Members	400	40
SMEP Members	200	20
Jamii Bora Members	100	10
Total	1000	100

3.4 Sampling Design and Procedure

A sample is a part of the target population that is procedurally selected to represent the population. The researcher used the stratified random sampling since this method gave every person an opportunity to give his or her independent views and suggestions. According to Mugenda & Mugenda, (2003) since the target population is small, 10% of the target population was selected for sampling as shown below. The researcher is convinced that the population was not uniform since the respondents selected was members of four different institutions and had different opinions over the given issues under investigation.

3.4.1 Sampling Frame

A sampling frame is a complete listing of the sampling units. The accuracy of a sample depends largely on the sampling frame (Mugenda & Mugenda, 2003). The table below shows thc sampling frame.

Table 3.2: Sample Frame

Target Group	Population	Sample	Percentage
KWFT Members	300	30	10
Faulu Members	400	40	10
SMEP Members	200	20	10
Jamii Bora Members	100	10	10
Total	1000	100	10

3.4.2 Data collection

The researcher applied questionnaire for collecting the data. The selection of this data was guided by the nature of data to be collected, the time available as well as the objectives of the study.

3.4.3 Questionnaires

This is a set of few questions asked in a logic sequence but put in wring form. They required brief and direct answers. Questionnaires were used since the study was concerned with variables that cannot be directly observed such as views, opinions perceptions and feelings of the respondents. Such information was collected using questionnaires (Touliatos & Compton, 1988).

3.5 Validity

Crowther & Lancaster (2005, 80) describes validity as the extent to which the data collection method measures what it is supposed or expected to measure. Failure of ensuring valid research could lead to collection of data that is meaningless or misleading for the research in question.

In this case the researcher applied construct validity; measure of the degree to which data obtained from an instrument meaningfully and accurately reflects a theoretical concept. The survey was carried out to investigate the influence of micro-financing on the economic welfare of urban women in Kenya; this data was collected from members of four MFIs in Kenya namely KWFT, Faulu Kenya, SMEP and Jamii Bora. Therefore this information was a true reflection of their sincere opinions hence it's valid.

3.6 Reliability

According to Mugenda and Mugenda (2003), reliability is the measure of the degree to which a research instrument yields consistent results or data after trials. Alpha coefficient ranges in value from 0-1 and may be used to describe reliability of factors extracted from multi-point formatted questionnaires. To ensure the data collected was reliable, the researcher used test retest reliability technique. This method involved administering the same instrument twice to the same group of subjects at two different points in time. The results were considered reliable also because the sample used for this survey is considerably large enough.

3.7 Data Analysis

The analyses included data sorting, (rearrangements of data questionnaires to bring some order allowing systematic handling), data editing (reading through the filled questionnaire to spot any inconveniences and or errors which might have occurred during data collection), data cleaning, conducting final check on the data for accuracy, erroneous data completeness and consistencies to avoid going back to the original questionnaires too many times to collect errors while at the middle of analysis.

Quantitative data analysis was executed using Statistical Package for the Social Scientists (SPSS) and descriptive statistics consisting of means and standard deviations were generated and used to establish the extent of influence of micro financing on the economic welfare of women. Content analysis was used to analyze the views of the respondents that cannot be quantified.

3.8 Operational Definition of Variables

The researcher will carry out research on the independent variables that influence the economic welfare of urban women. These variables are; savings and credit facilities, self-help groups, informal insurance services and entrepreneurial training.

Table 3.3 Operationalization of variables

Objectives	Variables	Indicators	Measurement	Measurement scale	Data collection method	Data analysis methods
1. To study the extent to which savings & credit services through micro-financing influence economic welfare of urban women	Savings and credit services	Loans	Business capital loans	ordinal	questionnaire	mean
2. To assess the extent to which self-help-groups impact the economic wellbeing of urban women in Kenya	Self-help-groups merry-go-rounds	Group contribution and investments	Business registration, house hold goods	ordinal	questionnaire	mean
3. To examine the extent to which urban women benefit from informal insurance services offered by MFIs	Informal insurance services	Cover against tragedies and emergencies	Theft, fire, funeral expenses	ordinal	questionnaire	mean
4. To establish economic impacts of financial advisory & training services to urban women by MFIs	Entrepreneurial training services	Seminars, technical training workshops	New business innovations and ideas, increased profits	ordinal	questionnaire	mean

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATIONS

4.1 Introduction

This chapter discusses the findings of the influence of micro-financing on the economic welfare of urban women in Kenya, the case of Kawangware Township, Nairobi and in relation to the research objectives whereby a questionnaire is used as the research instrument.

4.2 Response Rate

The data targeted a sample of 100 respondents from which only 90 filled in and returned the questionnaires making a response rate of 90%. This response rate was good and representative and conforms to Mugenda and Mugenda (1999) stipulation that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent.

4.3 Demographic characteristics of the Respondents

The profile of respondents along demographic characteristics is as discussed and shown below.

4.3.1 Marital Status of Respondents

Table 4.1 below shows that the highest percentage of 72.2% of the respondents are married followed by 22.2% who represents the single women and lastly the least 16.6% who are widowed.

Table 4.1: Marital Status of Respondents

Marital Status	Frequency	Percent
Single	20	22.2
Married	65	72.2
Widowed	15	16.6
Total	90	100.0

4.3.2. Level of Education of Respondents

Almost half of the respondents have attained secondary school level of education though the highest rank is at 33.3% who have completed primary education. Overall, the respondents have a fair level of education because only 6 respondents claimed not to have any education.

Table 4.2: Level of Education of Respondents

Level of Education	Frequency	Percent
None	6	6.6
Primary	30	33.3
Secondary	26	28.8
College	20	22.2
University	8	8.8
Total	90	100.0

4.3.3 Age in Years of Respondents

The sample representation cuts across the age profile however majority, 60 percent fall in the 31-40 age brackets although micro financing services are open to anybody above 18 years.

Table 4.3: Age of Respondents

Age Bracket	Frequency	Percent
Less than 30	15	16.6
31- 40	54	60
41-50	21	23.3
Total	90	100.0

4.3.4 Number of Dependants of Respondents

Almost two thirds of the respondents have 2 to 5 dependants with 53.3 percent as the highest. 6.7 percent have greater than 9 dependants which is the least according to the respondents ranking.

Table 4.4: Number of Dependants of Respondents

No. of Dependants	Frequency	Percent
Less than 2	12	13.3
2-5	48	53.3
6-9	24	26.7
More than 9	6	6.7
Total	90	100.0

4.3.5 Occupation of Respondents

The largest percentages of the respondents are self-employed at 72.2%; followed by 14.4% under formal employment and lastly 13.3% are the least of house wives. This adds up with the fact that majority of micro financing beneficiaries establish their own businesses with the loans acquired. See Table 4.5.

Table 4.5: Occupation of Respondents

Occupation	Frequency	Percent
Self-employed	65	72.2
Formally employed	13	14.4
House wife	12	13.3
Total	90	100.0

4.4 Number of Loans taken since joining micro-financing

The respondents were asked to indicate the number of loans they had taken since they joined micro financing. This was in relation to the first objective of this study. The number of loans taken depended on how long the respondents had been beneficiaries of micro financing schemes such that the longer one had been a member the more the loans taken.23.3 percent was the highest of those who had taken one loan so far. See Table 4.6.

Table 4.6: Number of Loans Taken

No. Of Loans	Frequency	Percent
1	21	23.3
2	20	22.2
3	19	21.1
4	12	13.3
5	10	11.1
6	8	8.8
Total	90	100.0

4.5 Size of Loans Taken by Respondents

The respondents were further required to indicate the sizes of the loans they had taken so as to establish how effective they were in influencing their economic welfare. The mean scores of the amounts of loans taken are closely distributed as seen from Table 4.7.

Table 4.7: Size of loans taken

No. Of Loans	Mean	Standard Deviation
1	1.5667	.70392
2	1.9778	.70277
3	1.7889	.89310
4	1.9000	.76511
5	1.9667	.84068
6	1.9444	.94049

4.6 Period Taken in Loan Repayment

The study required to know if the respondents had ever been late in repaying their loans and if yes the probable reasons of doing so. The findings are shown in Table 4.8 below.

Table 4.8: Lateness in loan repayment

	Frequency	Percent
Yes	74	82.2
No	16	17.8
Total	90	100.0

When questioned whether they had ever been late in repaying the loans offered, 82.2% responded in the affirmative thus the majority while only 17.8% were on time in repayment.

Table 4.9: Reasons for late loan repayment

	Frequency	Percent
Family Needs	37	41.1
Business Problems	43	47.7
Other	10	11.1
Total	90	100.0

The respondents were further required to indicate reasons as to why they had been late in repaying the acquired loans out of which 47.7 percent blamed it on business problems followed by 41.1 percent who claimed that family needs were responsible. This is acceptable bearing in mind that the majority of respondents are self employed and in this case, running their own businesses.

4.7 Extent to which self help groups influence economic welfare of women in Kawangware

The study aimed at finding out how self help groups through which the respondents access micro-financing funds were influencing their economic wellbeing. Their responses against the stated variables are as below. Easy raising business capital had the highest mean score of 3.6 although all the other variables were positively responded since the mean scores were fairly distributed.

Table 4.10: Ratings on influence of self help groups

	Mean	Standard deviation
Easier access to loans	3.1	1.12
Quick loan disbursement	3.2	1.26
Easy business registration	3.5	1.22
Easy raising capital	3.6	1.27
Increased house goods	3.0	1.38
Improved diets & clothing	3.1	1.12

4.8 Extent to which urban women benefit from informal insurance services

The respondents were further asked to indicate the benefits of informal insurance services on their economic welfare and results are as per the table below.

Table 4.11: Ratings of performance of informal insurance services

	Mean	Standard deviation
Better quality medical care	2.65	1.21
Better handling tragedies & emergencies	2.46	1.51
Easier handling ceremonial expenses	2.3	1.38
Encourage savings for future use	3.6	1.20

Majority of the respondents are happy on how informal insurance services help them because the money they contribute in their self established groups is kept for future occurrences like illness, fire, theft etc. However the highest mean score of 3.6 shows that under this scheme, savings for future is highly encouraged which is quite positive.

4.9 Economic benefits of entrepreneurial training services offered by micro financing institutions

This section covers the respondents' ratings on the training services they received from MFIs for the purpose of enlightening them in their business ventures.

Table 4.12: Ratings of entrepreneurial training services

	Mean	Standard deviation
New business innovations	3.7	1.32
Increased profits	4.0	1.2
Higher business scales	3.6	1.5
Increased cash flows	3.5	1.2
Improved decision making	3.4	1.4

A great percentage of respondents are beneficiaries of MFIs entrepreneurial training services as majority gave quite a positive response of 4.0 mean under the increased profits variable meaning the training they receive has brought about positive growth and development right from coming up with new business innovations to improved decision making. This positive outcome goes along well in answering the research question on to what extent does entrepreneurial training help urban women to improve their economic welfare.

4.10 Reasons that contributed to abandoning formal banking for a micro-financing institution

In this section, the respondents were asked how long they had been MFIs members and if ever they were involved in formal banking. The findings are shown below in Table 4.13 and 4.14 respectively.

Table 4.13: Duration of Micro Financing Membership

Years	Frequency	Percent
Less than 1	11	12.2
1-5	66	73.3
5 and above	13	14.4
Total	90	100.0

The highest percentages of 73.3 of the respondents have been members between one and five years which is quite acceptable. Those who lie under five years and above are under 14.4 percent and lastly 12.2% of the new members with less than one year in the micro financing scheme.

Table 4.14.Customer of Formal Banking before Joining MFIs

	Frequency	Percent
Yes	27	30
No	63	70
Total	90	100.0

When asked if they had been in formal banking before, seventy percent said no while thirty percent was affirmative as shown in Table 4.14.

Table 4.15: Reasons of abandoning formal banking for MFIs

	Mean	Standard deviation
Easier access to loans	3.1	1.3
Shorter repay periods	3.3	1.3
Less paper work	3.5	1.2
Low interest rates	3.6	1.2
Good & simple services	2.79	1.65
More financial security	3.1	1.12

Low interest rates, less paper work involved, financial security and easier access to loans are rated high as reasons for joining MFIs compared to formal banking. The general responses above thus indicate that it's indeed easier to deal with MFIs especially for the women at Kawangware who refer to themselves as the less fortunate in regards to affording the services of formal banking. It also shows that MFIs are most popular for the low income earners in the society.

CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSIONS, RECOMMENDATIONS AND CONCLUSIONS

5.1 Introduction

This chapter summarizes the findings, discussion, draws conclusions relevant to the research and makes recommendations on the same.

5.2 Summary of Findings

The first objective of the research examined the extent to which savings and credit services through micro financing influenced the economic welfare of urban women. The findings supported the notion that the credit facilities resulted in positive gains for the members. This has been successful because members are able to save first as deposits for them to qualify for loans later on depending on the amounts deposited and for a particular period of time.

The second objective assessed the extent to which self-help groups influenced the economic welfare of urban women. The research outcome was quite positive in that the coming together of women to form groups so as to access micro financing funds proved to be effective more so in acquiring large amounts of loans, quick loan repayments as well as improved lifestyles as a result of lump sum acquired in groups.

The third objective which examined the benefits of informal insurance services showed that it was more affordable compared to the formal insurance schemes which are costly for the low income earners. Research findings thus displayed that women at Kawangware find it cheaper to join the informal schemes as they could afford contributing affordable amounts for long periods after which they could use the funds for future emergencies and most importantly medical expenses. However, the findings also show that quite a number do not see the importance of joining the informal schemes since they found it difficult to save for emergencies that may or may not occur.

Lastly, the fourth objective which seeks to explore benefits of entrepreneurial training services received quite a positive feedback. This is behind the fact that very few had been to the university for further knowledge and skills as noted in chapter four hence the entrepreneurial training offered created a significant and positive influence on the members who in turn improved their businesses and economic welfare at large.

There is more ample and consistent evidence to support the positive influence of micro-financing to its members in that there is a substantially beneficial effect on income generation. This has been behind the acquired loans that micro-financing clients have used to expand/diversify their livelihoods as well as adding on new activities to an existing portfolio and sometimes drawing in new members who have not been previously earning.

All in all, the industry of micro financing is not the key solution to women's problems as it may be assumed by many who lack a clear concept of what the industry entails as well as how it works. It is faced with challenges dwindling donor funds, changing client demands and the poor's inability to offer marketable collateral among many others.

5.3 Discussion

Micro financing is dedicated to assisting small enterprises, the poor and households who have no access to the more institutionalized financial systems in mobilizing and obtaining access to credit services. Through micro finance, women have been able to run small businesses which constitute a significant share of economic activity in developed and transforming economies.

The first objective of the study shed light on how savings and credit facilities enable women to have a reliable economic status. It is worth noting that some of the MFIs concentrate only on providing credit, while others are engaged in providing both deposit and credit facilities and some are involved in deposit collection only. All the above aim to meet the unsatisfied demand for financial services to women. Consequently, women have developed the capacity to generate and maintain their means of livelihood and produce excess that has eventually lead to savings as well.

Micro finance in its simplest form involves extending loans to a group of borrowers (usually called self-help groups) who agree to help each other by means of savings and informal support as per the second objective of the study. In theory, the self help groups are better at allocating resources because it takes advantage of more comprehensive local information regarding local needs and lower monitoring costs. Thus transferring resources to self help groups should result in efficiency. On the other hand, resources devoted to self help groups maybe appropriated by local elites.

In absence of affordable formal insurance schemes, MFIs' informal ones are easy to run and maintain. Well being impacts like healthcare and nutritional status are some of the outcomes that reflect directs influences of informal schemes. Risks and uncertainties also become easier as credit not only eases capital constraints but can also serve as a mechanism for spreading risks.

The last objective on how entrepreneurial training offered by MFIs benefits the members lies under the Develop Africa's Micro-finance & Business Development Training Program whose immediate objective is to assist beneficiaries in starting or expanding a business, so that they can become self-sufficient. A longer term objective is for participants to expand their businesses and employ others as appropriate. The training focuses on helping micro financing members to recognize their own strengths and weaknesses and to build the critical business skills they need to ensure success. Other objectives for training programs by MFIs are: to enhance the capacity of trainees in successfully setting up, managing and growing their own businesses immediately after training; to increase the entrepreneurial capacities of trainees and to encourage trainees to be accountable, plan, record and design their business ventures.

5.4 Recommendations

With their substantial experience in providing low-income households with financial services and technical assistance, MFIs know better the strengths, weaknesses, opportunities and threats of providing financial services to the low-income households and more so to those in the urban centers. Formal banks on the other hand, have the comparative advantage of running large operations with the appropriate administrative infrastructure for a wide range of products, including accessing long-term funding. There should, therefore, be a mechanism of bringing the two sectors together, because drawing on their comparative advantages would deliver financial services to majority of the population in a mutually reinforcing environment.

Another key recommendation after the research is that as noted earlier, one of the key roles micro finance plays is bringing access of financial services to the poor, to those who are neglected by the formal banking sector. However most of the MFIs tend to be found in urban centers while the majority of the poor in the developing world live in rural areas, where financial services are not provided .Therefore, if MFIs are to fill this void, they must reach the rural areas so as to meet their economic and social mission as well of serving the low income households in general.

Finally, from the key findings, the study recommend increased support for micro finance projects by the government, the private sector, the civil society and donors in order to further increase micro financing outreach to reduce poverty given the positive impact micro lending has on clients.

5.5 Recommendations for Further Research

Given the debate existing concerning the long term impact of micro-financing in influencing the economic welfare and reducing poverty more so on women; there should be further study that seeks how to establish the sustainability of micro-financing schemes in actually moving the generally poor away from poverty and also how many poor people tend to drop back into poverty over time and reasons involved. Further inquiry could also be done on ways of reducing the costs of delivering micro financing schemes so as to reduce the transaction costs encountered which in turn result to higher interest rates payable by the members.

5.6 Conclusions

The lending of credit facilities by MFIs has direct effects on all aspects of poor people's households. Access to credit for women's trading activities raises the opportunity cost of women's time with possible adverse impact of child care. Therefore it cannot be assumed that credit impact is only mediated via its influence on business income as much as this study portrayed a positive outcome of the first objective in this case.

Apart from economic benefits of self-help groups, there are also social effects and female empowerment benefits which often accrue to non-participants as well thus labeling micro financing self help groups to have important spillover effects. Micro insurance as a practice of providing financial services to the poor or disadvantaged women by MFIs helps them to accumulate usably large sums of money; thus expanding their choices and reducing the risks they are probably meant to face in future. However as noted in chapter two of the study, micro insurance many not be as appealing because members contribute for services or rather risks which may not occur making it a lowly used arm of micro financing.

Today, micro finance plays a major role in the development of many African nations. Its impact is substantial enough to have warranted acknowledgement by the UN which declared 2005 "The International Year of Micro finance", reminding people that millions worldwide benefit from micro financing activities. Entrepreneurial training hence remains relevant and basic not only to women at Kawangware but to all the micro financing beneficiaries at large.

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APPENDICES

APPENDIX 1

Letter of Introduction of Researcher to Respondent

My names are Nelly Gateri, a student of the University of Nairobi. I am conducting an academic research on the influence of micro- financing on the economic welfare of urban women in Kenya. I am therefore kindly requesting your cooperation. I assure you that your views will be treated with confidentiality and the research will not be used for any financial gains. I therefore request for your participation in this survey by filling out the questionnaire attached to this letter personally and honestly within a week after you receive it. The research assistant will follow up to remind you in-case you are not through yet. Please remember that this study is useful to the society as it promotes awareness-raising and advocacy.

Kind Regards,

Nelly Gateri

APPENDIX 2

Questionnaire of the study

Section A

Demographic characteristics

Answer by ticking in the appropriate box

Indicate your age bracket below:

[Less than 25] [26-30] [31-35] [36-40]

[41- 45] [46-50] [Above 50]

Indicate your level of education below:

[Primary] [Secondary] [College] [University] [None]

Indicate your marital status below:

[Single] [Married] [Divorced] [Widowed]

How many Dependants do you have?

[Less than 2] [2 – 5] [6 - 9] [More than 9]

What is your occupation?

[Self-employed] [Formally employed] [House wife]

Section B

This section seeks to establish the extent to which savings and credit services through micro financing influence economic welfare of urban women.

How many loans have you taken since you joined micro financing?....................................

Indicate below the sizes of these loans

Loan No.	Amount(ksh)	Loan No.	Amount(ksh)	Loan No.	Amount(ksh)
1		6		11	
2		7		12	
3		8		13	
4		9		14	
5		10		15	

Have you been late in repaying your loan?

[Yes] [No]

If answer to the above is 'yes' indicate below possible reasons for' this.

[Family needs] [Business problems] [Other]

Section C

This section seeks to establish the extent to which being in self-help groups impact the economic welfare of urban women in Kenya.

Rank by ticking in the appropriate box	**No extent at all**	**Mild extent**	**Fairly high extent**	**High extent**	**A great extent**
Easier access to loans as a group					
Quick loan disbursement as group					
Easy business registration as a group					
Easier raising capital for business projects as a group					
Increased household goods purchased in a group					
Improved diets and better clothing purchased through group merry-go-rounds					

Section D

This section seeks to examine the extent to which urban women benefit from informal insurance services offered by micro-financing institutions

Rank by ticking in the appropriate box	**No extent at all**	**Mild extent**	**Fairly high extent**	**High extent**	**A great extent**
Able to afford better quality medical care					
Better handling tragedies and emergencies					
Encourages savings for future use					
Easier handling ceremonial expenses					

Section E

This section seeks to establish economic benefits of entrepreneurial training services to urban women through micro-financing.

Rank by ticking in the appropriate box	**No extent at all**	**Mild extent**	**Fairly high extent**	**High extent**	**A great extent**
New business innovations and ideas after workshop trainings					
Increased business profits due to training					
Higher businesses scale after training					
Improved cash flows after businesses seminars and training					
Improved decision making					

Section F

1. For how many years have you been a member of a micro-financing institution?

[Less than 1]　　　　[1 – 5]　　　　[5 and above]

2. Were you ever a customer of a formal bank?

[Yes]　　　　[No]

If yes, indicate your opinion of the extent the reasons indicated below that contributed to you abandoning formal banking for a micro-finance institution.

Rank by ticking in the appropriate box	**No extent at all**	**Mild extent**	**Fairly high extent**	**High extent**	**A great extent**
Easier access to loans					
Shorter loan disbursement periods					
Less paper work involved					
Low loan interest rates					
Good and simple services					
More financial security					

UNIVERSITY OF NAIROBI
COLLEGE OF EDUCATION AND EXTERNAL STUDIES
SCHOOL OF CONTINUING AND DISTANCE EDUCATION
DEPARTMENT OF EXTRA-MURAL STUDIES

From: Dr. C. M. Gakuu **Date:** 19/11/2012

To: The Director
Board of Postgraduate Studies
University of Nairobi

CERTICATE OF CORRECTION

NAME OF STUDENT NELLY W. GATERI

REGISTRATION NUMBER L50/75964/2009

This is to confirm that the above named student has successfully completed his/her MA in Project Planning and Management, Research Project Report entitled THE INFLUENCE OF MICRO-FINANCING ON THE ECONOMIC WELFARE OF URBAN WOMEN IN KENYA: A CASE OF KAWANGWARE REGION, NAIROBI COUNTY.

I hereby certify that the corrections have been made as per the suggestions of the defence panel.

NAME OF SUPERVISOR C. M. Gakuu

SIGNATURE

INSTITUTION UON

Cc
Dean, SCDE
Chairman, DEMS
Resident Lecturer