

**EFFECTS OF MICROCREDIT FINANCES ON WOMEN EMPOWERMENT IN  
MWINGI NORTH SUB COUNTY, KITUI COUNTY**

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## DECLARATION

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

Signed: ..... Date: .....

**Annah Katuki Musingila**

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

Signed: ..... Date: .....

**Dr Salome Bukachi**

## **DEDICATION**

To my beloved family members and my colleagues, friends and spiritual brothers and sisters for their support.

## **ACKNOWLEDGEMENT**

First, I wish to thank God for enabling me to have good health and allowing me to complete this research project.

I am very grateful to my supervisor Dr. Salome Bukachi for her continuous guidance and supervision of my research project.

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## ACRONYMS

CMFAs	Client-based Micro Finance Agencies
FGDs	Focus Group Discussions
GoK	Government of Kenya
ILO	International Labour Organization
MMFAs	Member-based Microcredit Agencies
USD	American Dollars
SDGs	Sustainable Development Goals
SAPs	Structural Adjustments Programs
WEF	Women Empowerment Framework
UN	United Nations
AWID	Association of Women in Development
KWFT	Kenya Women Finance Trust

## **CHAPTER ONE**

### **BACKGROUND TO THE STUDY**

#### **1.1 Introduction**

The concept of microcredit finances was introduced in the 1970s by the Nobel Peace Prize winner, Dr. Muhammed Yunus. Microfinances became popular in 2000, when the United Nations introduced the Millennium Development Goals (MDGs), one of which is eradication of extreme poverty and hunger (Pomeranz, 2014). The microcredit sector in Kenya has rapidly grown, with over 44 branches of microfinances (Ndung'u, 2011). Consequently, there has been an increase in microcredit activities targeted at poor households using customized financial services. Statistics indicate that there are at least 190 million microcredit borrowers across the globe. In the past, the main focus of microcredit programmes was to provide capital for small investments. However, the scope has expanded to include credit products, micro-payment and insurance services, and deposits or savings. Microcredit activities have led to positive effects among targeted individuals such as the empowerment of women through increased access to financial services and increased self-reliance (Bakhitari, 2011). Microcredit programs have also enhanced access to education to many individuals through provision of flexible loans, hence increasing employment opportunities (Devaraja, 2011). Business people have also benefitted from various microcredit programs and expanded their businesses thus improving the generation of income and reducing poverty levels (Hermes et al., 2011).

Among other forms of social discrimination, gender based marginalization in access to various forms of resources is a key issue in Kenya. Like in many other counties, women in Kitui County still have a long way to go in terms of achieving economic equality with men. This is mainly due to patriarchal societal system in Kenya where men usually hold the means and access to economic development. In Kitui County, gender discrimination is a factor in determining access to education and higher wages among other opportunities for women. This may be attributed to the tough climatic conditions of some parts of the county where at times food and water are scarce. Women and girls are usually tasked with the responsibility of carrying out domestic chores while men and boys will perform other

duties considered to be manly. However, the female labour force participation is still lower than that of men as few women advance in education (Gupta et al., 2013).

The Centre for American Progress (2012) states that women empowerment is a critical issue to the development agenda, especially in developing nations where women account for the largest number of the vulnerable, marginalized and poor group. Usually, women have no or little choice concerning their lives and limited opportunities for improving their conditions. Women empowerment is relevant because it assists in unlocking the potential of women which enables them to enhance their living standards and the welfare of their households (Hamad et al., 2012). Consequently, women empowerment provides an effective poverty alleviation strategy. On September 25<sup>th</sup> 2015, countries adopted a set of goals to end poverty, protect the planet, and ensure prosperity for all as part of a new sustainable development agenda. Each goal has specific targets to be achieved over the next 15 years (Nessa et al., 2012). The Sustainable Development Goal 5, articulates the need for gender equality, and one way of achieving this goal is inclusion of girls and women in leadership roles especially in political decision making (DeLanzo). Up to date, women take up the least number of political leadership positions. Lack of economic security and poverty are the two major barriers to women political participation (EASSI, 2012).

Women empowerment has attracted substantial research attention as an effect of microcredit programme. Kabeer (2001) defines women empowerment as expanding the range of possible alternatives available to women. It comprises of power, choice, and change. Therefore, it is a change process that enables individuals with little or no power the ability to make decisions affecting their lives. In an article published by the Association of Women in Development (AWID) the feminist perspective considers empowerment as going beyond economic improvement to strategic gender interests (Elborgh-Woytek et al., 2013). In this regard, empowerment exists at a personal level that enables individuals to have self-esteem, self-confidence, choice, autonomy, and agency. Collectively, empowerment entails women or men mobilization with an aim of changing and questioning subordination linked to gender (Faridi, 2011). Brana (2013) contends that the capacity of

generating income assists women to obtain more choices and power associated with decision-making in the household on issues of health, education, and consumption. Further, it enables them to participate in the political agenda. Notably, the growth of microcredit institutions plays a significant role in women empowerment. Incorporating women into mainstream development through providing credit, which is otherwise difficult to acquire from formal financial institutions, can contribute to women empowerment. A research in Bangladesh by (Desai and Tarozzi 2011) revealed that microcredit programs enhance gender awareness among women therefore they have important effects on women empowerment.

According to CSR, (2017), increasing procurement of women in procurement in political among other position, is a strong strategy to achieving minimal poverty. The government of Kenya has not only reserved a 30% quota in procurement of governmental and political positions, but has also been working with the private banking sector to remove collateral among other barriers that to financial services access among marginalized groups like women. Further, Encouraging women to join microcredit facilities ensures that they have access to means of economic empowerment. Microcredit facilities give affordable loans to members as well as encourage a savings culture within the society. The effects of joining microcredit facilities will include poverty reduction within the community, self-reliance among the women, as well as better nutrition for their families (Jones, 2011). The importance that women and micro credits hold in development of the economy, has led to vast evaluations and research investigations with most emphasis being on impact studies (Brana 2013). There are various approaches in the study area, but due to the complexity and depth of gender based issues, there is still a dearth in the available information from both academic and non-governmental organizations researchers. This proposal aims to fill this inadequacy of evidence by shedding light on the effects that microcredit finances have in Kitui County, in regard to women empowerment, encompassing inclusion in decision making through participation in politics and political leadership.

## **1.2 Statement of the problem**

In Kenya, women have limited access to credit facilities due to their inability to offer security for loans (Faridi, 2011). This problem stems from the difficulty women experience in owning property. Financial lending institutions such as banks therefore find it hard to offer credit services to women especially those with low paying jobs. In addition, the interest rates of banks have been very high until recently when the Central Bank of Kenya issued a directive to the banks to reduce the interest rates (Njoroge et al., 2017). Microcredit institutions have therefore been offering soft loans and long term loans to individuals at better rates with the intention of obtaining as many clients as possible. The inability of women to access loan facilities not only affects them and their families but also affects the economy of the country as well. According to psychology and sociology, women have been proven to be better managers of financial resources as compared to men (Mahmud et al., 2012). Women tend to think on behalf of their children and their families as they make financial decisions, making them critical stakeholders for development and poverty reduction goals.

Currently, women in Kitui County, just like other parts of Kenya, continuously form and run small financial support groups where they can contribute their savings and acquire small loans at low interest rates aimed at securing financial freedom (Jones, 2011). The rampant growth in popularity of microcredits and the importance of women in general economic development has resulted in to various studies by NGOs and academic researchers, linking the two issues , results mostly inclining on positive effects of microcredit on women empowerment, (Kumar et al., 2015; Hennik et al., 2012; Hermes et al., 2011; Jain et al., 2012). However, other groups of researchers indicate that microcredit programs have negative effects on women empowerment (Batliwala et al., 2015; Moodie 2013; Mahmud et al 2012. Evidently, such mixed findings highlight the need for further research on this topic. Additionally, there is a dearth of information in regard to the effects of microcredit on empowerment among women in Kitui County in particular and especially looking into how it affects their political involvement.

This study sought to address this knowledge gap by conducting a study which will be guided by the following research questions:-

1. What are the social effects of microcredit programmes on women empowerment in Kitui County?
2. What political effects do microcredit programmes have on women empowerment in Kitui County?
3. How do microcredit programmes contribute to economic decision-making among women in Kitui County?

### **1.3 General objective**

To investigate the effects of microcredit programmes on women empowerment in Kitui County.

### **1.4 Specific objectives**

1. To establish the social effects of microcredit programmes on women empowerment in Kitui County.
2. To determine the political effects of microcredit programmes on women empowerment in Kitui County.
3. To establish the contribution of microcredit programs on the economic decision-making among women in Kitui County.

### **1.5 Rationale of the study**

Microcredit programmes play a significant role in the economic development of women living in poverty through the provision of credit for starting enterprises that provide them with income. This study will provide information on the awareness of women in opportunities Kitui County regarding access to microcredit facilities and the economic opportunities provided by the government to the women. The study will also look into the challenges women face as they attempt to access credit facilities, the limitations and obstacles. This information can be useful to policy makers who will be able to regulate, amend and improve the existing policies on institutions offering credit services. Stakeholders in the financial sector will also benefit from information from this paper as it

will give recommendations of enhancing credit facilities to individuals and especially to women. Particularly, policy makers will be informed on the current effects of microcredits on women, enabling them to come up with the best policies for maximum women empowerment. Academicians will find this proposal useful in that it will provoke them into conducting further research to verify the effects of microcredit programs on women empowerment.

### **1.6 Scope and limitations**

This study will solely focus on women in Kitui County, and the research site will be Mwingi North, which has 5 wards. The study will suffer from two major limitations. First, the generalization of the research findings will only be limited to the sample population used in this research and secondly, the use of a non-probability sampling procedure may have negative effects on representativeness of sample population. However, in reporting the results of the study, reference will be made to the area of study in order to make the generalizations clear. Additionally, a sufficient sample will be collected, adequate to enable generalization of the results representing the population of the study area.

### **1.7 Definition of terms**

**Economic decision making** is the process of making business decisions involving money. The purpose of making these decisions is generally to come up with strategies that help to either make a company or an enterprise more valuable or to increase the owner's revenue.

**Empowerment** refers to measures designed to increase the degree of autonomy and self-determination in people and in communities in order to enable them to represent their interests in a responsible and self-determined way, acting on their own authority.

**Equality** refers to the state of being equal, especially in status, rights, and opportunities.

**Microcredit** refers to extension of very small loans (microloans) to impoverished borrowers who typically lack collateral, steady employment or a verifiable credit history.

**Women empowerment** refers to increasing the spiritual, political, social and economic strength of women. It also involves developing confidence in the abilities of those women.

**Social effects** refer to the effects of an activity on the social fabric of the community and well-being of the individuals and families.



**Political effects** refer to the effect that government policy and its administrative practices can have on something.

**Economic decision-making** refers to the effect of an event on the economy in a specified area, ranging from a single neighborhood to the entire globe. It usually measures changes in business revenue, business profits, personal wages, and/or jobs.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This section deals with the literature concerning the effects of microcredit programmes on women empowerment in Kitui County. It comprises a review of literature on political, social and financial empowerment with reference to microcredit programmes. The review is done based on the following subtopics: Microcredit and women empowerment, shall rely on the Women's Empowerment Framework or Longwe Framework (1990) because of its significance in aiding planners to understand the practical meaning of women's empowerment and equality, and to evaluate whether a development initiative supports this empowerment (Hennik et al., 2012).

#### **2.2 Microcredit and women empowerment**

Microcredit is defined as the provision of diverse financial services to those individuals who lack access to such services from the formal banking institutions (Brana, 2013). Over and beyond the provision of credit facilities, microcredit institutions offer other services such as training of members on entrepreneurial and vocational skills so as to enhance the promotion of income generating activities. Microcredit institutions also educate their members on the importance of acquiring technical skills in their relevant fields (Hamad and Fernald, 2012).

Most of the microcredit institutions have claimed that their programmes have a positive effect on women as part of their campaign to promote microcredit among women. There are many effects of microcredit programmes on women that have been observed and reported by these agencies. They include economic security, higher wages, and improved nutrition for the family, better schooling and increased use of contraceptives resulting in smaller families (Hamad and Fernald, 2012). The microcredit agencies have also affirmed that their programmes result in greater empowerment for the women in their families and communities. Microcredit institutions have developed a number of innovations in lending that reduce the high risk levels and the cost of making small loans without relying on collateral (Brana, 2013).

In the 1970s, the women's movement in various nations identified credit as the major constraint on the ability of women to earn income. The movements became increasingly interested in the degree to which women were using the credit programmes focusing on poverty as well as the credit cooperatives. Women are increasingly becoming able to manage their own resources as well as the human resources due to the ease of access of loans from microcredit institutions. As a result, many women around the world have increased their self-reliance and self-esteem, and have better aspirations for the future. According to Kabeer (2012), women workers across the world make significant contributions to economic growth as well as sustainable livelihoods of their families and communities. Microcredit programmes empower women from the low-income households to make this contribution.

According to Kabeer (2012), women empowerment is the process of acquiring the ability to make strategic choices in life. In this respect, the ability to exercise choice is made up of three interrelated dimensions that include resources, agency and achievements. There are two important elements of women empowerment, namely, process and agency. The process of empowering women results in an expansion in their ability to have resources as well as to make strategic choices. Women are significant actors of change based on the agency element of women empowerment.

Moodie (2013) contends that women empowerment is one of the most significant issues in the present day development policies especially in the developing countries. Women empowerment is increasingly being regarded as the key constituent elements of the strategy for poverty reduction. It is viewed as a development objective in itself and as a means of enhancing growth, promoting better governance, and reducing poverty (Devaraja, 2011).

Mahmud et al., (2012), contends that women empowerment is an active and multidimensional process that allows women to realize their full identity and powers in all areas of life. According to Jain and Jain (2012), women empowerment comprising of cognitive and psychological elements and involves the understanding by women of their conditions of subordination, the causes of the conditions, and the need to make choices that

go beyond the social and cultural expectations. This in effect implies that the whole process of empowering women requires the ability as well as active involvement of the women themselves. The absence of women as agents of change in the process cannot therefore, be considered empowerment.

According to Kabeer (2012), most of the poor women, especially in Mwingi North, are usually excluded from the formal financial services and legal, institutional, socio-cultural, and regulatory barriers limit their access. Because traditional forms of credit have been denied to the women, they have been forced to borrow money from the lenders in the black market at interest rates that are exorbitant, depend on loans from other members of the family, or refrain from borrowing at all.

The governmental as well as nongovernmental organizations in developing countries have introduced microcredit programmes with the main objective of offering financial services to households and which mostly target the women. The programs that loan small amounts to women without collateral and gives them access to credit while at the same time assisting them to gain more economic security have revolutionized banking for women (Mahmud et al., 2012). While the household effect of women's borrowing is important, it is equally important to explore how women benefit from their participation in microcredit programmes. Women benefit from microcredit programmes through the cash income generated by self-employment and the assets they acquire in the process. A 10 per cent increase in credit to women increases their participation in the labour force by 1.0 per cent for the Grameen Bank (Gupta et al., 2013). The greatest impact, however, is on women's non-land assets, which—with a 10 per cent increase in borrowing—increases by 2.0 per cent for the Grameen Bank (Gupta et al., 2013). In contrast, credit to men does not have any significant impact on women's labour supply or women's holding of non-land assets.

### **2.3 Global aspects of microcredit**

Providing the poor with financial services increases their income and productivity, thereby reducing poverty. But in many countries, traditional financial institutions—which require physical collateral worth three to four times the amount of their loans—have failed to reach

the poor. Microcredit programmes have been developed to fill this gap. Many of these programmes use social mechanisms, such as group-based lending, to reach the poor and other groups, especially women, who lack access to traditional financial institutions. With increasing assistance from the World Bank and other donors, microfinance is emerging as a powerful tool for reducing poverty and improving access to financial services in low-income countries (Burroway, 2012). In many communities, women lack the highly stable employment histories that traditional lenders tend to require. Many are illiterate, and therefore unable to complete paperwork required to get conventional loans.

Microcredit is part of microfinance, which provides a wider range of financial services, especially savings accounts, to the poor. Modern microcredit is generally considered to have originated with the Grameen Bank founded in Bangladesh in 1983. Many traditional banks subsequently introduced microcredit despite initial misgivings (Burroway, 2012). The United Nations declared 2005 the International Year of Microcredit. As of 2012, microcredit is widely used in developing countries and is presented as having enormous potential as a tool for poverty alleviation. Critics argue, however, that microcredit have not had positive effects on gender relationships, does not alleviate poverty, has led many borrowers into a debt trap and constitutes a "privatization of welfare" (Brana 2013). The first randomized evaluation of microcredit, conducted by Esther Duflo and others, showed mixed results: there was no effect on household expenditure, gender equity, education or health, but the number of new businesses increased by one third compared to a control group (Duflo et al., 2012).

In Kenya, microcredit is a relatively new phenomenon, with a few agencies starting approximately two decades ago. The sector has, however, been gaining the status of an industry only in the past 10 years. The Government of Kenya (GOK) has been indirectly providing a boost to the microcredit sector. In 1992, the GOK began implementing Structural Adjustment Programs (SAPs) which resulted in the liberalization of the economy. It identified areas and projects that required external donor support, including small-scale and micro-enterprises. Lack of access to credit was considered a major bottleneck for entrepreneurial development. The international donor community responded

generously. Microcredit agencies (in particular client-based ones) received major donor support (Hospes et al., 2002).

Depending on the purpose, two approaches are generally used to categorize the different providers of micro finance services in Kenya. The first and most commonly used one is on the basis of formality where providers are categorized as formal or informal depending on the extent to which the provider is registered and regulated under formal law and transactions are governed under the various statutes of the law of contract or rather by self-regulation or group-based rules. The second categorization is based on the customer/provider relationship in the management and ownership of the financial service-providing entity. Under this categorization, micro finance providers could be dichotomized into client-based micro finance agencies (CMFAs) and member-based microcredit agencies (MMFAs) (Maleko et al., 2013).

#### **2.4 Microcredit institutions and women**

Most of the world's poorest people are women. Furthermore, it has become apparent that in many instances microcredit facilities can significantly contribute to women's empowerment by generating additional income earning opportunities either for the women themselves or for the household. Once women start making more visible economic contributions to the household, this can lead to growth in women's self-esteem, self-confidence and their status both within the household as well as the wider community. Eventually, this provides women with more choices and a greater voice in family and community matters (Desai and Tarozzi, 2011).

Microcredit programmes also target women micro entrepreneurs because studies have shown that women are the 'change' agents of the family since women spend a greater percentage of their income on the welfare of their households than do men (Nessa et al., 2012). As a consequence, increase in women's incomes improves the health, nutritional and educational status of other household members, particularly children. Moreover, in longstanding programmes, as women have become organized, microcredit programs have formed a basis for addressing a range of other issues such as domestic violence and male

alcohol abuse. In regions where women's mobility is limited, women have become more visible and are able to better negotiate in the public sphere. It is also true that microcredit programmes target women because they have proved to be more reliable borrowers and are more likely to repay promptly than men (Faridi, 2011).

## **2.5 Effects of microcredit programmes on women empowerment**

The services offered by microcredit institutions result in the empowerment of women by positively influencing their decision-making power and improving their overall socio-economic status. It is estimated that the services provided by microcredit institutions had reached more than 79 million women from poor backgrounds by the year 2006 (Kumar et al., 2015). As a result, microcredit institutions have the ability to contribute significantly to gender equality and to promote better working conditions and sustainable livelihoods for women across the world.

The effects of microcredit institutions on women vary from woman to woman. These differences come about because of the differences in their productive activities or different backgrounds. There are other occasions where the microcredit programmes benefit those women who are already better off and the poor women are neglected or they benefit least from the programmes because they lack resource bases, skills and market contacts (Moodie, 2013). A research investigating the effects of women's access to credit was conducted by a team of financial experts in Uganda. Findings from the research indicate that irrespective of who had the managerial control over the credit, the access to credit significantly contributed to the magnitude of economic contributions that were reported by women (Jones, 2011). The access to credit by women was associated with high levels of mobility, involvement in major decision-making, and political participation.

Bakhtiari (2011) studied the impact of microcredit programmes on the lives of women and discovered that microcredit was a significant contributor to the empowerment of women in one way or another. Other studies have reported a mixed impact of microcredit on women empowerment. Karlan and Valdivia (2011) observed that microcredit programmes had succeeded in empowering women socially but economic empowerment could not be

possible because of lack of knowledge as well as understanding about business among the women. Batiwala et al., (2015) assert that microcredit programmes empower individual women but no empowerment effects can be found in groups.

Elborgh-Woytek et al., (2013), measure the empowerment of women through microcredit institutions in various dimensions including impact on decision-making, self-confidence, status at home, family relationships and instances of domestic violence, political empowerment, and involvement in the community. Since women empowerment is a process, it is important to consider the various ways in which women have been empowered through accessing loans from microcredit programmes.

The combination of increased economic activity by women and their control over income that results from their access to microcredit programmes results in social as well as political empowerment. Women's involvement in microcredit increases their awareness of political affairs and the subsequent political actions that they take. Karlan and Valdivia (2011) state that the duration of membership in a microcredit programme impacts on the likelihood of a woman participating in political activity. In this respect, membership is linked to political knowledge. Kato and Kratzer (2013) observe that in Tanzania, the economic ties produced through the access by women to microcredit results in improvements in their social capital and their ability to influence social norms. This in turn fosters the capacity of women to engage in collective action and facilitates collective empowerment. As a result, women engage in their social and political empowerment and this in turn addresses the goals of gender empowerment and equality. Such groups are able to bargain collectively in order to prevent malpractices in society and induce significant changes in the social fabric. According to Burroway (2012), microcredit programmes serve as a social development tool as they result in higher social status, better education, and better political participation of women. Kato and Kratzer (2013) observe that the combination of increased economic activity and increased decision-making in the household by women results in wider social and political empowerment.



In some countries, laws prohibit women from owning property or even registering property under their names. The assets owned by women are likely to be in non-land forms such as household furnishings and jewellery. Even though money lenders accept these assets, they do not meet the requirements for collateral as established by financial institutions (Hermes and Lensink, 2011). Women in most parts of the world continue to face discrimination when it comes to accessing land, property, housing, and other productive resources (Bakhtiari, 2011).

This situation is gradually changing with the emergence of microcredit institutions. Most of the microcredit programmes that are more successful usually accept the non-traditional forms of collateral in guaranteeing loans. Overall, microcredit institutions increase the control that women have over assets and this increases their access to the larger loans. The Grameen loans have assisted families to invest in land as well as other assets that they can fall back on during times of crises. There are housing loans which women can apply for by providing the title to their land and home and this provides a more secure financial basis for the entire family (Batiwala et al, 2015).

Hermes and Lensink (2011) report that access to credit for women contribute significantly to the likelihood of increase of asset holdings in their own names and an increase in the exercise of purchasing power. Microcredit programmes enhance the economic position of women and allow them to have access to as well as control over the economic resources in the household. As Karlan and Valdivia (2011) note, there are some microcredit organizations that offer services which provide the basis for increasing the ownership of land and property rights among women. The property rights are important when it comes to the ability of women to access as well as benefit from the financial services and are the primary elements in poverty reduction and rural development.

Kato and Kratzer (2013) found that there was an increase in non-land ownership of women who received an increase in credit from microcredit institutions. The researchers further observe that women borrowers were empowered to purchase their own assets. In another research by Hermes and Lensink (2011), old members of microcredit schemes were 5.19

times more empowered in terms of asset ownership when compared to the new members. This implies that the longer the clients borrowed from the scheme, the more assets they were likely to purchase. According to Duflo (2012), the welfare effects of microcredit institutions on households were better with asset building under those situations where women were borrowers.

The freedom of movement of women is usually restricted to those moves that are based on their domestic responsibilities. The attitude of the male head of the household plays a significant role in the determination of the mobility of women. The participation of women in microcredit programmes is a significant predictor of increased mobility of women. According to Banarjee et al., (2015), microcredit programs required women to travel to weekly meetings within the village. There are trips that are made to the local program office and to occasional training programmes and this increase their travel outside of their villages.

The activities of microcredit institutions encourage and offer opportunities for the members to visit other locations with the main objective of acquiring skills, training, or to showcase their products in different fairs and exhibitions. The exposure that members gain from such programmes enhances their confidence in traveling to the other locations. Women who set up new businesses under microcredit programmes are required to visit the market in order to purchase raw materials or sell their products. Microcredit has made positive contributions to the use of freedom of movement by women (Waber & Ahmed, 2013).

According to sociologists, the balance of power within a marriage is usually influenced by the resources that each of the partners brings to the partnership. Partners that have more resources have been theorized to possess more power. Microcredit services result in the empowerment of women as they positively influence the decision-making power of women at the household level. The more women contribute to the family income, the more they increase their power relative to their husbands. This power is determined through the consideration of the person that has the authority to make economic decisions within the family. The access by women to savings as well as credit provides them with a greater

economic role in decision-making because of their subsequent greater economic contribution to the family incomes.

Dashy et al., (2016) reported that approximately 68 per cent of women in microcredit institutions increased their decision-making power in those areas that were initially dominated by men including family planning, marriage of their daughters, schooling of their children, and buying and selling of property. In a study carried out by Ochieng and Sije (2013), it was observed that most of the women in microcredit institutions were making decisions regarding business investments jointly with their husbands as opposed to their husbands making such decisions on their own. The economic disadvantage of women as well as the concerns that relate to simple human equity is the most important reason for looking at the impact of gender in microcredit interventions. Even though women have an increased presence in the public sphere, they remain significantly underrepresented in most areas especially in economic decision-making. The absence of women in economic decision-making processes which shape the allocation of valued resources as well as opportunities only serves to perpetuate gender inequality Koshy (2014).

As Ouma and Rambo (2013) note, one of the major reasons as to why women are the preferred clients for microcredit is for them to be empowered in order for them to play an equal role in economic decision-making. Mohammed Yunus, the founder of Grameen Bank, observes that the incomes of women resulting from the loans have assisted one third of the families to move out of poverty past the basic levels of subsistence (Elborgh-Woytek et al., 2013). Microcredit institutions link rural poor women with the formal credit delivery system that provides them with micro-loans and this encourages them to set up micro-enterprises. The contribution by women to household incomes allows them to become economically independent and the financial decision maker when it comes to matters that relate to household expenditure. The economic contribution of women increases their roles in economic decision-making in the household that result in the greater well-being of women, children, and men in the family. Hermes and Lensink (2011), opine that the contributions made by women to household incomes as well as the freedom of economic decision-making at the household level give them a measure of economic independence.

Despite all the mentioned positive effects that microcredit institutions have contributed to women empowerment, there have been some negative outcomes associated with microcredit programmes. According to Burroway (2012), there are a number of conflicting opinions regarding the ability of microcredit as a development tool for reaching poor women. There are a number of cases of women who have dropped out of microcredit institutions because of failing to maintain regular savings, lack of ability to repay the loans, and lack of skills, confidence, and opportunities that are required in order for them to invest in their own micro-businesses (Qazi et al., 2013). Microcredit institutions have exhibited reluctance when it comes to revealing the number of women who drop out from their groups especially when it involves those women who lacked any other means of supporting themselves and their families.

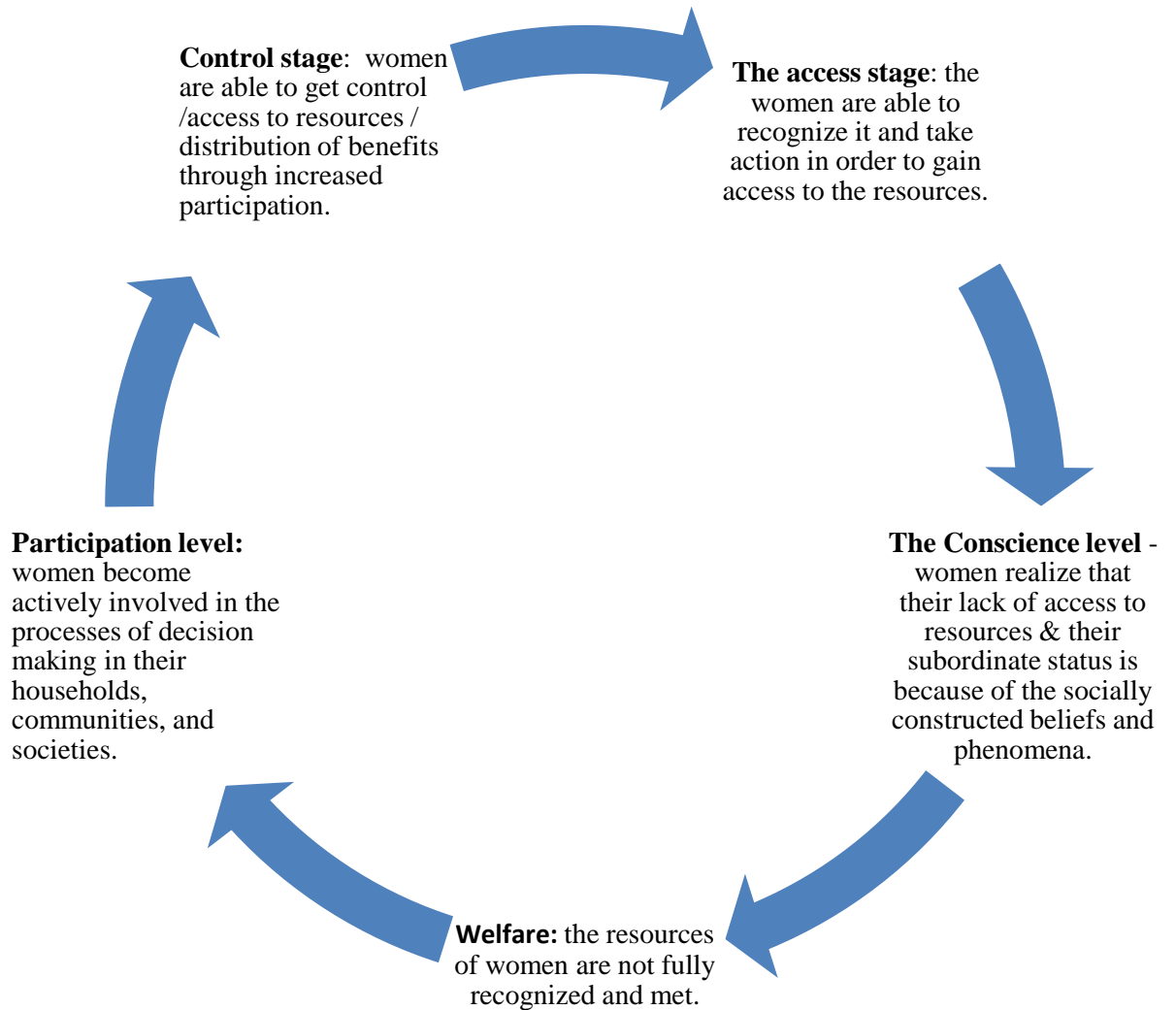
Koshy (2014) contends that the impact of microcredit programmes on women is not always positive. The women who establish enterprises experience small increases in income at the cost of repayment pressures and heavier workloads. Some of the loans that are acquired by women from the microcredit institutions are used up by the men in setting up enterprises. Jain and Jain (2012) observe that between 40 and 70 per cent of the loans that are disbursed to women by microcredit institutions are used by their spouses and the tensions within these households only serve to increase domestic violence. According to Koshy (2014), evidence has shown that the actual contributions of microcredit institutions, is often limited even in those microcredit programmes that are financially successful. Most of the women usually remain confined to a narrow range of female low income activities.

Membership in microcredit institutions can also be termed as a process of disempowerment. The credit received from microcredit institutions is also a debt, and the savings and loan interest payments to these institutions diverts resources that could otherwise have been used on consumption and investment. The placement of the responsibility of savings and credit in the hands of men absolves men of their responsibility in the household. The repayment pressures only serve to increase tensions among the

women and results in a situation where the most disadvantaged women are excluded from markets and communities (Burroway, 2012).

### **2.5.1 The Longwe framework**

The theoretical framework in use in this proposal is the women empowerment framework that was developed by Sara Longwe in 1990, popularly referred to as The Longwe Framework. According to Longwe, poverty arises not from lack of productivity but from oppression and exploitation. The Longwe conceptualizes the equality of women in five progressive levels, among them control and participation, which includes economic participation and control (Figure 2.1)



**Figure 2.1: The Longwe Framework**

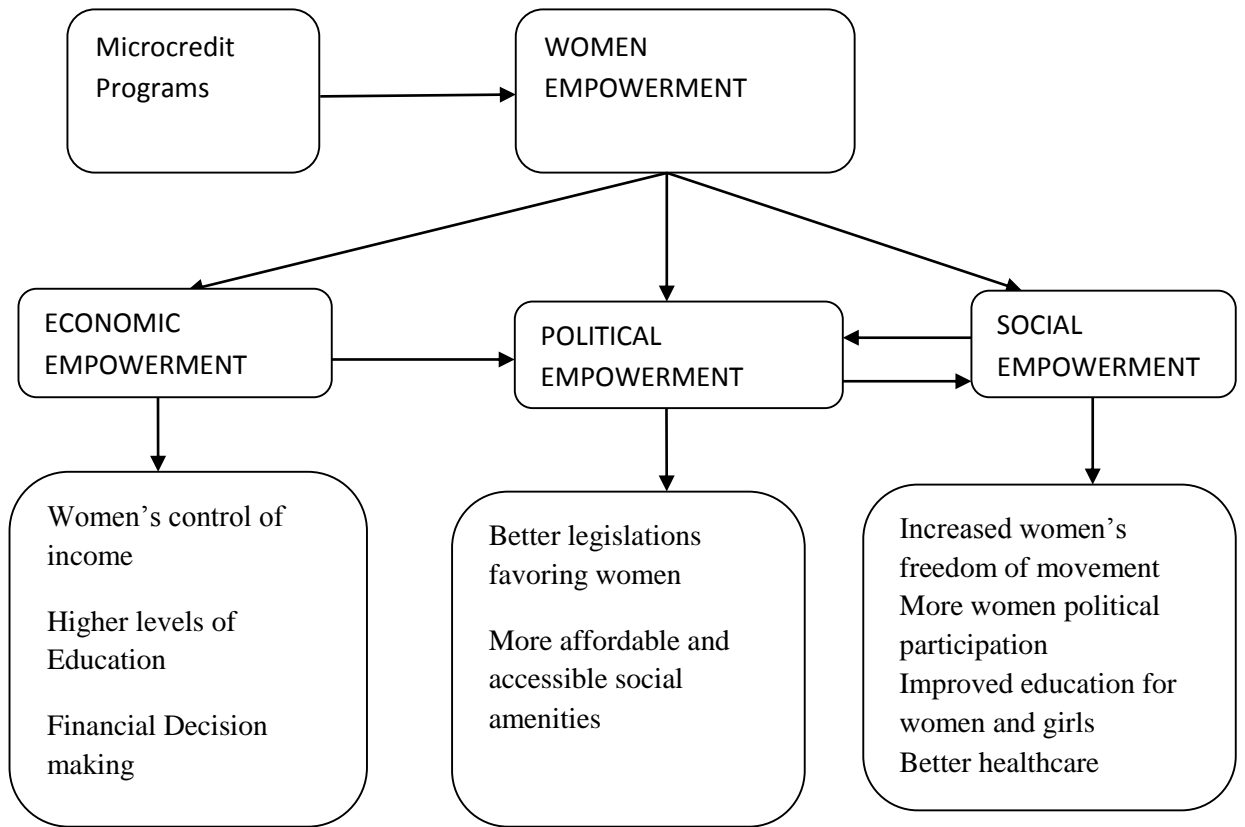
### **2.6 Relevance of the theory to the Study**

The Longwe framework helps planners understand the practical meaning of women's empowerment and equality, and then to evaluate whether a development initiative supports this empowerment (Nessa et al., 2012). The basic premise is that women's development can be viewed in terms of five levels of equality: welfare, access, conscientisation, participation and control. Economic empowerment of women is essential at each of these levels. Specifically, Longwe (1990) argues that poverty arises not from lack of productivity but from oppression and exploitation and conceptualizes the above five progressive levels

of equality, in arranged in hierarchical order, with each higher level denoting a higher level of empowerment (Faridi, 2011). These are the basis to assess the extent of women's empowerment in any area of social or economic life. Welfare addresses basic needs like food, shelter and clothing. Women need to be empowered economically to gain access to such as access addresses ability to use resources such as credit, land and education. Microcredit programmes allow women to have access to loans and ownership of assets.

Conscientisation is the recognition that discrimination creates gender issues and women may contribute to this discrimination. Part of the services offered by microcredit programmes is the sensitization of women to the concepts of equality and equity. With participation, women are equal to men in making decisions, which also include financial decisions. When men and women join microcredit institutions, they are deemed equal participants, and no favours are accorded to any person on the basis of gender. Control negates the balance of power between the male and female gender. Women are empowered by microcredit institutions to reach a point of control of finances and major projects around the household. In this way, women are able to become empowered socially, politically and economically.

In relation to the objectives of this study, the Longwe framework is relevant in that it will help in evaluating the effects of microcredit institutions on the women in Kitui County. The welfare needs of the women will be examined; their access to control of resources, as well as their participation in economic decision making will be looked into as well. The second objective of this study looks into the political effects that microcredit facilities have had on women in Kitui County. The Longwe framework related to this objective on the level of participation, which is not only related to finances, but also other areas of participation such as political participation as conceptualized by figure 2.2 below



**Figure 2.2: The Conceptual Framework**



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This part describes the methodology that was used in the study. It describes the research site, research design, methods, data processing as well as ethical considerations of the study.

#### **3.2 Research Site**

This study was carried out in Mwingi North, in Kitui County located in Eastern Kenya. Mwingi North has 5 electoral wards, namely Ngomeni, Kyuso, Mumoni, Tseikuru and Tharaka. The constituency covers an area of approximately 4,769.60 square kilometers, and it has a population of approximately 139,967 people, according to the 2009, National Census (<https://www.knbs.or.ke>). The local people in Mwingi North are largely of the Akamba community. According to a report released by the Kenya National Bureau of Statistics, out of all school going children, only 44% of children are able to attend primary school, and only 13% manage to proceed to secondary school (<https://www.knbs.or.ke>). Mwingi North was chosen for this research due to the high poverty level in the area. The county had various commercial banks and microcredit institutions like Kenya Women Finance Trust (KWFT), Faulu Kenya and Caritas among others. The main economic activities were livestock keeping, farming of tobacco, cotton, coffee and mango farming and commercial businesses.

Agricultural products include livestock products, maize, beans, sorghum, pigeon peas, cowpeas, cassava and millet. The county is endowed with arable land, wildlife, livestock, forests and minerals which include huge deposits of coal.

#### **3.3 Research design**

This study adopted a cross sectional descriptive design. This research design is deemed appropriate because it allowed an in-depth investigation of the various microcredit programmes in Kitui County. Specifically, this study used both qualitative and quantitative data collection and analysis methodologies. Data was collected through Focus Group

Discussions, Key Informant Interviews and semi structured Questionnaires, as further discussed on the subsequent sub sections. Analysis was done through a Social Statistical Package (SPSS 20) and the results was presented in form of tables and graphs.

### **3.4 Study population**

The study population was comprise all women who are members of microcredit institutions, those who have borrowed or belong to projects supported by micro credit finances in the area. The unit of analysis was therefore, be the individual woman.

#### **3.4.1 Sample population and sampling procedure**

The sample population consisted of 50 respondents, derived by Cochran formula (Singh & Masuku (2014). The results were useful to understand the effects of microcredit program at large in Kitui County. Simple random sampling was used to identify the individual respondents, as there are a large number of women in the study area, associated to microfinance borrowing. Simple random sampling also removed the bias that may arise unlike in purposive sampling. A sampling frame was obtained from the micro credit managers, from which a random sample was selected. For ease of access and time management, the enumeration was carried out with the assistance of a local administrative officer, either a local chief area or a church leader, who will assist in directions and any other information that may be required.

### **3.5 Data collection methods**

This study used both qualitative and quantitative data collection research methods.

#### **Survey**

The survey was conducted using a structured questionnaire with close-ended and dichotomous questions. The questionnaires were administered directly to women in selected groups within Mwingi North. The questionnaire was into various sections that was looking to answer four main sections of the study, namely: demographics, social, political and economic effects of Microfinance institutions.

Prior to the main study, a pre-test was conducted with 10 women within Mwingi North, and corrections were thereafter made before distributing it to the target population. This process helped to refine the questionnaire, enhance its readability and minimize the chances of misinterpreting questions.

### **3.5.1 Key Informant Interviews**

Key Informant Interviews were used to provide information that the women in microcredit institutions may not be able to tell. Key Informant Interviews were conducted with managers of local microcredit institutions and field officers attached to the microcredit institutions. The field officers brought an on-the-ground picture of the challenges faced by women in obtaining micro credits among other issues that the women themselves may not be able to articulate. The managers provided information on how their policies and strategies focus on development of the women, and how well they perceive to have succeeded in this. Generally, the key informants will help provide in-depth information, from a service provider point of view, on how the microcredit institutions have been affecting the women positively, and causing changes in their economic lives, as well as in their families. Comparing the information received from the women with that obtained from key informants was useful for drawing policy implications and finding solutions to any existing gaps.

### **3.6 Data analysis and presentation**

Once all the raw data is collected, it was cleaned and then edited for completeness and consistency. They were then systematically organized to confirm if they represent the target population and to facilitate objective analysis at a later stage. Quantitative data was analysed using SPSS version 17 and frequencies, percentages and tables were used to present the findings. Qualitative data was analysed thematically and presented in quotes.

### **3.7 Ethical considerations**

This study does not anticipate any physical or psychological harm to the participants. This is because it focused on perceptions of participants concerning the effects of micro-credit programmes on women empowerment. However, some respondents might feel

uncomfortable while answering some of the questions. Therefore, to reduce this risk the respondents was informed that their participation in the study is voluntary and that they are free to withdraw from the study at any stage without negative repercussions on them. Similarly, they were presented with an informed consent form that had a description of the study, their roles in the study and any anticipated harms or benefits. The participants was required to sign the informed consent form before data collection proceeds. In addition, the respondents was assured of privacy because only codes or pseudonyms was used when reporting the findings. They were also assured that all the data obtained from the research was used solely in addressing the objectives of the study. Finally, the data was confidentially and securely stored on a computer with password protection (Kono, 2012). A permit for conducting the research was acquired from the relevant authorities, so as to ensure that the research process is law abiding.

## CHAPTER FOUR

### DATA ANALYSIS, INTERPRETATION AND DISCUSSIONS

#### 4.1 Introduction

This chapter presents the results and interpretation of the results. For clarity and chronology, it is arranged according to the research objectives that the study sought to achieved. The analysis was done using descriptive analysis.

#### 4.2 Background Information

Location of the residents of the respondents was sought. From the results, 30% of the respondents were from Tharaka , 27% were from Kyuso, 25% were from Mumoni and 18% were from Ngomeni. This clearly indicated that respondents were selected from Mwingi North Sub County.

**Table 4.1: Location of the Respondents**

Marital Status	Frequency	Percent
Ngomeni	8	18
Kyuso	12	27
Mumoni	11	25
Tharaka	14	30
Total	45	100

#### **Respondent Marital Status**

Results ion marital status, respondents (46%) indicated that they were married, 22% were windowed, 13% were separated, 11% were divorced and 8% were single. This clearly demonstrated that women in microfinance programs come from all categories of women who need empowerment in their life.

**Table 4.2: Respondent Marital Status**

Marital Status	Percent
Single	8
Married	46
Divorced	11
Separated	13
Widowed	22

**Highest level of education completed**

The study sought the highest level of education attained by the women respondents. From the results, 47% of the respondents had attained secondary level of education, 20% had attained higher level of education, 16% had attained primary level of education from class 6-8, 7% had attained class 1-5 as the highest level of education, 6% had never gone to schools while 4% had attained postgraduate level of education.

**Table 4.3: Highest level of education completed**

Marital Status	Frequency	Percent
Never been to school	3	6
Class 1-5	4	7
Class 6-8	7	16
Form 1-4	21	47
Higher education	9	20
Postgraduate	2	4
	45	100

**Decision Making**

The respondents were requested to indicate the size of the households. The 38% respondents indicated that their family size was 8-10 members, 35% of the respondents indicated that their family size had 5-7 members, 14% of the respondents indicated that their size of the family was 3-4 members in the last 12 month while 13 had 1-2 family members for the last six months for the last 12 mothers . The results demonstrated that

households decision making is critical in microcredit finances on women empowerment in Mwingi North Sub County, Kitui County

### **Bread Winner in Household**

**Table 4.4: Bread Winner in Household**

<b>Marital Status</b>	<b>Frequency</b>	<b>Percent</b>
<b>Husband</b>	19	41
<b>Wife</b>	16	36
<b>Use spouse or daughter</b>	8	18
<b>Guardian</b>	2	5
<b>Total</b>	45	100

The respondents were requested to indicate the breadwinner in the households. From the findings, 41% (19) of the respondents indicated that husbands were the breadwinners in the households, 36% (16) indicated wives, and 18% (8) indicated spouse or daughters while 5% (2) indicated guardians were the breadwinners in the households. The demonstrated that a relative large numbers of women were sole breadwinners of their households and offering of microcredit and empowerment play a significant role.

### **Responsibility for making Decision in the households**

**Table 4. 5: Main decisions Makers in households**

<b>Marital Status</b>	<b>Frequency</b>	<b>Percent</b>
Women	18	40
Husband	21	47
Son or daughter	6	13
Total	45	100

The results on who making main decisions in the households, 47% (21) indicated that husbands making the main decisions in the households, 40% (18) indicated women, 13% (6) indicated that sons/ daughters makes main decisions in the households. This demonstrated that a relatively high numbers of women are involved in making main decisions in the households and offering microcredit to women empower them in executing their decisions in their households.

On whether the person named above had been sole decision makers, 79% (36) of the respondents indicated that the individuals are helped by others in making main decisions and that when men have been a main decisions makers, women plays a roles to a large extent, 21% (9) indicated the individuals made their decisions alones. The findings support the need for provision of microcredit facilities and empowerment to women who contribute to households main decisions.

### **Whether Women Make Decisions in the households**

**Table 4. 6: Whether Women Make Decisions in the households**

Responses	Frequency	Percent
Yes	40	89
Assists in making decisions	5	11
Total	45	100

The respondents were requested to indicate whether they are involved in making any decisions in their households. From the results, 89% (40) of the respondents indicated that they are involved in making decisions while 11% (5) indicated that they assist in making decisions affecting the households. This demonstrated that women were playing significant roles in making decisions in the households.

### **Types of Decisions**

**Table 4. 7: Types of Decisions**

Marital Status	Frequency	Percent
Income related	38	85
Household consumption only	35	78
All	41	91
Total	45	100

The respondents were requested to indicated the types of decisions women are involved in decision makings. From the findings, 91% (41) indicated that women were being involved in making all the decisions in income related and households consumptions , 85% (38)



indicated that women were being involved income level related among women undergoing empowering through offering them in microcredit facilities to improve on living standards, 35% ( indicated that women were being involved in Household consumption only. This clearly indicated that women play important roles in decision making on income and consumptions in households.

### **Interested in Involvement in Political and Political Decision Making**

**Table 4.8: Interested in Involvement in Political and Political Decision Making**

Interested in Involvement in Political and Political Decision Making	Frequency	Percent
Yes	36	85
No	9	78
Total	45	100

Results in table indicate whether women had any desire to be involved in politics and political decision making. From the findings, 85% (36) had desire to involve in politics and wish to be making political decisions. This demonstrated that involving women in decisions making improve on women leadership to influence decisions and foster households developments

### **Whether ever involved in any politics or political decisions**

**Table 4.9: Whether ever involved in any politics or political decisions**

Political and Political Decision Making	Frequency	Percent
Yes	42	93
No	3	7
Total	45	100

The respondents were requested to indicate whether they ever involved in any politics or political decisions. 93% (42) indicated that they had ever involved in political decisions while 7% (3) indicated otherwise. This clearly indicated that women were being involved in making leadership decisions that plays a role in empowerments of women and promote their capacity to making decisions. The respondents explained that lack of desires to making political decisions, others indicated lack of capabilities to foster their on their households due to family or household rules by the husband, economic barriers, social barriers, level of education and gender discrimination barriers) . Respondents also explained that steriotypig, gender based perception on political leadership and decision making.

The study sought main household assets or properties house, land, and livestock in women household. The results indicated that there were various properties in the households including land, house, equipment and livestock who owned by the men and in some cases women. Women were not allowed to own properties creating wide gender inequalities in Mwingi North Sub County. In a case of separation, women were being sidelined and not allowed to posses or keep the household properties.

On household members that made decisions regarding the use and sale of household assets or property and how are decisions made, the interviewees clearly indicated that men were the main decision makers in regards to properties with no consultation. The importance attached to the properties informed the key decision making. The interviewees land was the most significant property that men solely make decision without involving women or any other parties in the households. This impact negatively on women self confidence, affected their dignity and independent in decision making

The study sought whether decision making patterns changed after belonging to a microfinance programme. The interviewees indicated properties decision making patterns changed when women joint microfinance institutions. This was attributed to empowerment of women who increase their income level and contributed to development of the households, training and financial and social inclusion position women in decision making on household properties.

### 4.3 Awareness, Perception and Involvement in Microfinance Organizations

The study intended to establish awareness of microcredit facilities institutions in Mwingi North Sub County. All (100%) of the respondent indicated that they were aware of microfinance institutions in the Sub county. The study also intends to find the microfinance institution in the area that contributes to women empowerment. Respondent (88%) indicated there was Rafiki Microfinance and respondents (89%) indicated KWFT was operating in the area, 90% of the respondents indicated that Faulu Microfinance was operating in the area, 84% indicated SMEP Microfinance, 80% of the respondents indicated SISDO, 75% of the respondents indicated Premier Microfinance and 51% indicated Juhudi MFIs.

**Table 4. 10: Political and Political Decision Making**

Political and Political Decision Making	Frequency	Percent
Rafiki Microfinance	42	88
KWFT	3	89
Faulu Microfinance		90
SMEP		84
Sisdo		80
Juhudi MFIs		51
Premier Microfinance		75
Total	45	100

### Microfinance Institution Services

The study intends to find services offered by the microfinance institutions. This had a direct impact of women empowerment. From the results, 93% of the respondents indicated that Microfinance institutions were providing credit facilities inform of loans to members. This improves women member accessibility of finances. Respondents (91%) indicated that Microfinance institutions were also providing savings mobilization for members while respondents ( 89%) indicated that microfinance institutions were offering training services to the women in an effort to improve their capabilities through knowledge sharing and

acquisition. The respondents explained that Microfinance institutions were offering training through mentoring and networking, all of which are aimed at improving women's financial skills, improve women exposure to new business ideas, improved record keeping and budgeting skills, costing skills and wise investments.

The study sought whether the respondents were members of microfinance institutions or women groups. All (100%) of the respondents indicated that they were members of microfinance institutions and women groups as well. On how long they have been a members of the microfinance institutions, 41% indicated they have been member of the microfinance institution for over 20 years, respondent (29%) indicated that they have been members of the microfinance institutions for 16 to 20 years, respondents (22%) indicated that they have been members of the microfinance institutions for 11 -15 years, 10% of the respondent indicated that they have been member of microfinance institutions for 6-10 years while 7 % of the respondents indicated that they have been a members of the microfinance institutions for 1-5 years

The study aimed at establishing whether members had been offered any microloan. All (100%) of the respondents indicated that they have been offered loan facilities. The members explained that low interest rate charged on loans and training on investment and financial management motivate member's member taking loans with the microfinance institutions. On whether the members were offered loan as they requested, all (100%) indicated that loan were being offered to individual on the basis on repayment capability. The respondents explained that collateral as security to secure loans were not major concerns as members in the group actors as guarantors who repay when member of the group failed to repay loan awarded.

#### 4.4 Effects of Microfinance's on Economic Welfare

**Table 4. 11: Economic Development on Joining Microfinance**

Economic Development	Frequency	Percent
Yes	45	100
Total	45	100

The respondents were requested to indicate whether they have developed economically since joining the microfinance. From the results all the respondents (women) indicated that they had experience economic development since joining the microfinance. The respondents explained that they were in a position of getting credit facilities that enable them start businesses, other indicated that they were able to start dairy farming which increases earnings from selling of milk, other indicated that they purchase tailoring machines and increase their income level through tailoring while others started second hand clothes businesses.

#### Approval of Microfinance Membership

**Table 4. 12: Approval of Microfinance Membership**

Economic Development	Frequency	Percent
Yes	32	71
No	23	29
Total	45	100

On whether the spouse (husband) approved respondents being members of the microfinance institutions, the results indicated that 71% had their members approved while 29% (13) membership in the microfinance was not approval. The member explained that their spouses were not supportive of their engagement with the microfinance and never appreciated the contribution of women in the households. The respondents whose members were approved to be members of the microfinance indicated that they were involved in decision making economic wellbeing of the households hence engaged and supported to engaged in income generating activities to increase household income level.

**Table 4. 13: Spouse Financial Support**

Spouse Financial Support	Frequency	Percent
Yes	27	60
No	18	40
Total	45	100

Results on whether spouse (husbands) support the respondent's financially on monthly savings on loan repayment indicated that 60% (27) of the respondents were being supported financially; while 40% (18) indicated that their spouses were not supportive financially. This implied that most respondent's joint microfinance institutions in efforts to access funds start enterprises and improvement women earnings, repayment loans and improve their economic status. The respondent's women who indicated that they were not supported by their spouses indicated that they repay loans without support, relied on microfinance to access funds and support their activities. The unsupported respondents further indicated that through microfinance, they were able to access funds, start income generating activities, increase their savings repay loans to microfinance and improve household income levels. The respondents indicated that spouses (husbands) were not trusting the respondents, claimed that the role of women were to rear children. Further the unsupported respondents indicated that supported of women in the households was not supported nor recognize as men chauvinism take center stage denying women opportunities to work, access finance and run their income generating enterprises.

#### **Interest Rate on Microfinance loan**

**Table 4. 14: Interest Rate on Microfinance loan**

Spouse Financial Support	Frequency	Percent
Extremely High	27	17
High	18	21
Fair		49
Low		13
Total	45	100

The respondents 49% indicated that interest rate on microfinance loan was fair, 21% of the respondents indicated that interest rate on microfinance loans was high, 17% of the respondents indicated that the interest rate on microfinance loan was extremely high while 13% of the respondents indicated that interest rate charged on interest rate was low. This demonstrated that interest rate charged on microcredit was relatively fair and majority of respondents could access the loan to fund income generating activities of choice and contribute to increase level of income level in the households.

### **Respondents Failure to Take Loans Due to Interest Rate**

**Table 4.15: Respondents Failure to Take Loans Due to Interest Rate**

Spouse Financial Support	Frequency	Percent
Yes	7	17
No	38	83
Total	45	100

The respondents were requested to indicate whether they had failed to a loan due to interest rate charged on the loans. From the results, 83% indicated they had not failed to take a loan due to interest rate charged on the loans while 17% indicated that they had not taken a loan due to high interest rate charged on the loans. This clearly demonstrated that most respondents were able to take microcredit and hence accessed funds that foster capability to fund enterprises and other activities that generate income and improve respondent's economic empowerment.

### **Respondent Denial of Loan due to lack of Collateral**

**Table 4.16: Respondent Denial of Loan due to lack of Collateral**

Denial of Loan Response	Frequency	Percent
Yes	1	2
No	44	98
Total	45	100

In offering of microfinance loans, collateral play a significant role as it provides a security to the loan facility. The 98% respondents indicated that members act as guarantors and lack of collateral does not make members not to secure loan, 2% indicated that they failed to secure loan due to lack of collateral. This implied that microcredit offered based on group members act as a strategy that foster members accessibility of loan hence improve respondents empowerment.

#### 4.5 Effects of Microfinances on Social Welfare

**Table 4.17: Effects of Microfinances on Social Welfare**

<b>Response on Effects of Microfinances on Social networks</b>	Frequency	Percent
Yes	44	98
No	1	2
Total	45	100

Table 4. indicate results on whether respondents being members of microfinance helped in increasing social network. From the findings, 92% of the respondents indicated that being a member of the microfinance contributed to increase in their social networks. The respondents explained that being a microfinance members have enable then attend training in different areas at county and national government level making new friendship and learning's from new friends, travelling and marketing of their produces enable respondents meet new customers and news entrepreneurs and foster exchange of ideas from other members of the groups and investors especially in agricultural shows and exhibitions. Only 2% of the respondents indicated that they had not increased their social network. This demonstrated that microcredit institutions contribute significantly toward empowerment of members by fostering social networks that improve on knowledge sharing, idea sharing and improvement in market for the produced.



## Member Meeting Frequency

**Table 4.18: Member Meeting Frequency**

<b>Response on Effects of Microfinance on Social networks</b>	Frequency	Percent
Once a week	44	98
Once a month	1	2
Total	45	100

On the frequency of the member meeting s, 75% indicated members meet once a month, 25% indicated the member meets twice a month. This demonstrated that meeting frequency was done once a month improve member social networks, gain news ideas, and improve on the empowerment of the respondents. On whether respondents attend all the meetings, all 100% indicated that they attend the meetings as required in the memorandum and only members failed to attend the meeting due to reasonable cause. This enhances group commitment and cohesion promoting group social networks.

The interviewees indicated that before joining microfinance institutions, women were in social networks informed by the cultural beliefs when women engage in community welfare and meeting family members during family gathering. The women role in family gatherings and family network was to take care of the children and performance housewife roles.

Joining microfinance institutions have led to transformation of women social networks as this have made women meet other women in women groups, form networks with new peoples such as microfinance management and officers, mentors and access new customers of their products. The new social networks have influence change of women housewife responsibilities to managers of their enterprises, income earners, leaders in their enterprises and households. Joining of microfinance institutions has influence women to gain financial independent, respect and making decisions in their households beside gain many skills on investment and financial management skills.

In the households, the women were found to engage their spouse more. The interviewees explained that the need to make critical decisions and provisions influence women engaging their spouses more in new social networks. The interviewees also indicated that gender roles in the household contributed to engagement of men in the new social network to gain support.

### **Selection of Group Leadership**

**Table 4. 19: Selection of Group Leadership**

Response on Selection of Group Leadership	Frequency	Percent
Members	35	78
Management of the microfinance	10	22
Total	45	100

The respondents were requested to indicate the party responsible for choosing group leadership. From the results, 78% of the respondents indicated that members of the group selected group leadership while 22% of the respondents indicated that management of the microfinance institutions influence choice of group leadership. This clearly indicated that members of the groups had the responsibilities of choosing leadership for the groups. However, management of the microfinance institutions would have little power on group leadership selection.

**Table 4. 20: Respondents Satisfaction with Current Leadership**

Response on Selection of Group Leadership	Frequency	Percent
Yes	39	87
No	6	13
Total	45	100

On whether respondents were satisfied with the current group leadership, 87% of the respondents were satisfied while 13% indicated otherwise. This clearly demonstrated that microfinance provision enhance women empowerment in determining the leadership of their choice. This contribute to more women in leadership and improve on their decision making on matter involving their income generating activities, challenges and how to overcome them as well as enhancing social networks.

### **Leadership and influence in the community**

The study sought parties that participate in public decision-making and speak up in public on social functions. The interviewees indicated that women who were well economically, who were operating well doing enterprises and who were selected in a position of leadership and who were independent were participating in public decision making.

The interviewees also indicated that women members who joined microfinance programmes were empowered to a point of attaining leadership position taking part in decisions in the community. The Interviewee indicated that microfinance institutions promote inclusion of women in leadership promoting their participation in decision making and in development of their households and community at large

M4 : “ By tracking women funded activities promote financial and social inclusion of women in leadership positions, as well as more standard criteria such as the gross loan portfolios of the institutions they finance, investors help that ensure that women play a strong role in developing banking sectors on both a community and regional level”.

Microfinance programmes provide regular training to their beneficiaries; how has this contributed to women empowerment in terms of leadership and influence in the community that the interviews will convey a general improvement in women’s access to resources, in improvements in labour or trade and in the expression of leadership in economic and social terms, but that the improvements will not be as pronounced in, for example, voting behaviour and other political factors. It was found that the women with both leadership and development experiences already had a considerable degree of mobility within and outside the villages. Inspired by NGOs there are currently an increasing number of cases of women who have started to contest in the elections, although their numbers are still small. Once they have become elected, some women have developed into leaders on the local political scene. As one interviewee noted that women in microfinance programs gain skills through training, attained leadership at group level and eventually inspired to lead their community at political level.

FG I 4: “The women leaders at group level coordinate and manage activities of the welfare group. She gain skills through training model adopted by Microfinance, keeping records of attendance and records of the issues that have been brought up and discussed during a meeting. Mentors inspired her to contest in political leadership as she had the right leadership skills for becoming a group leader. She had at the time acquired skills during 10 years of membership in the microfinance institution training programs in 12 years. Her member group supported her in the election to achieve political leadership and serve the community”.

### **Forms of members Trainings**

The study also intended to find out the form of microfinance training used and how such training empowered women. From the findings, 86% indicated that members received mentoring training , 78% indicated that they receive on field visit training, 70% indicate members receive off-field training group sessions, 60% indicated networking training while 58% indicated just in-time training. The respondents indicated through training members acquired skills and knowledge’s This implies that different forms of training of women were offered contributed to exposure to new business ideas, improved record keeping and budgeting skills, costing skills and wise investments skills.

**Table 4.21: Forms of members Trainings**

<b>Forms of members Trainings</b>	Frequency	Percent
Mentoring training	39	86
Field visit training	35	78
Off-field training group sessions	32	70
Networking training	27	60
Just in-time training	26	58
Total	45	100

### **Skills development and sensitization**

Information from focus group indicated that skills development trainings were included as part of the microfinance programmes. This the interviewees indicated that women were

offered training on financial management, budgeting, financial record keeping and financial reporting and risk management of their businesses improving women's financial skills, investment ideas and acquisition of knowledge.

The study was aimed at establishing the party in the household who receives microfinance training. The study found that women who have membership in group welfare qualified for the training. The interviewees also indicated that increase in training frequencies and use of different training models has both women and men as members improve on their skills in production, manage their enterprises effectively, new venture development as women engage in startups of businesses and increase in diversification of members income generating activities. The interviewees indicated that

FG1: "The training programs initiated by microfinance institutions has foster development of new start ups, existing business expanded and utilization of machines and equipments that were not used before by the members of the groups".

Sensitization of training events promote attendance of members in trainings. The study found that Microfinance institutions organize for training of members for about 8 weeks in different themes in respect to microfinance goals to improve financial literacy, financial management of investment training, financial management, investment management and decisions. This implied that microfinance institutions sensitized members through training to gain independence in management and foster making of decision that have positive impact on household socio- economic status.

### **Occupation of Group Members**

There was a need to establish the occupation of most of the group's members. From the results, 61% indicated that they were housewife and casual laborers, 24% indicated that they were tailors, 11% were teachers, 60% were farmers while 58% of the women were business women. The accessibility of finances from microfinance transform occupation of various members of the groups through starting new ventures and supporting existing

ventures thereby increasing women economic empowerment in Mwingi North Sub County.

**Table 4.22: Forms of members Trainings**

<b>Forms of members Trainings</b>	Frequency	Percent
Housewife and casual laborers	27	61
Tailors	11	24
Teachers	5	11
Farmers	17	60
Business Women	26	58

### **Fund Expenditures**

It was important to establish how women members spend the funds they accessed. This would be indicators of how the empowerment of the women due to accessing and income earned from the proceedings among women in Mwingi North Sub County. The study revealed that women were building better houses from the proceedings of the finance as indicated by 51% of the respondents, 63% indicated they pay schools fees for children, 57% indicated that they expand their businesses while 25% indicated that they use part of the fund for access better health services. This clearly demonstrated that microfinance finances play a significant role in household development and empowering women in Mwingi North Sub County.

### **Microfinance's Influence Social growth and Development**

The study intended to establish influence of microfinance help in social growth among women in Mwingi North Sub County .The results indicated that provision of microfinance services and products transform livelihood of women in Mwingi North Sub County by reducing poverty level as member access to quality healthcare, access to better education, gain better agricultural practices and employment opportunities, access to new market and diversification as well as increase social well being. This clearly indicated that microfinance institutions led to improvement of member social networks and improves social togetherness.

#### 4.6 Political and Decision Making Effects

**Table 4. 23: Involvement in politics and Political Decision making**

<b>Involvement in politics and Political Decision making</b>	Frequency	Percent
Yes	32	71
No	13	29
Total	45	100

The study intends to find out whether women were involved in politics and political decision making. The respondents (71%) indicated women were not involved in politics and in political decision making while 29% of the respondents indicated that women were not involved in politics and political decision making. This clearly indicated that women empowerment in political leadership had relatively been achieved. This was attributed to women members being members of microfinance institutions whether they increase their financial inclusion, gain leadership skills and gain confidence to speak in public forums. The interviewees also indicated that women who were empowered economically through enhance financial accessibility and improved social networks through being members of microfinance network contribute to household development fostering their self confidence, acquire leadership skills, self esteem, improve on their dignity and improve independent in decision making them to have political advantage in politics.

The study explored whether they were family members who were in politics due to participating in microfinance programs. All (100%) of the interviewees indicated that they were members of the family members who were political horned by being member of microfinance

#### **Microfinance influenced women positions in political power**

The results indicated that members of the microfinance influence their position in political power. Interviewees indicated that through microfinance service provision to members, women in Mwingi North Sub County access funds to finance their income generating activities, increase their income level and diversify their investment contributing to socio-

economic development of the households. Further, participating in Microfinance programs, women improve on their social networks, increase skills acquisition and improve on leadership qualifications empowering women in decision making

### **Women Powerless in Decision Making**

Women although empowered through participation in microfinance programs were found to be powerless in decision making in respect to properties such as land ownership and marriage decisions. All the interviewees indicated that women have not achieved legal right to property ownership. This has continued to hamper women inequalities as women have less decision making power in properties ownership and women have to consult their husbands on properties ownership. Most households are found to experience conflicts as men remain dominant in decision making in the households

### **Microfinance Manager**

There was need to explore the most popular customers of the microfinance institutions. The interviewees managers indicated that majority of their customers were women who take up their services as an individual or as a group. The results indicated that women customers were involved in welfare groups and the microfinance institutions find it easy providing loans to groups as opposed to individuals as the repayment of loans always made. The study intends to find out whether microfinance institutions prioritize the interests of women in any way. The results indicated that microfinance institutions give priorities to women as the managers indicated that women tend to operate in groups, vulnerable and strive to excel and improve on their living standards of their households. Manager interviewees from the KWFT indicated that all its products are designed for women working in groups as the study vision is to increase fund accessibility to women and empower them through funding, training and improving their capability to transform their life. Managers from the KWFT indicated



Mi: “KWFT incorporated group lending where women with no collateral can guarantee each other loans, thus opening avenues for them to access financing. Before the clients uptake the loans, the clients undergo 8 weeks training on financial literacy; here they learn various business skills such as book keeping/ record keeping and how to save”.

Sustainability of the microfinance institutions have the implication of continuous financial accessibility by women members, saving mobilization and more training on opportunities in women life. The managers interviewees indicated that women members always provide feedback on how utilization of loans has transform development of households coupled with the repayment of loans from the women members influence sustainability of the microfinance institutions to continue offering more loans , training and saving mobilization among women and improve on their empowerment.

### **Guidelines for selecting women empowerment projects**

There was a need to establish whether there were projects or products link to women empowerment in the microfinance institutions. Managers interviewees indicated that microfinance institutions design women financial products where microfinance institutions offer loans only design for women and offer products such water tanks project focusing on women take loans for acquiring water tanks, holds training conferences for women and offering training services on investments, financial management, marketing and on investments opportunities. Manager from Faulu indicated:

M2 : Microfinance institution provide smallholder women farmers in their agribusiness operations through offering credit facilities and training to boost their economic value”

The study intends to establish how the women projects were selected. The manager’s interviewees indicated that the needs in the markets and pressing issues facing women form the basis of selection of the project. The managers specified that the project ranges from Education Loans, phone loans for foster mobile loans, house loans, loan on renewable energy such as stove jiko, solars, farming loans to finance dairy, fish and green house farming all in an effort to empower women to transform their live.

The interviewees further explained that there were few guidelines and standards that include members to acquire loans should be a member of a welfare group, identification of activity with potential of generating income or solving a need and monitoring of the activities by the officers from the microfinance institutions. Manager interviewee M3 indicated that:

M3: “Before the clients uptake the loans, the clients undergo 8 weeks training on financial literacy; here they learn various business skills such as book keeping/ record keeping and how to save. The clients then hold monthly meetings with the our microfinance officers where they walk the financial journey. This approach has provided financial services at the client’s doorstep to provide convenience and save time and money”.

All the managers interviewees indicated that microfinance projects and products had improve living standards of members and empower women in Mwingi North. The findings Indicated that women members in microfinance institutions are offered loans to increase their financial accessibility to invest and improve on their social economic development . SMEP manager interviewees indicated that

M3 : We provide loans to help women in improving their living standard by offering loans and finance their businesses as well as providing financial assistance improving financial inclusion funding income generating activities, trained women and encourage savings”  
Te interviewees indicated that women get access to financial services to invest in their talent and businesses and enable them acquire equipment or buy supplies in bulk, helping to increase their profits every month.

Also microfinance institutions have influence many women in Mwingi North to use the profits to invest in their families’ needs. In fact, with access to Microfinance institutions ‘ financial services, majority of female clients were able to become primary breadwinners for their families, putting food on the table, enabling their children to attend school and providing a safe home for their families.

Further results indicated that with access to financial services, Mwingi Norther women members access loans and able to provide goods and services to their communities and build assets for their own families and generate jobs for others in their communities, many that pay living wages.

The managers interviewees indicated that Microfinance institutions have empowered women by improving on their financial independence enabling their businesses to grow, many women gain self-confidence, take pride in their small businesses gain ideas, and have the power to make choices for themselves and their families and they take position of leadership in their community.

### **Empowerment, Self-Esteem and Dignity**

The study intended to find out whether there have been any perceived and/or actual changes in women and their beneficiaries since women joined microfinance. The interviewees indicated that women gain skills and knowledge to expand their enterprises, and expand their new enterprises, increase social networks and improve on their financial inclusion. This improves women independence; improve on their sense of self-confidence, self-esteem and dignity hence great empowerment in the community.

The study required to indicate whether women were empowered through improving their level of income level transforming their economic backgrounds, improve their social network and gain leadership position the improve their decision making power improving women level of empowerment.

The study also found that respondents acknowledged that the non-financial services of the MFIs had significant contribution to women empowerment regarding financial literacy. The results also indicated that accessibility of finance through microfinance institutions contributed to women businesses sustainability as cited among sixty-two percent of respondents, household income, and improved wellbeing for women and capacity to bring about wider changes in gender inequality, establish business enterprises by utilizing MFIs services and gaining leadership position

The interviewees also indicated that women members of microfinance institutions gain self confidence, empowered in decision making and attaining leadership skills that enable them to confidently influence decision making in the public, provide opinion on development agenda affecting the community as well as participating in development programs in the community in Mwingi North Sub County. This had been due to improvement in household income level, training, financial, and social inclusions. This have been linked to women member joining microfinance programs

## **CHAPTER FIVE**

### **DISCUSSION, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

The chapter presents discussion of the findings, conclusion of the study and policy recommendations.

#### **5.2 Discussion**

The study established that household's decision making was critical in microcredit finances on women empowerment in Mwingi North Sub County, Kitui County. The breadwinner in the households were husbands, wives, spouse or daughters and guardians demonstrating that there is relative large numbers of women who were sole breadwinners of their households and offering of microcredit and empowerment play a significant role. The study revealed that there was relatively high numbers of women who were involved in making main decisions in the households and offering microcredit to women empower them in executing their decisions in their households. The findings concurred with Nessa et al., (2012) that indicated that Longwe framework helps planners understand the practical meaning of women's empowerment and equality, and then to evaluate whether a development initiative supports this empowerment.

The study also found that women were playing significant roles in making decisions in the households. Majority of women (41) were being involved in making all the decisions in income related and households consumptions demonstrating that women play important roles in decision making on income and consumptions in households. Involvement of women in decisions making improve on women leadership to influence decisions and foster household's developments.

The study sought main household assets or properties house, land, and livestock in women household. The results indicated that there were various properties in the households including land, house, equipment and livestock who owned by the men and in some cases women. Women were not allowed to own properties creating wide gender inequalities in

Mwingi North Sub County. In a case of separation, women were being sidelined and not allowed to possess or keep the household properties.

On household members that made decisions regarding the use and sale of household assets or property and how decisions are made, the interviewees clearly indicated that men were the main decision makers in regards to properties with no consultation. The importance attached to the properties informed the key decision making. The interviewees land was the most significant property that men solely make decision without involving women or any other parties in the households. This impact negatively on women self confidence, affected their dignity and independent in decision making

The study sought whether decision making patterns changed after belonging to a microfinance programme. The interviewees indicated properties decision making patterns changed when women joint microfinance institutions. This was attributed to empowerment of women who increase their income level and contributed to development of the households, training and financial and social inclusion position women in decision making on household properties. Duflo (2012) supported that the welfare effects of microcredit institutions on households were better with asset building under those situations where women were borrowers.

The study established that women were aware of microfinance programs in Mwingi North Sub County where Rafiki Microfinance, KWFT, Faulu Microfinance, SMEP Microfinance, SISDO, Premier Microfinance and Juhudi MFIs were presence in the area. The study revealed that microfinance institutions had a direct impact of women empowerment improves women member accessibility of finances. The results also indicated that Microfinance institutions were offering training through mentoring and networking, all of which are aimed at improving women's financial skills, improve women exposure to new business ideas, improved record keeping and budgeting skills, costing skills and wise investments.

The respondents were requested to indicate whether they have developed economically since joining the microfinance. From the results all the respondents (women) indicated that they had experience economic development since joining the microfinance. The respondents explained that they were in a position of getting credit facilities that enable them start businesses, other indicated that they were able to start dairy farming which increases earnings from selling of milk, other indicated that they purchase tailoring machines and increase their income level through tailoring while others started second hand clothes businesses. The finding supported by Banarjee et al., (2015) that microcredit programs required women to travel to weekly meetings within the village. There are trips that are made to the local program office and to occasional training programmes and this increase their travel outside of their villages.

On whether the spouse (husband) approved respondents being members of the microfinance institutions, the results indicated that 71% had their members approved while 29% (13) membership in the microfinance was not approval. The member explained that their spouses were not supportive of their engagement with the microfinance and never appreciated the contribution of women in the households. The respondents whose members were approved to be members of the microfinance indicated that they were involved in decision making economic wellbeing of the households hence engaged and supported to engaged in income generating activities to increase household income level.

Results on whether spouse (husbands) support the respondent's financially on monthly savings on loan repayment indicated that 60% (27) of the respondents were being supported financially; while 40% (18) indicated that their spouses were not supportive financially. This implied that most respondent's joint microfinance institutions in efforts to access funds start enterprises and improvement women earnings, repayment loans and improve their economic status. The respondent's women who indicated that they were not supported by their spouses indicated that they repay loans without support, relied on microfinance to access funds and support their activities. The unsupported respondents further indicated that through microfinance, they were able to access funds, start income generating activities, increase their savings repay loans to microfinance and improve household

income levels. The respondents indicated that spouses (husbands) were not trusting the respondents, claimed that the role of women were to rear children. Further the unsupported respondents indicated that supported of women in the households was not supported nor recognize as men chauvinism take center stage denying women opportunities to work, access finance and run their income generating enterprises. The findings were similar to Ouma and Rambo (2013) that indicated that one of the major reasons as to why women are the preferred clients for microcredit is for them to be empowered in order for them to play an equal role in economic decision-making.

The respondents 49% indicated that interest rate on microfinance loan was fair, 21% of the respondents indicated that interest rate on microfinance loans was high, 17% of the respondents indicated that the interest rate on microfinance loan was extremely high while 13% of the respondents indicated that interest rate charged on interest rate was low. This demonstrated that interest rate charged on microcredit was relatively fair and majority o respondents could access the loan to fund income generating activities of choice and contribute to increase level of income level in the households.

The respondents were requested to indicate whether they had failed to a loan due to interest rate charged on the loans. From the results, 83% indicated they had not failed to take a loan due to interest rate charged on the loans while 17% indicated that they had not taken a loan due to high interest rate charged on the loans. This clearly demonstrated that most respondents were able to take microcredit and hence accessed funds that foster capability to fund enterprises and other activities that generate income and improve respondent's economic empowerment.

In offering of microfinance loans, collateral play a significant role as it provides a security to the loan facility. The 98% respondents indicated that members act as guarantors and lack of collateral does not make members not to secure loan, 2% indicated that they failed to secure loan due to lack of collateral. This implied that microcredit offered based on group member's act as a strategy that foster members accessibility of loan hence improves respondents empowerment.



The study revealed that microfinance members have enable then attend training in different areas at county and national government level making new friendship and learning's from new friends, travelling and marketing of their produces enable respondents meet new customers and news entrepreneurs and foster exchange of ideas from other members of the groups and investors especially in agricultural shows and exhibitions. This demonstrated that microcredit institutions contribute significantly toward empowerment of members by fostering social networks that improve on knowledge sharing, idea sharing and improvement in market for the produced.

The study found that before joining microfinance institutions, women were in social networks informed by the cultural beliefs when women engage in community welfare and meeting family members during family gathering. The women role in family gatherings and family network was to take care of the children and performance housewife roles.

The study established that joining microfinance institutions have led to transformation of women social networks as this have made women meet other women in women groups, form networks with new peoples such as microfinance management and officers, mentors and access new customers of their products. The new social networks have influence change of women housewife responsibilities to managers of their enterprises, income earners, leaders in their enterprises and households. Joining of microfinance institutions has influence women to gain financial independent, respect and making decisions in their households beside gain many skills on investment and financial management skills.

The findings of the study revealed that provision of microfinance services and products transform livelihood of women in Mwingi North Sub County by reducing poverty level as member access to quality healthcare, access to better education, gain better agricultural practices and employment opportunities, access to new market and diversification as well as increase social well being. This clearly indicated that microfinance institutions led to improvement of member social networks and improves social togetherness. The result is supported by Koshy (2014) contends that the impact of microcredit programmes on women is not always positive. The women who establish enterprises experience small increases in income at the cost of repayment pressures and heavier workloads. Some of the loans that

are acquired by women from the microcredit institutions are used up by the men in setting up enterprises

The study revealed that involving women in microfinance programs influence decision making, enhance empowerments of women, and promote their capacity to making decisions. Through microfinance institutions programs women who were well economically, who were operating well doing enterprises and who were selected in a position of leadership and who were independent were participating in public decision making. Microfinance institutions promote inclusion of women in leadership promoting their participation in decision making and in development of their households and community at large. Microfinance programmes provide regular training to their beneficiaries; how has this contributed to women empowerment in terms of leadership and influence in the community

The study found that participation of women in microfinance programs contributed to women engaging in political leadership. The findings indicated that women were involved in politics and political decision making. This was attributed to women members being members of microfinance institutions whether they increase their financial inclusion, gain leadership skills and gain confidence to speak in public forums. The interviewees also indicated that women who were empowered economically through enhance financial accessibility and improved social networks through being members of microfinance network contribute to household development fostering their self confidence, acquire leadership skills, self esteem, improve on their dignity and improve independent in decision making them to have political advantage in politics.

The study confirmed that microfinance service provision to members in Mwingi North Sub County improve access funds to finance their income generating activities, increase their income level and diversify their investment contributing to socio-economic development of the households. Participating in Microfinance programs, women improve on their social networks, increase skills acquisition and improve on leadership qualifications empowering women in decision making

Women although empowered through participation in microfinance programs were found to be powerless in decision making in respect to properties such as land ownership and marriage decisions. Women have not achieved legal right to property ownership. This has continue to hamper women inequalities as women have less decision making power in properties ownership and women have to consults their husbands on properties ownership . Most households are found to experience conflicts as men remain dominants in decision making in the households. The results indicated that microfinance institutions give priorities to women as the managers indicated that women tend to operate in groups , vulnerable and strive to excel and improve on their living standards of their households. Manager interviewees from the KWFT indicated that all its products are design for women working in groups as the study vision is to increase fund accessibility to women and empower them through funding, training and improving their capability transform their life .

The study revealed that sustainability of the microfinance institutions have the implication of continuous financial accessibility by women members, saving mobilization and more training on opportunities in women life. The managers interviewees indicated that women members always provide feedback on how utilization of loans has transform development of households coupled with the repayment of loans from the women members influence sustainability of the microfinance institutions to continue offering more loans , training and saving mobilization among women and improve on their empowerment.

The findings of the study indicated that with access to financial services, Mwingi Norther women members access loans and able to provide goods and services to their communities and build assets for their own families and generate jobs for others in their communities, many that pay living wages. The managers interviewees indicated that Microfinance institutions have empowered women by improving on their financial independence enabling their businesses to grow, many women gain self-confidence, take pride in their small businesses gain ideas, and have the power to make choices for themselves and their families and they take position of leadership in their community.

Empowerment of women through microfinance institution was evidence. The study revealed that women gain skills and knowledge to expand their enterprises, and expand their new enterprises, increase social networks and improve on their financial inclusion. This improves women independence; improve on their sense of self-confidence, self-esteem and dignity hence great empowerment in the community. Further results revealed that women were empowered through improving their level of income level transforming their economic backgrounds, improve their social network and gain leadership position the improve their decision making power improving women level of empowerment. The findings concurred with Moodie (2013) who contends that women empowerment is one of the most significant issues in the present day development policies especially in the developing countries. Women empowerment is increasingly being regarded as the key constituent elements of the strategy for poverty reduction

The study established that accessibility of finance through microfinance institutions contributed to women businesses sustainability as cited among sixty-two percent of respondents, household income, and improved wellbeing for women and capacity to bring about wider changes in gender inequality, establish business enterprises by utilizing MFIs services and gaining leadership position

The study revealed that microfinance institutions gain self confidence, empowered in decision making and attaining leadership skills that enable them to confidently influence decision making in the public, provide opinion on development agenda affecting the community as well as participating in development programs in the community in Mwingi North Sub County. This had been due to improvement in household income level, training, financial, and social inclusions. This have been linked to women member joining microfinance programs

### **5.3 Conclusion**

The study concluded that women were playing significant roles in making decisions in the households. The results indicated that microfinance institutions had a direct impact of women empowerment improves women member accessibility of finances. The results also

indicated that Microfinance institutions were offering training through mentoring and networking, all of which are aimed at improving women's financial skills, improve women exposure to new business ideas, improved record keeping and budgeting skills, costing skills and wise investments. Majority of women (41) were being involved in making all the decisions in income related and households consumptions demonstrating that women play important roles in decision making on income and consumptions in households. Involvement of women in decisions making improve on women leadership to influence decisions and foster household's developments. The results indicated that there were various properties in the households including land, house, equipment and livestock who owned by the men and in some cases women.

On household members that made decisions regarding the use and sale of household assets or property and how are decisions made, the interviewees clearly indicated that men were the main decision makers in regards to properties with no consultation. The importance attached to the properties informed the key decision making. The interviewees land was the most significant property that men solely make decision without involving women or any other parties in the households. This impact negatively on women self confidence, affected their dignity and independent in decision making. The results indicated that joint microfinance institutions in efforts to access funds start enterprises and improvement women earnings, repayment loans and improve their economic status. The respondent's women who indicated that they were not supported by their spouses indicated that they repay loans without support, relied on microfinance to access funds and support their activities. The unsupported respondents further indicated that through microfinance, they were able to access funds, start income generating activities, increase their savings repay loans to microfinance and improve household income levels. The respondents indicated that spouses (husbands) were not trusting the respondents, claimed that the role of women were to rear children. Further the unsupported respondents indicated that supported of women in the households was not supported nor recognize as men chauvinism take center stage denying women opportunities to work, access finance and run their income generating enterprises.

The study concluded that participating in Microfinance programs, women improve on their social networks, increase skills acquisition and improve on leadership qualifications empowering women in decision making. This was supported by the findings that microfinance members have enabled women attend training in different areas at county and national government level making new friendship and learning's from new friends, travelling and marketing of their produces enable respondents meet new customers and news entrepreneurs and foster exchange of ideas from other members of the groups and investors especially in agricultural shows and exhibitions. This demonstrated that microcredit institutions contribute significantly toward empowerment of members by fostering social networks that improve on knowledge sharing, idea sharing and improvement in market for the produced. The study established that joining microfinance institutions have led to transformation of women social networks as this have made women meet other women in women groups, form networks with new peoples such as microfinance management and officers, mentors and access new customers of their products. The new social networks have influence change of women housewife responsibilities to managers of their enterprises, income earners, leaders in their enterprises and households. Joining of microfinance institutions has influence women to gain financial independent, respect and making decisions in their households beside gain many skills on investment and financial management skills.

The study concluded that participation of women in microfinance programs contributed to women engaging in political leadership. This was evidenced as women were involved in politics and political decision making. Women members' involvement in microfinance institutions whether they increase their financial inclusion, gain leadership skills and gain confidence to speak in public forums. The findings indicated that women who were empowered economically through enhance financial accessibility and improved social networks through being members of microfinance network contribute to household development fostering their self confidence, acquire leadership skills, self esteem, improve on their dignity and improve independent in decision making them to have political advantage in politics. Microfinance institutions have empowered women by improving on their financial independence enabling their businesses to grow, many women gain self-

confidence, take pride in their small businesses gain ideas, and have the power to make choices for themselves and their families and they take position of leadership in their community.

The study concluded that microfinance institutions programs contribute to empowerment of women through microfinance institution was evidence as women gain skills and knowledge to expand their enterprises, and expand their new enterprises, increase social networks and improve on their financial inclusion. Also microfinance institutions programs improve women independence; improve on their sense of self-confidence, self-esteem and dignity hence great empowerment in the community. Women are empowered through improving their level of income level transforming their economic backgrounds, improve their social network and gain leadership position the improve their decision making power improving women level of empowerment. Accessibility of finance through microfinance institutions contributed to women businesses sustainability as cited among sixty-two percent of respondents, household income, and improved wellbeing for women and capacity to bring about wider changes in gender inequality, establish business enterprises by utilizing MFIs services and gaining leadership position. The study concluded that microfinance institutions gain self confidence, empowered in decision making and attaining leadership skills that enable them to confidently influence decision making in the public, provide opinion on development agenda affecting the community as well as participating in development programs in the community in Mwingi North Sub County

#### **5.4 Recommendations**

- i. The study recommends that management in the microfinance sectors should enhance development of more products and services to incorporate men so as to improve men support for women and reduce gender inequalities in the community. Financial accessibility should also be made easy and more social networks created for member to achieve high level of women empowerment.
- ii. The study recommends that microcredit programmes contribute to economic decision-making among women. Accessibility of finance through microfinance institutions contributed to women businesses sustainability as cited among sixty-

two percent of respondents, household income, and improved wellbeing for women and capacity to bring about wider changes in gender inequality, establish business enterprises by utilizing MFIs services and gaining leadership position

- iii. The study recommends that measures to be adopted to improve microfinance products and programs that would foster women engagement in political affairs. The microfinance institutions programs should be designed to achieve more in improving women independence; sense of self-confidence, self-esteem and dignity hence great empowerment in the community to increase their participation in decision making process in public sector.
- iv. Training institutions should design and plan training programmes to match women entrepreneurs' work schedules. This will go a long way in providing sufficient time to women in SHGs in order to acquire pre-requisite skills from the training programmes.
  - ii. Training materials need to be designed to suit the content of training programmes in order to enhance faster understanding of concepts to be learnt.
  - iii. Trainers should update their skills to match the changing times. This will go a long way in helping train on concepts based on modern market demands and provide skills to match the changing times.

### **5.5 Recommendation for Further Study**

- i. Further study should be carried out to determine challenges facing women in the uptake of microfinance institutions in Kenya
- ii. Further study should be carried out to determine influence of microfinance institutions on political empowerment in Kenya



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## APPENDICES

### APPENDIX 1: TRANSMITTAL LETTER

Ms. Annah Katuki Musingila  
P.O. Box 29455 – 00100  
Nairobi  
Cell phone 0724838354  
Email: annwd04@yahoo.com

July, 2018

Dear Respondent,

#### **RE: INVITATION TO PARTICIPATE IN A RESEARCH PROJECT**

I am a postgraduate student undertaking Masters Degree of Arts in Gender and Development Studies at the University of Nairobi (UoN) in partial fulfillment of the requirements of the degree at the Institute of Anthropology, Gender and African Studies; I am carrying out a study on the effects of microcredit programs on women empowerment in Kitui County.

You are invited to participate in this research project. This information sheet describes the project in plain English. I am undertaking this research study under the supervision of **Dr Salome Bukachi** of University Of Nairobi. The project has been approved by Board of Postgraduate Studies of UoN.

You have been selected to participate in this study as a stakeholder in one of the selected case studies. About fifty respondents are expected to participate in the study.

If you agree to participate, you will be required to attend a 15 minute interview on the impact of microcredit programs on women empowerment in Mwingi North Sub County, Kitui County. The interview will be conducted at a mutually convenient place of your choice. Your participation has got no risks attached but it will be great contribution to advancement of partnerships between microcredit programs and women empowerment entities. Any information that you provide will be treated with utmost confidence.

A copy of the research project will be provided to you upon request. Your cooperation will be highly appreciated.

Yours faithfully,

Annah Katuki

## **APPENDIX II: QUESTIONNAIRE**

**INSTITUTE OF ANTHROPOLOGY, GENDER AND AFRICAN STUDIES  
UNIVERSITY OF NAIROBI**

### **THE EFFECTS OF MICROCREDIT PROGRAMS ON WOMEN EMPOWERMENT IN KITUI COUNTY**

This questionnaire is part of the study and is designed to investigate the effects of microcredit programs on women empowerment in Kitui County.

Your responses are entirely voluntary and you may refuse to complete any part or all of this survey. This survey is designed to be anonymous, meaning that there should be no way to connect your responses with you. Toward that end, please do not sign your name to the survey or include any information in your responses that makes it easy to identify you. By completing and submitting the survey, you affirm that you are at least 18 years old and that you give your consent for Annah Katuki to use your answers in her research. If you have any questions about this research before or after you complete the survey, please contact the Institute of Anthropology, Gender and African Studies, UoN. If you have any concerns, doubts or questions about your rights as a participant in this research, please contact the Chair of the department named above.

Your responses are invaluable and we respect and appreciate the time given to us, this wouldn't take more than half an hour. I have used open-ended questions to allow respondents to answer in their own words. The data to be collected is designed by the specific objectives of the research study while the selected cases are those that best describe and articulate the study. This allows the study to focus on a few selected cases because of their ability to best articulate the problem. The type of data collected will form the basis of proving the theoretical frame work.

Data shall be continuously analyzed during the study. This will ensure that the necessary data is tied up and any arising issue is dealt with promptly and some of the data followed through. The final data shall then be presented in narratives, forms, graphs, figures, pictures and sketches. The validity of the data collected from the field is concerned with checking the respondents account with what actually exists. Shall we begin?

**1.0 Demographics and General Decision Making**

**For Enumerator:**

**Location:** 1. Ngomeni 2. Kyuso 3. Mumoni 4. Tseikuru 5. Tharaka

1.1 Name of the respondent: .....

1.2 Please tell me your year of birth: Date..... Month..... Year.....

1.3 What is your marital Status: 1. Single 2. Married 3. Divorced 4. Separated  
5. Widowed

1.4 What is your highest level of education completed?

<input type="checkbox"/> Never been to school	<input type="checkbox"/> Class 6-8	<input type="checkbox"/> Higher
<input type="checkbox"/> education	<input type="checkbox"/>	<input type="checkbox"/>
Class 1-5	Form 1-4	Postgraduate

**Decision Making**

1.5 **What is the size of your household?** (i.e number of family members who have been living in the household for six months in the last 12 months).....

1.6 Who is the bread winner in this household? (write according to the relationship with the respondent. E.g. if husband, use spouse or daughter or son where appropriate)

- 1. Spouse 2. Daughter/ Son 3. Respondent (woman) 4. Others (specify)

- 1.7 What is the age of the breadwinner (in years)? .....
- 1.8 What is the main occupation of the bread winner? .....
- 1.9 Who makes the main decisions in this household? .....
1. Respondent
  2. Spouse
  3. Son/daughter
  4. Others (specify)
- 1.10 Has this person always been the sole decision maker?
- 1.11 Are you charged with any decision making in your household? 1. Yes 2. No
- 1.12 What are some of the decisions that you make? 1. Income related 2. Household consumption only 3. All 4. None 5. Others (specify)
- 1.13 Do you have any desire to be involved in politics and political decision making? 1. Yes 2. No
- 1.14 Have you ever been involved in any politics or political decisions? 1. Yes 2.No
- 1.15 If Yes in 1.13 and No in 1.14, what prevents you from being involved in political decision making.....  
 ..... (Probe for reasons such family or household rules by the husband, economic barriers, social barriers, level of education and gender discrimination barriers)
- 1.16 If 1.13 is No, why? (Probe for reasons such as gender based perception on political leadership and decision making).....



## **2.0 Awareness, Perception and Involvement in Microfinance Organizations**

2.1 Are you aware of the microfinances institutions in this area? 1. Yes 2. No

2.2 Could you please tell me some of these microfinances?  
.....

2.3 Are you aware of the services offered by such microfinances?  
..... (Probe for some of the services that the respondent is aware of like loan services)

2.4 Are you a member of any microfinance or women group that is associated with any microfinance institution? 1. Yes 2. No

2.5 For how long have you been a member of such a group?

2.5 Have you ever been advanced any loan? 1. Yes 2.No

2.6 If No in 2.5, why? (Probe for lack of collateral,

2.6 If Yes in 2.5, how much was it?

2.7 Did you need more than the accorded amount? 1. Yes 2. No. If Yes, how much more did you need?

2.9 How did you spend the amount that you received? (probe for proportions or percentages)

## **3.0 Effects of Microfinances on Economic Welfare**

3.1 Since you joined the microfinance, how would you say you have developed economically? (probe for growth in business or purchase of productive assets)

3.2 Does your spouse approve of your membership to the microfinance? 1. Yes 2. No

3.3 Does he support you financially in monthly savings or loan repayments for the membership? 1.Yes 2. No

3.4 If No above, why? ( probe for gender imbalance, lack of trust, insecurity among others)

3.5 How would you describe the interest rates on the loans 1.Fair 2.High 3. Extremely high 4. Low

3.6 Have you ever failed to take a loan due to interest rates

3.7 Have you ever been denied a loan due to lack of collateral

#### **4.0 Effects of Microfinances on Social Welfare**

4.1 Has being member of a microfinance helped you increase your social network?

1. Yes 2. No

4.2 If Yes above, how?

4.3 How many times do you meet for the group meetings (frequency e.g once a week, once a month e.t.c)

4.4 Do you attend all the meetings?

4.5 Who selects the group leadership?

4.6 Are you satisfied with the current leadership on the group? 1. Yes 2. No

4.7 Do you have any form of trainings in the group, other than financial? (probe for what form of training)

4.8 Relatively, what is the main occupation of most group members?

4.9 Do you spend some of the finances developed to either build a house, pay school fees or medical bills?

4.10 How would you say that microfinances have helped you to socially grow?

## **5.0 Political and Decision Making Effects**

5.1 In your opinion, should women be involved in politics and political decision making? 1. Yes 2. No

5.2 In your opinion, what kind of women become politicians?

5.3 Do you know any family member of a friend in politics? 1. Yes 2. No

5.4 Were they members of microcredits at some point? 1. Yes 2. No

5.5 Would you say being members of a microfinance influenced their positions in political power? 1. Yes 2. No

5.6 In your household, has being a member of microfinance helped you to be involved in decision making? 1. Yes 2. No

5.7 If Yes in 5.6, please explain

5.8 What kind of decisions are you still powerless to make?

5.9 What recommendations would you make to change any of the effects that microcredit institutions have had on women and their advancement?

Thank you for your participation!

## **APPENDIX III: KEY INFORMANT INTERVIEW GUIDE**

### **Microfinance Manager**

- Who are your popular customers?
- Are they involved in any welfare groups?
- Does the microfinance institution prioritize the interests of women in any way?
- Have you received any feedback on your sustainability report from your female clients?

### **Guidelines for selecting women empowerment projects**

- Do women empowerment projects or products exist in your institution?
- If yes, how is the selection of a women empowerment project done?
- Are you influenced by any other guidelines or standards?
- How do your projects and products help to improve and empower women in Mwingi North?
- If No, what is the reason behind it?
- Do you plan to include projects and products that empower women in the future?

## **APPENDIX IV: FOCUS GROUP DISCUSSIONS INTERVIEW GUIDE**

### **MOTIVATION AND BENEFITS OF BELONGING TO A MICROFINANCE INSTITUTION**

#### **Control and decision-making over productive assets**

Who in the household owns assets and property?

Which household members make decisions regarding the use and sale of household assets or property and how are decisions made?

Does decision-making vary according to the size or importance of the asset/property? Have these patterns changed after belonging to a microfinance programme?

What are the main household assets or property (e.g. house, land, and livestock) in your household?

Who in your household owns these assets or property? Why?

Who in the household makes decisions regarding the use and sale of these assets? Why?  
What is the impact of this?

Who keeps these assets or property if a marriage is dissolved because of separation or death? Why?

#### **Empowerment, Self-Esteem and Dignity**

Has there been any perceived and/or actual changes in your/beneficiaries' sense of self-confidence, self-esteem and dignity since joining the microfinance programmes particularly among women?

How would you explain "empowerment"? How do we know whether women are empowered in your community after joining microfinance programmes?

List a few indicators of empowerment.

Have you noticed any changes in women beneficiaries' sense of self confidence, self-esteem and dignity (e.g. being more confident to speak in public meetings, voice an opinion within the household, engage in productive activities or other indicators)? Explain.

Do you think these changes are linked to them joining microfinance programmes? Why? How?

**Social networks:** What social networks, formal and informal, exist in the community? What roles do women/men play in their social networks? Is there a difference based on gender in the importance of those networks? Has this changed after joining microfinance programmes?

Has the joining of microfinance programmes led to the creation of new social networks?

Who in your household engages more frequently in these networks? Why?

Do people perceive some networks to be more important than others? Explain

### **Leadership and influence in the community**

Who in the household participates in public decision-making and speaks up in public on social functions?

Has women joining microfinance programmes empowered them to take up leadership and influence decisions in the community? How?

Microfinance programmes provide regular training to their beneficiaries; how has this contributed to women empowerment in terms of leadership and influence in the community?

### **Skills development and sensitization**

Are skills development trainings included as part of the microfinance programmes?

Who in the household receives this training?

Has the level of skills for men and women changed (increased or decreased) after the joining and getting sensitized in microfinance programs?

Have sensitization events been organized? By whom? On what themes? At what level of frequency?

Have you/men/women changed behaviour in any way as a result of this sensitization?