

**GENDER ASSESSMENT OF ACCESS TO FINANCIAL CAPITAL FOR AGRI-  
BUSINESS SMEs: A CASE OF FISH TRADERS IN HOMA BAY COUNTY**

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## DECLARATION

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

Signature..... Date.....

**Cynthia Atieno Oliech**

**(N69/8228/2017)**

This research project paper has been submitted for examination with my approval as the university supervisors.

Signature..... Date.....

**Prof. Salome Bukachi**

## **DEDICATION**

I dedicate this work to the Almighty God; for the far, he has brought me. To my elder brother, Oliech Daniel Onyango, thank you for being my source of inspiration. I cannot thank you enough for doing everything you could to put me through school.

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## **LIST OF ABBREVIATIONS AND ACRONYMS**

|                 |  |
|-----------------|--|
| <b>AFI</b>      | Alliance for Financial Inclusion                                       |
| <b>ASDSP</b>    | Agricultural Sector Development Support Programme                      |
| <b>AGPO</b>     | Access to Government Procurement Opportunities                         |
| <b>BMU</b>      | Beach Management Unit  |
| <b>CBK</b>      | Central Bank of Kenya  |
| <b>GDP</b>      | Gross Domestic Product   |
| <b>GEWE</b>     | Gender Equality and Empowerment of Women                               |
| <b>GoK</b>      | Government of Kenya  |
| <b>GNP</b>      | Gross National Product   |
| <b>HCIDP</b>    | Homabay county Integrated development Programme                        |
| <b>IFC</b>      | International Finance Corporation                                      |
| <b>IAGAS</b>    | Institute of Anthropology, Gender and African Studies                  |
| <b>ILO</b>      | International Labor Organization                                       |
| <b>KNBS</b>     | Kenya National Bureau of statistics                                    |
| <b>MTP3</b>     | Third Medium Plan  |
| <b>NACOSTI</b>  | National Commission of Science, Technology and Innovation              |
| <b>NGAAF</b>    | National Gender Affirmative Action Funds                               |
| <b>SDGs</b>     | Sustainable Development Goals  |
| <b>SMEs</b>     | Small and Medium Enterprises   |
| <b>SACCO</b>    | Savings and Credit Cooperative   |
| <b>SACCO's</b>  | Savings and credit cooperative societies                               |
| <b>UHC</b>      | Universal Health Coverage  |
| <b>UN Women</b> | United Nations Entity for Gender Equality and the empowerment of women |
| <b>WEF</b>      | Women Enterprise fund  |
| <b>YEDF</b>     | Youth Enterprise Development Fund                                      |

## ABSTRACT

This was a cross-sectional descriptive study on gender assessment of access to financial capital among agribusiness SMEs in the fish trade in Homa Bay County. Specifically, the study set out to: assess the gendered socio-economic determinants of access to financial capital for agribusiness SMEs in fish trade; determine financial institutional factors that affect uptake of financial capital by gender among agribusiness SMEs in fish trade; and to establish the gender differential challenges experienced in the uptake to financial capital for agribusiness SMEs in fish trade in Homa Bay County. The current study employed both quantitative and qualitative approaches and utilized Financial Capital Theory and Harvard Analytical Framework as the theoretical frameworks to guide the inquiry. The study adopted secondary analysis, in-depth interviews and key informant interviews as methods of data collection. Secondary data collection involved extensive content analysis of data from Financial Access (2019). Respondents for in-depth interviews and key informant interviews were selected through multi-stage random sampling and purposive sampling respectively. Quantitative data collected was analyzed using descriptive statistics presented in tables, charts and graphs for easy interpretation. Statistical Packages for Social Sciences (SPSS) was used for quantitative data analysis. Qualitative data was coded and analyzed thematically in line with the study objectives presented in prose and verbatim quotes used to project the voices of the participants. Analysis of qualitative data was analyzed using Nvivo software. Findings of the study show that socio-economic determinants indicated that respondents had access to financial capital with a higher primary level of education, there was a positive and significant relationship between level of education and access to finance, an increase in the level of education had an increase in access to finance. The findings also indicated that access to financial capital is gendered along the socio-economic factors such as land ownership, bank account ownership, level of education, marital status among other factors. Female fish traders also reported human rights violations such as sexual harassment from fishers (fish for sex). In order to address the gaps in financial access, the study recommends that sensitization-targeting women on economic entitlement need to be carried out in the county, financial institutions to review the existing financial laws and policies to improve the flexibility of the services offered and put up banks or banks agents along the beaches. The study further recommends that there is need to link self-help group and Beach Management Unit with the financial institution to enhance financial access among fish traders, development partners need to support and promote fish farming or aquaculture value chain among female fish traders, to provide enough fish and address sustainable development goal no.14 on life below water.

**Keywords:** *Gender Analysis, Financial Access, Financial Capital, Gendered Socio-economic Determinants, Institutional Factors, Agribusiness, SMEs, Challenges.*

# **1.0 CHAPTER ONE**

## **BACKGROUND TO THE STUDY**

### **1.1 Introduction**

Kenya's informal sector is hugely dominated by small and medium enterprises (SMEs) accounting for 84.8% of all jobs created in 2015 (Economic Survey, 2016). Small and medium enterprises (SMEs) account for 95% of all firms in Sub-Saharan Africa (Harega, 2007, Kauffmann, 2005). SMEs sector has simple approach that responds to majority of Africans needs and it offers affordable goods and services at a reasonable term and price besides income and employment opportunities. Small enterprises continue to create jobs, provide goods and services, enhance competition and foster innovation thus boosting the country's GDP (Henry et al. 2003). In 2017 Kenya had a GDP growth rate of 6.4 % with SMEs contributing 3% (KNBS, 2017). SMEs are hindered by lack of access to finance (Kenya Economic Outlook 2016) and most micro, SMEs do not celebrate their second birthday majorly due to lack of financial capital (KNBS, 2017).

Kenya has an annual GDP growth rate of 6.7%, and SMEs contribute 3 percent to the GDP (KNBS 2018). According to ILO (2008), 37% of Small enterprises in Kenya are owned by women, and these in turn employ more workers thereby driving production and creating innovation. A high percentage of women-owned SMEs is in agribusiness (IFC 2011), where rural women provide most of the agricultural labour force constituting an average of 43% in developing countries and about 52% in Sub-Saharan Africa (World Bank 2007). However, Small and medium business in agribusiness continue to face challenges more so when trying to access finance.

Although both men and women in business encounter challenges in accessing financial capital, women are more constrained in financial access more than men (Adema *et al*, 2014). This is even worse for women engaged in agribusiness compared to their male counter parts as they often receive reduced amount of credit offered to small-scale farmers (IFC, 2011). In addition, females often have less control of family possessions like title deed which could be used as collateral to obtain credits and are often ill experienced on obtaining loans from financial institutions (Stevenson and St-Onge, 2005). In Kenya, most formal lending institutions including banks, SACCOs and creditors are unwilling to give Small and medium Enterprises credit due to their low income, lack of collaterals, and unsound business profiles (Gichuki *et al.*, 2014). This makes SMEs agribusinesses to continue operating in little asset capital hence faces limited market opportunities and low profits.

Studies show that in agribusiness women receive only 7% agricultural extension services accessible to small-scale farmers (IFC, 2011). This happens because most agricultural extension services focus on large-scale farming and agribusiness which are mostly owned by men and leaving out the majority small scale farmers and agribusinesses which are mostly owned by women (IFC 2017). Furthermore, most advanced technology in agribusiness aims the male audience with improvements aimed to accommodate male requirements and leaving out women (IFC 2016). Thus, women in agribusiness often lack skills and confidence to use current agribusiness tools and technology to efficiently run their agribusinesses.

Access to finance by SMEs is reported to increase business performance through business expansion, employing more staff and marketing of produce among others (World Bank, 2018). Females are highly focused in local markets where prices are generally lower than urban markets due to the lack of funds to carry out market research or conduct product promotions (IFC 2016). Therefore, empowering and investing in women and men,

specifically by identifying and promoting avenues for finance access among rural agribusiness, stand a high chance of increasing production while reducing hunger and malnutrition. Lack of proper access to finance is a major constrain in starting and expanding business including fish trade.

The fishing industry is globally considered as one of the major contributors to food security and nutrition (reference). The fishing industry provides employment and livelihood for both men and women. In addition, it contributes to the Kenyan big four agenda it is also considered one of the key global development goals embodied in agenda 2030 under the fourteenth Sustainable Development Goal (SDG), in which nations seek out to support the restoration of fish stocks to improve safe and diversified healthy diets (World fish centre,2011).

Walker (2001), (2002); ICSF (2002) and Madanda (2003), indicates that both male and female are actively involved in fish trade commodities in Africa. While performing different roles such as fish production by males and fish processing and marketing by female. The roles ultimately complement each other (Okello *et al.*, 2007). However, female gender tend to control the profitable large-scale operations of high-value fish, whereas most female focus on the low-value fish and local market (Lweny and Abila 2001) hence bring differences among gender in access to financial services. In Zanzibar for example, fish trade has traditionally been dominated by men but over the last years women traders have become a common in the fish trade. The level of participation by women earned them narrow profit margin as compared to what male counterparts earns. This further affects women acquisition of resources and access to financial capital (Gahab,1997).

Nyandat and Owiti, (2013), states that Lake Victoria's capture fishery has gradually been on the decline over the last three decades due to overfishing, high population, ecosystem

degradation, environmental pollution and climate change. Consequently, fish production for human consumption has declined in the great east African community, further leading to poverty and scrambling of the limited available fish by the fish traders. Due to this, women have developed several coping strategies, some have bought their own boats and fishing gears while others have special relationships with the fisher folks in order to secure sufficient supplies of fish. The arrangements include fish for sex, buying them gifts, loaning them money and foods Medard, Sobo and Ngatunga, (2015).

## **1.2 Problem Statement**

Small and Medium Enterprises are considered major contributors to employment and poverty reduction. Agriculture contributes 26% of the Gross Domestic Product (GDP) and additional 27% of GDP indirectly through linkages with other sectors (FAO, 2019). Fishery sector of Kenya also contributes to the national economy through employment generation, food security, and rural development. It is also estimated that fisheries foreign exchange earnings contributes 0.5% GDP per annum. In 2014, the fisheries was estimated to have created employment to 2 million people and a livelihood of close to 2.3 million Kenyans in fish trade and processing. (KEFRI, 2008).

Despite the felt contribution, Small and medium enterprises still face challenges in their quest to access finance. Bett (2012), reported that small business enterprises face challenges of access to financial capital to establish their enterprises. Most of the small business enterprises are run by women and rural women provide most labor in small enterprises and importantly women own a high percentage of small enterprises alongside value addition (Sigh *et al.*, 2016). Proper access to finance for fish traders can bring gender equality in financial access and more specifically for fish traders. The importance of financial access in agriculture, manufacturing and general social and economic wellbeing further promotes the

Kenya's government big four agenda. The agenda comprises of four development components: enhancing manufacturing, provision of affordable housing, provision of universal health coverage and enhanced food security. Promoting financial access for fish traders also supports the sustainable development goals that Kenya has adopted.

Although many studies (Mbugua, 2013; Korir, 2015; Anditi, 2014; and Okello, 2010) have assessed factors affecting access to finance among SMEs across Africa, they fail to show the exact gender gaps. In addition, even studies that show the gaps leave out the gendered aspect of factors influencing this gap including the socio-economic, institutional factors besides the challenges faced in uptake of financial capital. This research will fill in the gaps by looking at gender issues in access to financial capital in agri-business SMEs in Homabay County and the possible solutions from the locals of that place.

Access to financial capital will also enhance achievement of vision 2030 and the big four agenda. Studies show that financial access is one of the ways to of what can be done and who should be involved in reducing these gaps especially at the societal level, reduce gender inequality and reduce poverty (Nwosu and Orji, 2017). This reiterates the need to assess the nature of finance access to agribusiness SME in fish trade. There is also the need to find out the credit platforms available, market access, land ownership, extension service access, and the nature of agribusiness venture. The research was designed to respond to the following questions;

1. What are the gendered socio-economic determinants of access to financial capital for agribusiness SMEs in fish trade in Homa Bay County?
2. What are the financial institutional factors that affect uptake of financial capital by gender among agribusiness SMEs in fish trade Homa Bay County.



3. What are the gender differential challenges experienced by agribusiness SMEs in fish trade uptake of financial capital in Homa Bay County?

### **1.3 Study objectives**

The study was guided by the following objectives:

#### **1.3.1 Overall Objective**

To conduct gender assessment of access to financial capital among fish traders in Homa Bay County.

#### **1.3.2 Specific Objectives**

1. To identify the gendered socio-economic determinants of access to financial capital for agribusiness SMEs in fish trade in Homa Bay County.
2. To determine financial institutional factors that affect uptake of financial capital by gender among agribusiness SMEs in fish trade in Homa Bay County.
3. To establish the gender differential challenges experienced in the uptake to financial capital for agribusiness SMEs in fish trade in Homa Bay County.

### **1.4 Assumptions of the study**

The study made the following assumptions, that:

1. There are gendered social–economic determinants that influence access to financial capital for SME in fish trade in Homabay County.
2. There are financial institutional factors that affect uptake of financial capital by gender among SME in fish trade in Homa Bay County.
3. There are gender differential challenges experienced in the uptake to financial capital for agribusiness SMEs in fish trade Homabay County.

### **1.5 Justification of the study**

Small Enterprises are regarded among the main contributors to economic development through job creation and reduction of poverty more importantly are fish traders. Despite their critical contribution, many face challenges on access to financial capital. Consequently, the findings of this study would contribute to the information gaps that exist in access to financial capital for agribusiness SMEs specifically fish traders which the government, development partners and policy makers can use to bridge the gender gap and increase access to financial capital. The findings generated from this study would inform various institutions on the impact of having gendered access to financial services for small enterprises. The recommendations and possible mitigations that have been drawn from this study would also add to academic body of knowledge by introducing knowledge about agribusiness SMEs in Homabay County in particular the fish traders. The discoveries of this study would be used by future academicians who will be interested in issues to do with gender relations in financial access by agribusiness SMEs and use the study as reference point.

### **1.6 Scope of the study**

The cross-sectional study was conducted in Homabay County and assessed gender issues in access to financial capital for agribusiness SMEs in fish trade. The study targeted registered fish traders SMEs male and female who are engaging in fish trade. It also engaged director fisheries, Beach management Unit officer (BMU), financial officers from the banks, microfinance schemes and Homa Bay County Women Sacco (HCWS) in two sub Counties of Homabay that gives credit to fish traders. The study covered specific issues in gender relations as indicated by the specific objectives. This means that the study limited its scope by looking at access to finance and further concentrated on the gendered factors in access to financial capital.

## **1.7 Limitations of the study**

This study encountered some limitations such as insufficient sample size for the study which was due to lack of proper and current data on agribusiness SMEs in Kenya and more importantly for fish traders. The study also encountered limitations on data. Using secondary data had its limitations as some data were missing or sometimes, they are not well captured. However, this limitation was overcome in the study through use of primary data sources to fill in the gaps.

## **1.8 Definition of key terms**

**Access:** Having the ability or means to use a resource but it says nothing on control

**Access to finance:** Defined as access to financial services (e.g. deposits and loans) and services at a reasonable cost.

**Agribusiness:** Agribusiness refers to the various businesses that produce, process, distribute and sell farm products. Agribusiness in this study means various business that produce fish, process and trade them.

**Households:** This is a collection of persons who depend on a common store.

**Financial capital:** Refers to economic resources measured in terms of money used by entrepreneurs and businesses to fund their businesses.

**Gender:** This is categorization of persons according to their roles and responsibilities as socially constructed by society. Gender does not refer to sex of an individual.

**Gender bias:** Unequal treatment between male and female based on their sex.

**Medium Enterprises:** Non-subsidiary, independent firms which employ between 10-99 persons.

## **2.0 CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter provides a detailed review of the literature from other studies previously carried out by different scholars on access to financial capital by small and medium enterprises in agribusiness and fish traders. The review was carried out along the line of objectives; gendered socio-economic determinants, financial institution factors and gender differential challenges experienced by fish traders on access to financial capital. This chapter also includes theoretical frameworks, conceptual framework and finally relevance of the theory to the study.

#### **2.2 Overview of Gender and Financial Inclusion**

Existing literatures point to the prevalence of financial exclusion in various countries of the world in terms of gender. Financial exclusion means that there is a group of individuals who are left out of the finance circle simply because of their gender. In many of the cases these exclusions are mostly of women. According to Miles (2017) females, continues to be disproportionately excluded from the formal financial system. She cites the 2014 Global Index which posited that more than one billion women continues to face limited access, and there is a 9% gender difference in account ownership across developing countries. This financial exclusion is blind to the fact that businesses require operating conditions that provide enough access to and usage of a range of affordable financial products and services. Meaning those businesses owned by women face deficiency of financial products just because they are owned by women.

Holloway *et. al.*, (2017), on their investigation empowerment through financial inclusion observed that, increasing women's financial inclusion is very important as women disproportionately experience poverty stemming from unequal divisions of labor and lack of control over productive resources. This already speaks to the factors that affect women's financial inclusion. It shows that indeed there is financial exclusion based on gender. Ongena and Popov (2015) add more to this debate by arguing that among small business firms in states with higher gender imbalance, female-owned firms are more frequently discouraged from applying for bank credit and are more likely to rely on informal finance. They continue to state that in high gender bias countries, female entrepreneurs are more likely to opt out of the loan application process. Alliance for Financial Inclusion (AFI, 2017) in its website states that there is a need to support women's financial inclusion as key to social inclusion and as one of the pillars of successful global development. It states so because it points out that women are still disproportionately excluded from the formal financial system and make up more than half of the world's unbanked population, even those women-owned SMEs operating in the formal sector face a significant credit gap. All this confirm the existence of financial exclusion on the grounds of gender.

Fanta and Mutsonziwa (2016) further assessed gender bias in financial inclusion in countries with the highest financial inclusion. They found out that gender gap prevails even in countries with the highest financial inclusion. They state that gender gap in bank account ownership is highest in Botswana, Swaziland, and Mauritius. More females use someone else's account especially in Zambia, Tanzania, and Swaziland. On this more females cited the lack of money as the primary reason for not having a bank account. They noted that gender affects financial inclusion even after controlling for characteristics such as household size,

age, education, place of residence, marital status, employment status, income, and level of education.

In Kenya (Fin Access report, 2019) indicates that, the financial access gap between male and female is Closing but disparities between sexes still exists in different sectors over the period of 2006-2019. Access to finance by males is higher than that for females in the population. In 2006, 33% of male had financial access in the formal sector while 21% female had access to financial services in the same sector. The surveys carried out in 2009, 2013, 2016 and 2019 on access to finance shows increase in access to finance but with a gender gap.

It has been documented by various researchers based on different studies that financial access and financial credit have a positive impact on production among farmers and in small business. Olale, Henson & Cranfield (2010), in their study indicated that access to finance can positively and meaningfully increase the chances of expanding income into farm work, they further indicated that access to finance may relax financial constraints and enable fish traders to stimulate income diversification.

A study by Chandio *et. al.*, (2017) in Sindh, Pakistan indicated that agricultural financial services had a optimistic and highly significant outcome on wheat production. This shows that financial access is vital to good productivity in agriculture which is the basis of agribusiness. A similar study in Nigeria by Awotide *et. al.*, (2015) also reported that financial access has a significant and positive impact on cassava yields, with a recommendation that financial institutes should consider increasing their credit facilities to rural farming households in order to guarantee that more households benefit from it. Limited resources has been acknowledged as a major challenge confronted by small scale farmers in Nigeria (Ekwere and Eden 2014), and agricultural finance impacts has a huge impact on farm

products. To compact the findings that credit improves production, it was found that the size of loan determined the increase in production with more credit meaning more production (ibid.). This is a clear indication that access to finance is very important in production in agriculture and that the more a farmer can get the better. Odu and Okoruwa (2009) add to this literature by stating that credit constraint results in low crop output and profit among small scale rice-based farmers in Niger state in Northwestern Nigeria.

### **2.3 Gendered socio-economic influences and financial capital**

Several investigations on factors that affect access to financial capital in relation to gender norms exist. Ene-obong *et. al.*, (2017) indicated that, women's access to land results to active participation in agriculture and food preparation including access to finance. This is because land ownership is a major factor that affects access to finance because land is mostly used as collateral and in patrilineal states men own the land, hence, the difficulty of getting funds among women. But when women can access land and own them such as in Ohafia matrilineal state in Nigeria (ibid.), then their access to finance is improved and their agricultural activity is improved while that of men is reduced. A report by Oxfam (2014) posits that the social perceptions of the role and place of women has influenced general attitudes regarding access to factors of production and that they are under the guardianship of their husbands or brothers or eldest sons in Burkina Faso, Mali and Niger. This means that women are already discriminated in terms of ownership of factors of production and this result in them not being able to produce or even access funds that are used in production in agriculture. Their involvement in agribusiness is hampered by the social norms.

The case in Kenya is not different from other countries. Women's right to ownership and inherit and management of properties faces challenges from cultural believes and practices that do not give women access to and control over properties they are only granted

subordinate privileges to land and property through male relatives. According to research carried by Kenyan federation of women lawyers indicates that, 35% families in Kenya are women led but they own one percent(1%) of the title deeds while 5% together with men. Kenyan 2010 constitution guarantee both women and men right to access and own property, but the implementation of the laws and policies is still worrying. The Country approved the Matrimonial Property Act 2013 to protect the equivalent rights of both men and women as enshrined in the 2010 constitution for both spouses to own property together and granted some new rights to women landowners. However, women still face many obstacles from cultural believes and practices which prevent their right of access to property hence affects their contribution to the economy through the Small enterprises that they mostly own.

Previous studies that have identified several variables linked to SMEs that challenge their access to finance (Adulla and Ayedh, 2017). These variables include those related to the owner of the enterprise and those related to the nature of the enterprise including age and sex/gender. The study further indicates that educational level and experience of a business or agribusiness owner have a positive impact on the access to financing. The study also noted that age of the enterprise has been also used as a variable on a large scale for measuring the growth of an enterprise. For instance, a study conducted in Germany for small enterprises found that the rate of growth of the old enterprises was slower than that of the modern ones.

In another study on the Australian enterprises, the researchers showed that new small enterprises grew faster than the old enterprises Eltaweel (2011). Other researchers such as Cooley and Quadrini, (2001) state that business/agribusiness growth decreases with the progress of their age. Beck *et. al.*, (2005), the size and maturity of the enterprise have a direct impact on their access to financial capital. Research from these studies demonstrates that there is a connection between age, growth of business and their financial access. Gamange



(2013) noted that farm age is vital factor in access to finance. Firm can start as a family business with family contributions as source of finance then grow over time to obtain funds from its suppliers. He went further to note that when a business is well developed with permitted identity, commercial track record and book-keeping systems, it may be able to obtain credits. According to Pandula (2013), new firms are likely to encounter challenges in regards to collateral requirement by the banks since accumulation of enough assets requires time and establishment.

Insufficient collaterals and lack of financial records affects access to financial capital by enterprises. Previous studies indicate that access to financial constraints were particularly worse for newly formed firms. Aryeetey et al., (1994) found that only 10 % of startup firms could obtain credit from the banks in Ghana while medium and older firms could obtain three times credit than their counterparts. North et al. (2010) on the other hand reported that the main reasons for newer firms meeting problems while seeking finance were poor credit history, inadequate security and lack of proper business performance.

According to Carter (1989), access to financial services affects the performance of agriculture. These funds can also be used to buy new packages of technology, for example, improved seed varieties that are high-yielding and resistant to diseases. A study by Hazell *et al.*, (2007) revealed that the low level of crop production in Africa can be attributed to lack of access to financial services by agribusiness SMEs (Awunyo-Vitor, 2014). These results come close to a 50% loss of potential income; consequently, they are unable to get out of poverty (Hazell *et al.*, 2007). For example, a study steered by Wongnaa and Awunyo-Vitor (2013) in Ghana revealed that credit access influenced production of yam farmers in Sene District. Similarly, a study by Chillo *et. al.*, (2017) in Pakistan also shows that access to credit influenced the productivity of rice in Sindh. Thus, credit is an important factor among

production factors that can lead to an increase in productivity and income for farmers (Khalid *et. al.*, 2010; Hussain, 2012).

In attempt to bridge the gap in access to finance, Kenyan government established and implemented various empowerment programs including Women Enterprise Fund, Uwezo funds, Youth fund and most recently developed National Government Affirmative Action Fund in order to promote inclusive access to financial services for business (Odera, 2014). Adding to this, all the procurement policies were revised to permit 30% of the procurement to include women, youth and persons with disabilities. However, to date, the uptake of this services is wanting, and studies indicates that in some areas the intended beneficiaries have failed to utilize the funds due to frustrating procedures in accessing the funds and lack of knowledge in financial management (Ngeno, 2014).

Manyani (2014) indicates that level of education is an investment that can increase SMEs access to finance, the specialization, skills, training and experience gained from education is capable of increasing opportunities to access finance. It can also encourage business owners to compete and enter new markets. The skills obtained from education, training and presents a resource that is diversely dispensed through persons and therefore central to understanding the variances in identifying opportunities as well as access to finance (Anderson and Miller, 2003; Gartner *et. al.*, 2005).

Previous studies show that networks can enhance access to finance for agribusiness SMEs hence leads to better performance after availability of finance through the networks (Premaraten 2002). Gulati (1998) supports the view that networks are administered by the social context among actors within the network rather than economic factors. These networks

play a very formal and important role can be in the form of relationships and providing familiar advice by different people (Fuller & Thomas 2004). In addition, many researchers have focused on the role and the importance of such networks in obtaining a different set of resources (Jensen, 2001; Jensen and Koenig, 1999; Uzzi, 2002). Among the findings obtained by those researchers is that weak links or ties are important conduits of information, while strong ties are important for stimulating. Moreover, such researchers see that the combination of strong and weak ties enable the access to finance. Those researchers who particularly focus on the networks of new enterprises see that the ideal structural and relational characteristics of the networks in a new given enterprise depends on a specific organizational process or the life cycle of the new enterprise. Furthermore, previous researchers believe that networks provide two important roles in financing new enterprises which can be identified as follows: - Networks provide information and resources directly to the enterprise (direct networks). - Networks contribute to the access to financial sources by acting as a mediating source that helps or assists new entrepreneurs to connect providers of finance and sources.

In Kenya the gender issues in relation to access to financial capital are no different from the ones mentioned above. Korir (2015) found that gender as the major factors that influenced access to agricultural credit and that females faced challenges due to lack of collateral. He continued to state that their limited control over economic resources and nature of economic activities made them more disadvantaged in terms of access to financial capital. Korir (2015) further found that socio-economic like education, inferior legal status and unpaid reproductive responsibilities. Low access to credit and high interest rates often impedes agricultural development, hence, inhibiting the acquisition of capital necessary for agriculture (Irungu 2013). This makes credit very important in small scale agriculture and when it is not accessible then farmers feel the pinch be, they men or women.

In related studies in Kenya, though blind to the aspect of gender, they show that credit is indeed very important in small businesses and in agriculture. Mbugua (2013) emphasizes that there is critical requirement to solve limited access to credit facilities in rural areas that are a key constraint to development. This shows the need for financial access among small businesses and agriculture. Credit services are essential in agricultural production especially to small holder agriculture (Njuguna and Nyairo, 2015). These studies emphasize the importance of access to credit for small businesses and farmers. And when this access is denied on the grounds of gender it means that the gender discriminated against suffers a lot. It is therefore, important to understand the gender relations and issues in access to finance for agriculture SMEs and this is the gap that this study will seek to fill by studying Homabay County.

## **2.4 Financial institutional factors and financial capital by gender**

### **2.4.1 Location of financial institutions.**

In a study with its focus on determinant of lending to farmers by commercial banks in Kenya, (Ngeno, 2013) indicated that physical distance and the location of a financial institution is considered one of the determinants factors that influence access to capital by agribusiness entrepreneurs, he went further to note that entrepreneurs are discouraged to seek financial services from financial institutions located far away from them. This is due to the transactional cost incurred in the transportation and communication which again increase the borrower interest cost. Long distance complicate loan monitoring and cause the financial services from the bank to be very expensive.

#### **2.4.2 Credit accessibility constraints**

Credit accessibility is seen as one of the financial institutional factors that affect uptake to financial capital by agribusiness SMEs, (Ngeno, 2013) in his study reported that most of the access problem are created by financial institution through their lending policies. Which is manifested in their complicated application process, registration procedure most of their policies require some level of literacy and are written in English and most of the agri-entrepreneurs especially women lack that. Buvinic and Berger (1990), in their study indicate that women are usually decimated in their quest to access financial capital for their business in developing countries.

#### **2.4.3 Limited information on financial access**

Information access from the agribusiness viewpoint and the financial providers' perception is very important because it determines the extent to which small entrepreneurs can access financial services. Small medium enterprises require information to identify potential financial supplier of the financial product while the financial services on the other hand requires this evidence to evaluate the risk of SMEs who apply for credit capital and their prospect in the market segment.

### **2.5 Financial capital challenges for agribusiness SMEs**

#### **2.5.1 Cost and ease of accessing credit**

The cost of accessing financial capital is the money entrepreneurs pay to enhance the processing of their borrowing. They comprise, registration fee, processing fee, legal fee charged by financial institution among others. The cost of accessing financial capital in most of sub Saharan African countries remains high because annual interest rate average is high. According to Hallberg, (2002), risk cost is associated with acquiring sound information regarding borrower.

High borrowing cost can hinder access to financial capital for agribusiness SMEs and restrict external borrower from access to finance. Research shows that transaction costs may hinder SMEs more because of the nature of their business and again most of the SMEs are owned by women who engages more in reproductive and community activities that are not remunerated nor accounted for in the Gross National Product (GNP) hence lack of funds. Study carried out by Mwangi and Bwisa (2013) on challenges facing entrepreneurs also indicate that high cost of credit hinders access to financial capital.

### **2.5.2 High interest rate-institutional**

According to Symbio City report on their study carried out in Homa Bay County on Urban planning indicates that the major challenge that most traders are facing in Homa Bay county- Mbita Town is the high interest rate charged by the micro financial institutions. The small business enterprises are not able to repay the loans in time hence attracting penalties charged by the financial institutions on them. This has led to the death of many business enterprises (symbiocity report, 2017)

Lack of financial information from both SMEs and financial providers is also a challenge in attempt to raise financial capital. In small firms, managers lack financial knowledge as they are product or service specialist and not financial specialist Turcker and (Lean 2003). Thus, small business may be unable to provide financial track that is required by financial institution as determinant to financial access. Banks particularly rely on past financial performance as an indicator to future projection. Kinyajui (2006), in his study records that entrepreneurs report that they face difficulties in accessing financial capital due to lack of credit records.

### **2.5.3 Empowerment strategies for access to financial capital**

There are several government strategies in place to support access to finance by agribusiness SMEs in Kenya especially women (ILO 2008). Such as, National Government Affirmative action fund among others. ILO (2008) further shows that targeting financial institutions can lead to increase access to finance. Financial services should also facilitate the capacity of female businesses. Studies indicated that, finances intended at mainstreaming gender in development arena sometimes do not serve their purpose of empowering marginalized persons such as women, PWDs and youths. The terms put in place by credit facilitators challenges their access to funds.

The government and relevant stakeholders working towards gender equality should promote and conduct advocacy for change, this will enhance services and financial access. Harmful observations held by financial institutions about the sustainability of small enterprises which are majorly owned by women require attention. There is also need for advocacy on 30% allocation of AGPO product to marginalized groups.

Fatoki and Smit (2011) indicated main aspects that influence the limited financial access by enterprises are internal and external. The internal factors are business information, collateral, networking, and managerial competences while external factors are the legal environment, crime and corruption, ethical perceptions, and macro-economy. According to OECD (2015), further indicates that several actions can be taken to mitigate the constraints of SMEs financing and enhance its potential. They added that, supporting the market infrastructure around SMEs funding which include setting up and maintaining central depositories of high quality and easily accessible information around SMEs creditworthiness through public initiative, standardization of products offering, and processing and healthy SMEs-specific ecosystems will ensure a coordinated approach on regulation across products with similar

characteristics. There is need to bridge the educational gap that SMEs are facing, raise their awareness of capital market financing options for SMEs and equip them with the skills required for the access to financial capital.

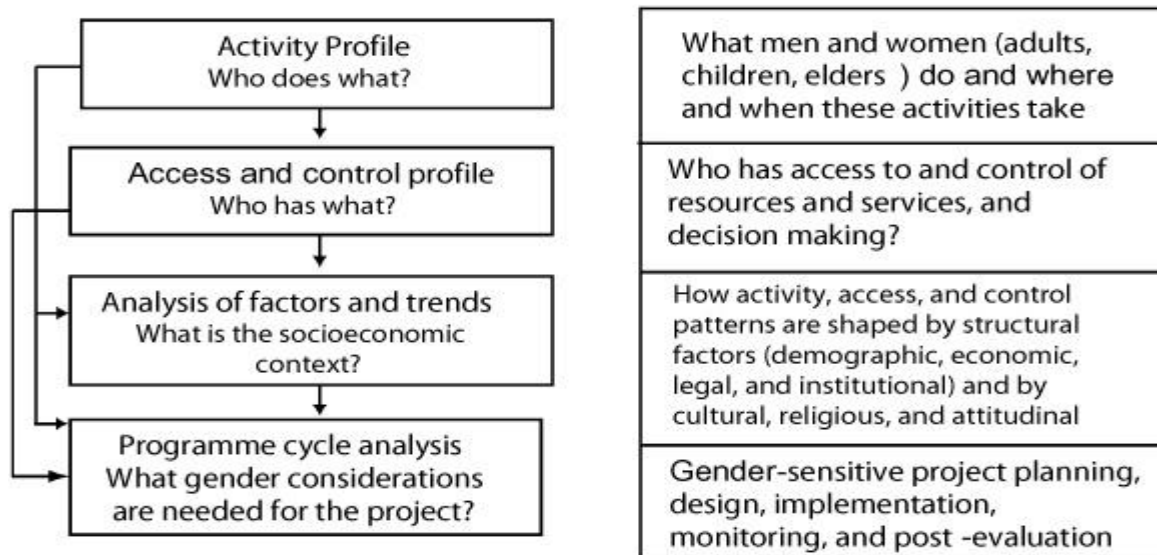
## **2.6 Theoretical Framework**

This study was guided by two theoretical frameworks: (i) Financial Capital Theory and (ii) Harvard Analytical Framework.

Financial capital theory was advanced by Coleman in 2007. The theory asserts that there is a definitive link between one's access to financial capital, startup and success of any business. According to the theory, access to financial capital at the start-up stage and during the operation of a business is a key determinant to sustainability and consistency of its existence (Ong, 1981). The theory proposes factors influencing financial access to include liquid assets, credit lines, loans, capital leases, financial management services, owner loans, credit cards and trade credits (Robb& Coleman 2009). These factors can be broadly grouped into non institutional factors (related to the consumer) and institutional factors (related to the financial institutions).

Harvard analytical framework also known as the Gender Roles Framework. This Framework was developed at the Harvard Institute of International Development (HIID) in USA and is considered one of the first frame works designed for gender analysis (Overhault *et. al.*, 1984).





**Figure 2.1: Theoretical framework**

The framework explains that both men and women are involved in development and therefore demonstrate that it makes economic sense to allocate resources to both men and women. The framework helps planners to design projects that are more efficient and improve overall productivity. In order to achieve this, it maps the work and resources of men and women in a community hence highlight their main differences. Harvard framework has four components; activity profile, access and control profile, influencing factors and checklist for project cycle analysis.

Activity Profile: This component categorizes activities in the society such as productive and reproductive roles in the community or household and answer the question on who does what, when, and where? The component has been adopted to reflect the activities in the community and look at why and how they are done. The process helps in identifying the gender division of labor in our society. The productive roles include production of goods and service with economic gain while reproductive roles/activities include maintainers for general well-being, they do not involve monetary value they include child bearing these activities that are done by the female gender in our societies.

**Table 2.1. Example of tool 1. Activity profile**

| <b>Activity</b>    | <b>Women/Girls</b> | <b>Men/Boys</b> |
|--------------------|--------------------|-----------------|
| Productive         |                    |                 |
| Agribusiness       |                    |                 |
| Ploughing          | Xx                 | xx              |
| Land clearance     | Xx                 | xx              |
| Reproductive roles |                    |                 |
| Child care         | Xx                 |                 |
| Water collection   | Xx                 |                 |
| Fuel collection    | Xx                 |                 |

Access and control profile enable users to list the resources that will be required to carry out task identified in tool one (Activity profile).It also indicates weather both male and female have control and access to finance such as land ,it looks at who control the resources and the benefits of the resources at the community level. The person who controls benefits ultimately makes decision regarding the use of resources. Research indicates that most female have access to resources and control while male have control over benefits and control thus shift the gender power relations in men’s favor.

**Table 2.2. Example of Harvard tool 2. Access and control**

| <b>Resources</b> | <b>Access</b> |       | <b>Control</b> |       |
|------------------|---------------|-------|----------------|-------|
|                  | Men           | women | Men            | women |
| Land             | X             | X     | x              |       |
| Farm equipment   | X             | X     | x              |       |
| Farm produce     | X             | X     | x              |       |
| Benefits         | X             | X     | x              |       |

Influencing factors: This component of Harvard framework, enable people to identify the factors that influence the different in the division of labor, access and control as indicated in tool 1 and 2. It also identify past and present factors which can give an indication on the future trends that represents opportunities and constraints to increase women participation in

the development programs .Influencing factors include :Demographic, conditions, training and education, legal parameters, cultural practices and institutional structures among others.

### **2.6.1 Relevance of the frameworks to the study**

Gender roles framework has been used in studying gender issues in different contexts but of which concern gender relations and bias. In this study the Harvard analytical framework components will apply establishing the gendered socio-economic factors of access to financial capital, establish the financial institutional factors that affects uptake to financial capital by gender among agribusiness SMEs and determine the gender differential challenges experienced in the uptake to financial capital for agribusiness SMEs Homa Bay County.

Harvard analytical framework relates to this study in the following ways:

Activity profile of the Harvard analytical framework categorizes the activity undertaken by men, women and youths at community level as productive, reproductive and community then outline who does what, when, where and how. The study will apply component one of the frameworks and categorize the activities of men, women and youth agribusiness SMEs in Homa Bay County. It will thus establish the gendered socio-economic determinants of access to financial capital and financial institutional factors that affects uptake to financial capital by gender among agribusiness SMEs. The activities carried out in the society determines an individual access financial capital, productive activities also known as remunerated roles, enhance and individual access to finance because it can enable one to acquire resources like land which they can use as collateral while borrowing money from financial institutions while reproductive activities such as child care ,cooking, fetching water for household and community activities are not recognized nor accounted in the Gross National Product (GNP) hence curtails an individual chances of accessing financial capital. To an extent women and

girls are largely involved in reproductive and community roles while men are engaged in productive activities.

Component two on access and control profile, identify the resources used in carrying out activities identified in component one and access to and control over resources identified by gender. This study will use component two of Harvard analytical framework on Access and control profile to come up with a participatory assessment tool for gender analysis to establish data and report on access to financial capital for agribusiness SMEs in Homa Bay County. It will also enable the study to establish who has access to what, who control the benefits from agri-business in the study area hence determine the gender differential challenges experienced in the uptake to financial capital. The collaterals that are required by the financial institution will also be identified and the gender gaps that relates to them.

Component three of the framework will help establish the theory of change in access to financial capital by identifying the past and present gendered socio-economic determinant of access to financial capital for agribusiness SME, For instance facts such as gender, age, demographic conditions, institutional structures, education and training, networks among others that have been identified by different literature review in this study to be influencing access to financial capital .This will give past, present and future trends on access to financial capital and identify the existing strategies that can be used to enhance access to financial capital in Kenya and more specifically on the area of the study.

Component four on Project cycle –Will be used in conducting gender assessment on access to financial capital for agribusiness SMEs in Homa Bay County by reviewing existing data set from Kenya National Bureau of Statistics on Fin Access 2019 and ASDSP 2013 survey report. Both Fin Access and ASDSP report are disaggregated by gender, county, sex and sector. It will identify theory of social change and establish challenges experienced by men.

women and youth in their uptake of financial capital and consequently explore the current empowerment strategies then further recommends mitigation strategies to address gender gap in access to financial capital regardless of the government and development partners attempt address the situation.

## **2.7 Conceptual Framework**

A Conceptual framework is a tool that interlinks concepts together and provide a comprehensive understanding of a phenomena (Jabareen, 2009). The concepts of conceptual frameworks support one another, articulate their respective phenomenon and determines a framework that defines relationships. The conceptual framework of this study relates to its independent variables that includes, gendered socio-economic determinants of access to finance (Age, sex, gender, marital status, income level, educational level), Financial institutional factors (Collateral, interest rates, knowledge of mobile banking platform), challenges ,intervening variables/empowerment strategies and Dependent variable (Access to financial capital for agri-business SMEs in Homa Bay County).

**Independent Variable**

**Dependent variable**



**Figure 2.2: Conceptual framework**

Source: Author (2019)

## **3.0 CHAPTER THREE**

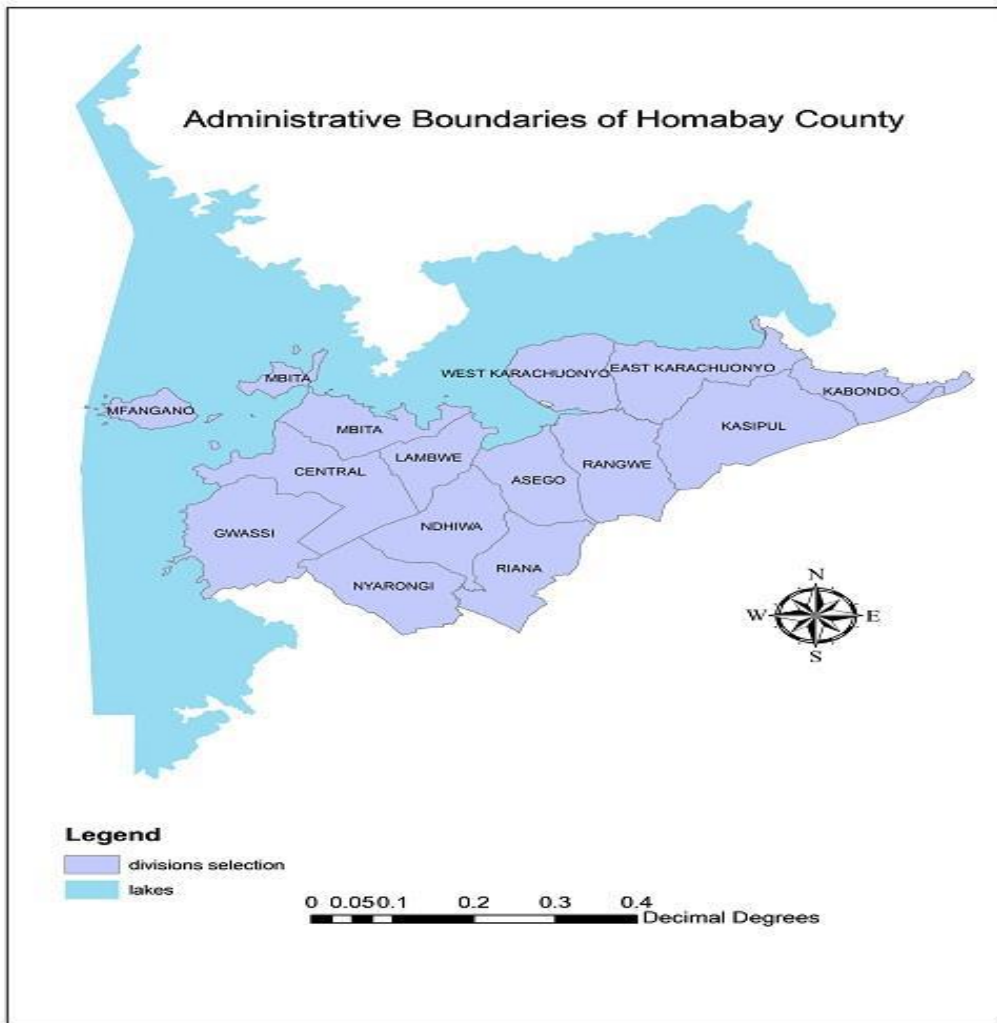
### **METHODOLOGY**

#### **3.1 Introduction**

This chapter describes the methodology of the study. It presents the research site, research design, study population and unit of analysis, sample population and sampling procedure, data collection methods, data processing and analysis. The chapter also presents the ethical consideration that were observed throughout the study period.

#### **3.2 Research site**

The study was carried out in five beaches of Homabay County (Figure 3.1). Homabay County is located in the former Nyanza province in Kenya. It borders Migori county to the South, Kisi and Nyamira County to the East, Kericho and Kisumu county to the to the North east. The county also borders Lake Victoria to the north and west (KNBS, 2009). It has 151 landing beaches managed by 133 Beach Management Units (MBUs). It has 61 Beach management unit in Mbita, 33 in Suba, 30 Rachuonyo North and four in Homa Bay GoK (2014). Homa Bay County is one of the leading agricultural regions and economic contributors to the Kenyan economy. Agriculture and fishing are the leading income contributor to the households and it plays a crucial role in food and nutrition security in this county. The great majority of the County`s population is employed in agriculture, dividing their activities between crop production, livestock rearing, and fishery. (GoK, 2014). The county is a major producer of fish. pineapples and sweet potatoes with other key crops being cotton, maize, sorghum, millet, beans, sugar cane and groundnuts (HCIDP, 2013). The county has a total population of 1,131,950, out whom 539,560 are male and 592,367 are female (KNBS, 2019). The study focused on two Sub-Counties namely: Homa Bay town and Suba North.



**Figure 3.1: Map of research site**

Source: [www.softkenya.com](http://www.softkenya.com)

### 3.3 Research design

Research design is an overall strategy used to integrate different components of a study in a coherent and logical way to ensure that a research problem is addressed (Hair *et. al.*, 2008). It constitutes a blueprint for collecting, measuring and analyzing data for a research study. This study adopted a cross sectional descriptive research design with an aim of describing both evaluating access to financial capital for men and women fish traders. The study adopted both quantitative and qualitative approaches and collected data using secondary sources, in-depth



interviews and key informant interviews. On sampling, fish traders who participated in the in-depth interviews were selected through multi-stage random sampling while the key informants were purposively selected.

The field study covered a period of one month as from July 2019 to August 2019. The study commenced by conducting in-depth interviews with registered fish traders on gendered social-economic determinants of access to financial capital, financial institutional factors that determines access to financial capital and challenges that affect uptake to finance among genders. Having conducted the in-depth interviews with the registered fish traders, the key informant interviews were introduced on the second week of the month to bring in the expert opinion on the three objectives of the study.

On analysis, quantitative data collected from the socio-demographic characteristics of the respondents and the secondary analysis were analyzed using the Statistical Package for the Social Science (SPSS) Version 20. The computed data were analyzed using descriptive statistics including frequencies, and percentages. Qualitative data were transcribed, coded and then analyzed thematically in line with the study objectives while secondary data was analyzed through content analysis. Verbatim quotes have been used alongside presentation of the findings to project the voices of the informants.

### **3.4 Study population and unit of analysis**

A study population or population universe is conceptualized as the population to which the study findings would be generalized (Cooper & Schindler, 2003). The study population for this study were all registered fish traders in Homa Bay County spread across five Beach Management unit of Koguna, Mbita town, Kananga, Arujo and Homa Bay town in Suba North and Homa Bay Sub-Counties. The unit of analysis was an individual male and female registered fish traders in the beach management units. Fish traders are organized into BMUs

spread across the study area. The population considered in this study comprised of individual male and female fish traders who were aged 18 years above at the time of the study.

### **3.5 Sample size and Sampling procedure**

According to Creswell (2009), a sample is defined as part of the population that has been selected to represent the population in a study. In the study, 20 registered fish traders were interviewed as shown in table 3.1 below. The five study beaches were purposively selected due to different variety of fish they produce. The five beaches are known as Koguna, Kananga, Mbita town, Homa Bay town and Arujo. Koguna Beach is the largest export of Dagaa (omena), Mbita is a major producer of (Nile perch) while Arujo produce tilapia. Homa Bay town BMU contributes tilapia, Dagaa and Nile perch.

Multi stage random sampling techniques were used to complete the selection of study participants. Two out of the six sub counties were sampled purposively. From the fisheries registry, five beaches were selected randomly to represent the two sub counties sampled. Fish traders were surveyed at the selected beaches. At each beach, a list of registered fish traders from the Beach Management Unit was obtained and the traders were identified with the help of beach management chairperson. The list of registered fish traders was used to ensure that the respondents are registered traders and to ensure that they are aware of financial access issues. The fisheries county officials who worked closely with the beach management unit helped in locating the five beaches for the study. The fish traders were purposively selected and recruited as respondents. Seven key informants were purposively selected to provide a comprehensive understanding of the gender issues in access to financial capital among fish traders based on their knowledge, work and position in the study area.

**Table 3.1: Sample size of the study**

| <b>Study sites (Beach)</b> | <b>Number of male participants</b> | <b>Number of female participants</b> |
|----------------------------|------------------------------------|--------------------------------------|
| Koguna                     | 2                                  | 2                                    |
| Kananga                    | 3                                  | 1                                    |
| Mbita town                 | 2                                  | 2                                    |
| Homabay town               | 1                                  | 3                                    |
| Arujo                      | 2                                  | 2                                    |
| <b>Total</b>               | <b>10</b>                          | <b>10</b>                            |

### **3.6 Data Collection Methods**

#### **3.6.1 Secondary data**

Secondary data was obtained from Kenya National Bureau of Statistics (KNBS) data repository. The Kenya National Financial Access (Fin Access) Household Survey 2019 was the main reference data. The survey was conducted by the Financial Sector Deepening (FSD) Kenya, the Central Bank of Kenya and the Kenya National Bureau of Statistics (KNBS). The survey sampled 11,000 households with 89 percent response rate. The sample were individuals aged 16 years and above where 51 per cent were female while 49 percent were male. The data was disaggregated by sector, gender and age. The variables in Fin Access that tallied with my variables were: gender, religion, level of education, marital status, account ownership, land ownership, social networks, knowledge of mobile banking. Fin access 2019 data set was used in the study because it was a requirement by the grant programme on making every woman and girl count and it was also the only data set that could address my variables on access to financial capital for agribusiness SMEs. The key variable in fin access 2019 was Access to finance.

### **3.6.2 In depth Interview**

A total 20 in-depth interviews were conducted registered fish traders. The study targeted equal gender representation and hence managed to reach 10 male and 10 female fish traders in the selected beaches of Homa Bay County. These interviews enabled the researcher to uncover comprehensive information on the gender issues in access to financial capital for fish traders from fish traders. The interviews were conducted in the BMU halls along the shore of the Lake. The semi-structured nature of the tool enabled the researcher to probe and acquired subjective qualitative information from the respondents. Semi-structured nature of in-depth interview enabled the researcher to design and collect rich descriptive data on gendered socio-economic factors that determine access to finance by fish traders, financial institutional factors and challenges that affect uptake to financial capital among gender. In-depth interview guide (Appendix III) was used to collect the data.

### **3.6.3 Key Informant Interview.**

These interviews were conducted with (10) ten key informants were purposively recruited in the study based on their area of expertise and knowledge on financial access and to provide a comprehensive understanding of the gender issues in access to financial capital among fish traders based on their knowledge, work and position in the study area. The informants included: (4) four loan officers from: Kenya Commercial Bank (KCB), Cooperative Bank, Equity Bank, Kenya Women Microfinance Trust bank, (1) one financial officer from Homa Bay County Women Sacco, (2) two fisheries officers and (3) three Beach Management Unit officers. Key informant interviews provided comprehensive understanding of the gender issues in access to financial capital among fish traders. These interviews were meant to complement the information collected from in-depth interviews and secondary reviews. A key informant interview guide (Appendix IV) was used to collect data.

### **3.7 Data processing and analysis**

#### **3.7.1 Primary data**

In this study, the in-depth interviews and key informant interviews data was transcribed and categorized for analysis. Quantitative data from the socio-demographic characteristics of the respondents were analysed through descriptive statistics and the findings presented in the form of graphs, frequencies, percentages and charts. Qualitative data collected from in-depth interviews and key informant interviews were transcribed verbatim. Qualitative analysis involved transcription and checking for clarity and coherence. What followed was sorting the data into themes, categories and patterns which formed the child nodes. The child nodes were feed into specific objectives which formed the parent nodes. Data analysis was done using thematic analysis in line with the specific study objectives as the main themes. Nvivo software was used in competing the coding process and generating report that the research discussed and interpreted in the following chapter. Verbatim quotes from the participants have been used along the presentation of findings to amplify the voices of the informants

#### **3.7.2 Secondary data**

The logistic regression model also known as logit model was used to analyze the secondary data. The Logit model gave two probability outcomes and was the most appropriate model to answer the research objectives. There were two possible outcomes: either individual owner has access to financial capital or not. Therefore, my dependent variable was a binary outcome. Equation 1 therefore be estimated using binary (Logit/Probit) model noting that the dependent variable takes two discreet values, which is zero if an event doesn't occur and one if the event occurs. The dependent variable is a twofold response. It takes only two values, 0 if no and 1 if yes.

$$y = \begin{cases} 0 & \text{if no} \\ 1 & \text{if yes} \end{cases}$$

Therefore, the study estimated the model specified in equation one below

Where

$$FA_i = \delta_0 + \delta_1 Inc + \delta_2 G + \delta_3 Ed + \delta_4 MS + \delta_5 LO + \delta_6 Emp + \delta_7 HS + \delta_8 R + \mathbf{u} \dots \mathbf{1}$$

Where  $FA_i$  the dependent variable which is based on the probability that individual has access to financial capital. It is 1 if individual has access to financial capital and zero if individual has no access to financial capital. ‘Inc’ is income, ‘G’ is gender, ‘Ed’ is education level, ‘MS’ is marital status, ‘LO’ is land ownership, ‘Emp’ is employment status and R is religion.

**Table 3.1: Definition and measurement variables**

| <b>Variable</b>                    |                            | <b>Definition</b>  |
|------------------------------------|----------------------------|--|
| <b>Access to Financial capital</b> | If an individual has       | 1. Access to finance<br>0. Otherwise   |
| <b>Education level;</b>            | None                       | 1 if individual has no formal education<br>0 if otherwise                    |
|                                    | Primary                    | 1 if individual has primary<br>0 if otherwise                                |
|                                    | Secondary                  | 1 if individual has secondary<br>0 if otherwise                              |
|                                    | Tertiary                   | 1 if individual has tertiary<br>0 if otherwise                               |
| <b>Religion</b>                    | If individual id;          | 1.Christian<br>2.Muslim<br>3. Protestant<br>4.Others                         |
| <b>Marital status</b>              | If individual is;          | 1. Married<br>2.Divorced<br>3.Single<br>4.Widowed<br>5.Single<br>6.Seperated |
| <b>Gender</b>                      | Gender of the individual l | 1 if an individual is male<br>0 if female                                    |
| <b>Employment status</b>           |                            | 1 if employed<br>0 if not employed   |

### **3.8 Ethical Considerations**

Ethical considerations are actions taken or principles observed by the researcher to ensure that the safety and rights of participants are respected throughout the entire process of the study (Resnik, 2011). Shamo and Resnik (2009), further describes these standards to include voluntary participation, informed consent, confidentiality of information, anonymity of research participants and approval from relevant authorities to undertake research studies. The researcher sought for permission to conduct the study from the National Commission for Science, Technology and Innovation (NACOSTI) and reported to the County Director of Education, Homabay County prior to conducting the research. Permission was also sought from the Lake and Beach management to carry out the study in their beaches and to assist in the sampling process.

The researcher gave an explanation to the participants during fieldwork on the voluntary nature of the study and hence the freedom of withdrawal at will. An informed consent form approved by the postgraduate studies committee of the Institute of Anthropology Gender and African Studies (IAGAS) of the University of Nairobi (Appendix II) was used to obtain the approval of the respondent's participation in the study. The participants were informed of their rights to participate, answer certain questions or not to answer questions they don't feel like or withdraw from the study at whatever stage if they choose to.

Additional permission was obtained from the key informants before any recording of interviews was conducted. The informants were assured of confidentiality and protection and therefore were not required to indicate their names anywhere in the interview guide or include any identifier. However, respondents were made aware of the overall benefit of participating in the study; that the information gathered would be used in policy formulation.

To ensure that all the respondents and informants were those who voluntarily consented to the research, no one was interviewed outside the targeted group. Also, all those targeted and finally interviewed were based on a mutual understanding and rapport that had been created by the researcher. The researcher guaranteed the informants that she would observe the principles of confidentiality and anonymity throughout the study by using codes and pseudonyms to protect their identity. This promise has been kept and no amount of identifying information is in the final write up. The results of this study will be made available at the different libraries of the University of Nairobi as a project paper and attempts to publish the work in referred journals will be done to make the information available to the wider scientific community. It is further envisioned that a copy of the project will be made available to Homabay County to inform policy.



## **4.0 CHAPTER FOUR**

### **GENDER ANALYSIS OF ACCESS TO FINANCIAL CAPITAL FOR AGRI-BUSINESS SMEs**

#### **4.1 Introduction**

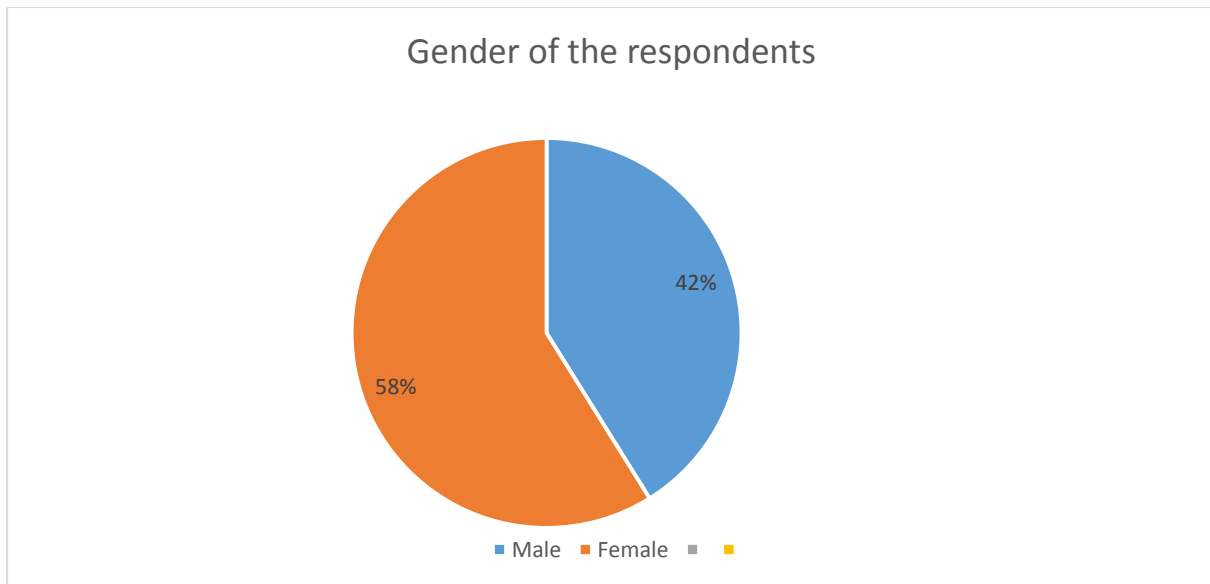
This chapter presents the research findings on gender analysis of access to financial capital for agri-business SMEs. The chapter is divided into two sections. The first section is a presentation of the respondents' socio-demographic characteristics while the second section is a presentation of the study findings based on the research objectives.

#### **4.2 Socio-demographic characteristics**

This section presents the socio-demographic information of the respondents with the aim of establishing the general background of the respondents who participated in the study. The areas investigated include gender, age, marital status and level of education of the study respondents.

##### **4.2.1 Respondents' gender**

Findings of the study indicate that majority of the study participants were women accounting for 58% of the total study participants while men accounted for 42% of the study participants as shown in figure 4.1 below. Gender of the respondents was considered an important variable in the study because it could reveal the differential gender dynamics associated with access to financial capital among fish traders. Further, given the study's interest in understanding the gendered factors that act on access to and use of finance by fish traders within the fishing value chain, it was important for participation of both men and women in order to capture varied opinions.



**Figure 4.1: Gender of the respondents.**

#### 4.2.2 Respondents' age

The findings of the study indicate that 25% of the study respondents were aged between 26-35 years while those who were aged between 18-25, 36-45 and 55 and above each accounted for 20% of the study respondents. Those who were aged between 46-55 years accounted for 10% of the total study respondents while only one (5%) of the study respondents was aged between 15-17 years (Table 4.1). Age of the respondents was deemed an important categorical variable because it could reveal the level of experience of fish traders in access to finance and to understand the potential age category at which access to financial capital is high.

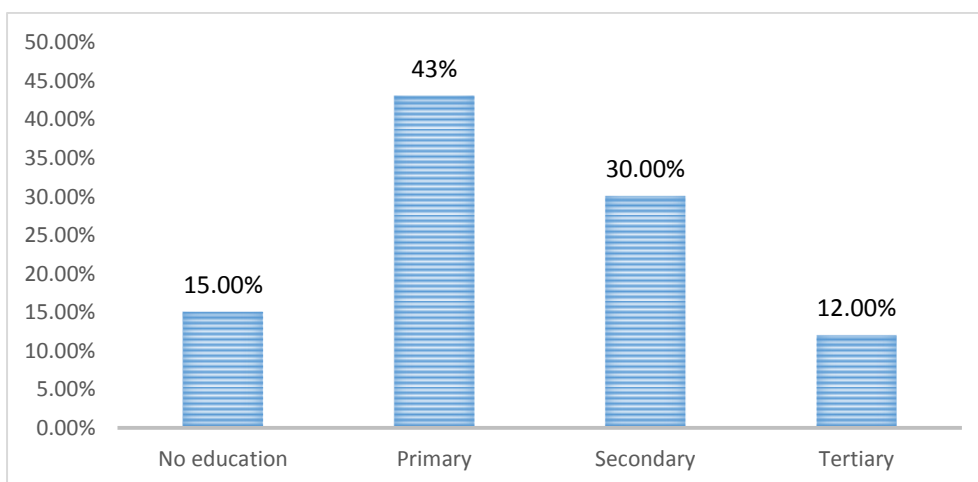
**Table 4.1: Distribution of respondents by age**

| Age bracket (years) | Frequency (n) | Percentage (%) |
|---------------------|---------------|----------------|
| 15-17               | 1             | 5              |
| 18-25               | 4             | 20             |
| 26-35               | 5             | 25             |
| 36-45               | 4             | 20             |
| 46-55               | 2             | 10             |
| Over 55             | 4             | 20             |
| <b>Total</b>        | <b>20</b>     | <b>100</b>     |

Source: Research data (2019)

### 4.2.3 Respondents' level of education

The study investigated four levels of education. Primary level, secondary level, tertiary level and never attended school. Findings of the study show that 43% of the study respondents indicated to have attained primary level of education. Those who indicated to have attained secondary level of education accounted for 30% of the study respondents. Respondents who indicated to have attained tertiary level of education accounted for 12% of the study respondents while 15% of the study respondents indicated not to have attended school (Figure 4.2). The study considered the levels of education of the respondents as instrumental in understanding the relationship between literacy levels and access to financial capital for agri-business. Education of the respondents could also be a pointer to the way funds are managed by the fish traders.

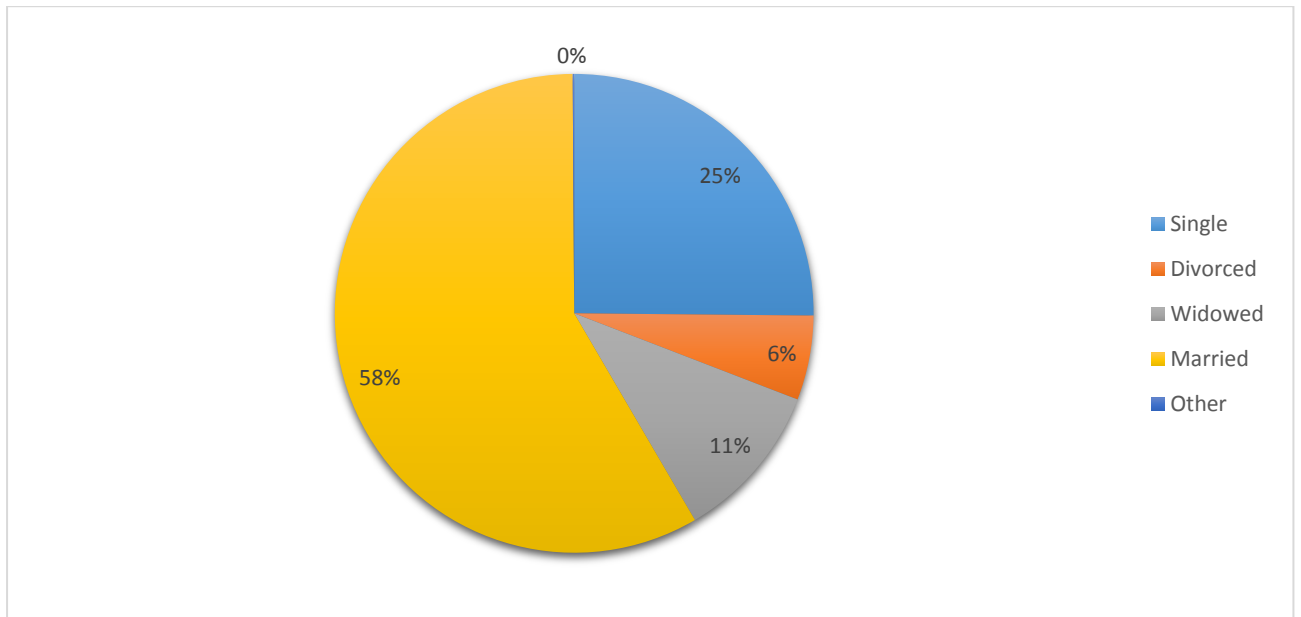


**Figure 4.2: Level of education of respondents**

### 4.2.4 Respondents' marital status.

Respondents' marital status was categorized into four categories. Married, single, separated or divorced, and widowed. The study established that majority of the respondents married which accounted for 58% of the study respondents. Those who reported to be single accounted for 25% of the respondents while 11% of the study respondents reported to be

widowed. The rest of the respondents indicated that they were separated/devorced and hence accounting for 6% of the study respondents as shown in figure 4.3 below. The study considered marital status of the respondents an important variable because it could show the dynamics of fish traders access to finance as mediated upon by household social and economic status.



**Figure 4.3: Marital status.**

#### **4.3 Gendered socio-economic determinants of access to financial capital**

The study sought to establish the gendered socio-economic determinants of access to financial capital for fish traders. The findings obtained from the quantitative data are presented below.

Quantitative findings from Fin Access data (2019) are presented in the table below in form of descriptive statistics on gendered socio-economic determinants of access to financial capital. The presentation is done in form of mean and standard deviation, financial access among fish traders. As presented in the socio-demographic characteristics of the respondents' sections, most of these socio-demographics recur in this analysis.

**Table 4.2: Descriptive statistics**

|                  | Variable                    | Obs.  | Mean     | Std.Dev. | Min | Max |
|------------------|-----------------------------|-------|----------|----------|-----|-----|
|                  | Financial access            | 8,656 | 0.855707 | 0.351407 | 0   | 1   |
|                  | Gender                      | 8,656 | 0.422597 | 0.494001 | 0   | 1   |
|                  | Account Ownership           | 2,482 | 0.413779 | 0.492609 | 0   | 1   |
|                  | Knowledge of mobile banking | 1,903 | 0.694693 | 0.460659 | 0   | 1   |
|                  | Land ownership              | 8,656 | 0.575901 | 0.494234 | 0   | 1   |
|                  | Social network              | 8,656 | 0.278997 | 0.448532 | 0   | 1   |
|                  | Household size              | 8,656 | 3.97366  | 2.322422 | 1   | 1   |
| Age Distribution | 16-17 years                 | 8,656 | 0.046442 | 0.210452 | 0   | 1   |
|                  | 18-25 years                 | 8,656 | 0.191428 | 0.393448 | 0   | 1   |
|                  | 26-35 years                 | 8,656 | 0.271141 | 0.444575 | 0   | 1   |
|                  | 36-45 years                 | 8,656 | 0.185767 | 0.388941 | 0   | 1   |
|                  | 46-55 years                 | 8,656 | 0.11957  | 0.324477 | 0   | 1   |
|                  | Above 55 years              | 8,656 | 0.185652 | 0.388848 | 0   | 1   |
| Marital status   | Single                      | 8,656 | 0.251617 | 0.433968 | 0   | 1   |
|                  | Divorced                    | 8,656 | 0.057995 | 0.233747 | 0   | 1   |
|                  | Widowed                     | 8,656 | 0.107093 | 0.30925  | 0   | 1   |
|                  | Married                     | 8,656 | 0.582255 | 0.493216 | 0   | 1   |
|                  | Other                       | 8,656 | 0.00104  | 0.03223  | 0   | 1   |
| Religion         | Christian                   | 8,656 | 0.873845 | 0.332044 | 0   | 1   |
|                  | Islam                       | 8,656 | 0.112408 | 0.315886 | 0   | 1   |
|                  | African                     | 8,656 | 0.003466 | 0.058772 | 0   | 1   |
|                  | Hindu                       | 8,656 | 0.001733 | 0.041595 | 0   | 1   |
|                  | Other                       | 8,656 | 0.008549 | 0.09207  | 0   | 1   |
| Education level  | No education                | 8,656 | 0.15238  | 0.35941  | 0   | 1   |
|                  | Primary                     | 8,656 | 0.430222 | 0.495136 | 0   | 1   |
|                  | Secondary                   | 8,656 | 0.297482 | 0.457177 | 0   | 1   |
|                  | Tertiary                    | 8,656 | 0.119917 | 0.324883 | 0   | 1   |

**Source:** Fin Access data (2019)

Findings of the study in the table above indicates that, 86% of the total respondents had access to financial capital while approximately 14% indicated otherwise. In terms of gender (42%) of the respondents were male while 58% were female. 41% of the respondents indicated that they had bank's accounts with the financial institutions. More than half (58%) of the respondent own land with a standard deviation of 4.5. Only 28% of the respondents indicated they have social network. On the average, household size of the respondents stands at 4% with a standard deviation of 0.4. The proportion of age distribution of the respondents reported as 16-17 years were 5%, 18-25 years were 19%, 26-35 years were 27%, 36-45 years

were 19% ,46-55 years 12% while those above 55 years were 19%. More than half of the respondents indicated that they were married (58%), single 25% widowed 11%, divorced 6% and others reported 0.1%. In terms of religion of the respondents, Christians reported (87%), Islam religion respondents 11%, African 0.3%, Hindu 0.1%, and others 1%. Majority of the respondents possessed primary level of education (43%) while 15% reported not having education.

In regards age, findings show that age of respondents had a direct relationship with financial access among fish traders. Data was cross-tabulated to establish influence of age distribution on financial access. Table 4.2 illustrates gender dynamics across age distribution among female respondents.

**Table 4.2 Cross tabulation of age distribution on financial access**

| Age Distribution | Financial Access |              |            |
|------------------|------------------|--------------|------------|
|                  | No               | Yes          | Total      |
| 16-17            | 71.14            | 28.86        | 100        |
| 18-25            | 18.83            | 81.17        | 100        |
| 26-35            | 6.81             | 93.19        | 100        |
| 36-45            | 6.58             | 93.42        | 100        |
| 46-55            | 7.44             | 92.56        | 100        |
| Above 55         | 19.17            | 80.83        | 100        |
| <b>Total</b>     | <b>14.42</b>     | <b>85.58</b> | <b>100</b> |

**Source:** Research data (2019)

Quantitative findings show 29% of respondents aged 16 to 17 years have financial access while of those with age distribution of 18-25 years, 81% have access to finance. Results shows that female respondents of 26-55 years had 93% access to finance. Therefore, I can conclude that age distribution had influence and a positive effect on access to finance. In particular, an increase in the age of the respondents up to 45 increased access to finance. This means that, majority of the respondents (93%) aged between 26-55 had access to finance. While (81%) of the respondents age between 18-25 and above 55 years had access. Those below aged between a 16-17 reported low access to finance at 29%, this findings may be

attributed to several factors such as acquisition of more resources (land), level of education, employment and experience which come with increase in age and are required by the financial institution as the key determinants of access to finance.

The above quantitative findings were supporting by qualitative findings. Consider the following quote from the study respondents.

“Normally financial institutions also consider someone’s age.... people who are in their 30’s up to those in their 50’s have higher chances of accessing financial services” (IDI#2 M 34).

The study established that work experience is a source of human capital that may be an advantage to an individual seeking credit from financial institution, it comes with an advantage such as record keeping for a business or enterprises that have more experience. Gaining of resources such as land may increase the chances of the agribusiness to access credit/capital to start or expand their enterprises.

The cross tabulation sought to understand how religion as a gendered factor in access to finance can influence financial access. The findings are summarized in the Table 4.3.

**Table 4.3: Cross tabulation of religion and financial access**

| Religion       | Financial Access |       | Total |
|----------------|------------------|-------|-------|
|                | No               | Yes   |       |
| Christian      | 14.65            | 85.35 | 100   |
| Islam          | 11.41            | 88.59 | 100   |
| African        | 43.33            | 56.67 | 100   |
| Hindu          | 20               | 80    | 100   |
| Other religion | 17.57            | 82.43 | 100   |
| Total          | 14.42            | 85.58 | 100   |

**Source:** Fin Access data 2019

Table 4.3 illustrates gender dynamics across religion among respondents. Result shows 89% of female Muslim respondents have financial access while of those with no access were 11%. 85% Christians respondents indicated access to finance while 15% indicated otherwise. to

have had access to finance while 15% indicated otherwise. 82% of the respondents from other religion also indicated access to finance and 18% indicated otherwise. Respondents from African and Hindu religion reported 57% and 80% respectively. These results imply that majority of Muslims had higher access to finance. This can be attributed various factors such as access and control over resources, property ownership, social networks and level of education extant within Muslim population as compared to the other religions.

These findings are corroborated by qualitative findings. One key informant supports the above sentiments by stating that:

“It depends with how organized the religions are.....Hindus and Muslims are well organized and even have what we can call their own banks and other financial institutions that solely exist to offer them financial services including loans.....” (KII 1, Coop Bank).

The study sought to understand the relationship between how level of education as a gendered factor on access to finance. The findings are summarized in table 4.4 below:

**Table 4.4: Cross tabulation of education level and financial access**

| Education level | Financial Access |       |       |
|-----------------|------------------|-------|-------|
|                 | No               | Yes   | Total |
| None            | 22.21            | 77.79 | 100   |
| Primary         | 14.98            | 85.02 | 100   |
| Secondary       | 15.01            | 84.99 | 100   |
| Tertiary        | 1.06             | 98.94 | 100   |
| Total           | 14.42            | 85.58 | 100   |

**Source:** Fin Access data (2019)

Table 4.4 illustrates gender dynamics across educational level among respondents. Findings from the study indicates that, 99% of respondents with tertiary level of education had access to finance while 1% did not. About 85% of had primary and secondary level of education. 78% of the respondents that they do not have education. Therefore, this result implies that respondents with tertiary level of education are more likely to access finance than those with



no education. Increase in level of education had an increase in access to finance. For participants in this study, an increase in level of education may increase access to financial services for fish traders. This result reflects the fact that higher level of education (tertiary) may increase awareness regarding alternative sources of financial services hence increase access to finance for fish traders.

The above sentiments are amplified by one key informant who had this to say.

“Fish traders are our biggest clients in this area. The credit department clientele are largely women and men in fish value chain.....the ones who have attained higher education like degrees and masters have better paying jobs besides engaging in this fishing business and when they come to us even for credit, we are very prompt with them because of the security coming from their employment” (KII 3, Equity Bank Official).

The level of education was found to directly impact on fish traders financial because education is a variable that is typically seen as a means of improving people’s welfare. Essentially, education and school means moving to a position of power thus empowering women. These findings are similar to those by World Bank, (2018) and SNV, (2017) who argue that education is a way of measuring knowledge, skillsets and capacity to make decisions in financial inclusion and education.

Regarding marital status, the study sought to establish the relationship between financial access and marital status. The table 4.5 below shows the results.

**Table 4.5: Cross tabulation of marital status and financial access**

| <b>Marital status</b> | <b>Financial access</b> |             | <b>Total</b> |
|-----------------------|-------------------------|-------------|--------------|
|                       | <b>No</b>               | <b>Yes</b>  |              |
| Single                | 25.41                   | 74.59       | 100          |
| Divorced              | 8.53                    | 91.47       | 100          |
| Widowed               | 20.6                    | 79.4        | 100          |
| Married               | 8.95                    | 91.05       | 100          |
| Other                 | 0                       | 100         | 100          |
| <b>Total</b>          | <b>14.4</b>             | <b>85.6</b> | <b>100</b>   |

**Source:** Fin Access data (2019)

Table 4.5 illustrates gender dynamics across marital status among female respondents. Result shows 91% of financial access among married and divorced female respondents.

Findings from Financial Access and Global Findex database supports the above findings as it shows that women and men who are married and those who are separated have higher chances of financial access compared to the other categories of marital status. Opondo (2010) and Halloway *et al.*, (2017) also recorded similar findings and they concluded that marital status had a positive and significant impact on women financial access and use.

### ***Logistic Regression***

The log likelihood estimation was given as  $-2824.5412$ : LR chi2 (20) = 1495.24, Prob>chi2 = 0.0000 and pseudo R<sup>2</sup> as 0.2093. The logistic regression model adopted for this study was therefore correctly specified and therefore the model is good to explain the determinants of access to financial capital. Table 4.5 provided odd ratio of the regression results. Odd ratio greater than 1 describes positive relationship while odd ration below describes negative relationship. However, odd ratio does not provide the magnitude of probability of occurrence. Therefore, regression results in terms of marginal effect is presented in Table 4.5.

**Table 4.5 Odd ratios**

|                  | Variable       | Odds Ratio | Std.Err. | Z      | P> z  |
|------------------|----------------|------------|----------|--------|-------|
| Gender           | Gender         | 0.8719     | 0.0652   | -1.83  | 0.067 |
| Land Ownership   | Land ownership | 1.3296     | 0.101    | 3.75   | 0     |
| Social network   | Social network | 1.1267     | 0.0861   | 1.56   | 0.119 |
| Household Size   | Household size | 0.9162     | 0.014    | -5.74  | 0     |
| Age Distribution |                |            |          |        |       |
|                  | 18-25 years    | 6.8871     | 0.9386   | 14.16  | 0     |
|                  | 26-35 years    | 20.2499    | 3.2567   | 18.7   | 0     |
|                  | 36-45 years    | 23.0605    | 4.0803   | 17.74  | 0     |
|                  | 46-55 years    | 20.3025    | 3.86     | 15.84  | 0     |
|                  | Above 55 years | 9.3886     | 1.6406   | 12.82  | 0     |
| Marital status   |                |            |          |        |       |
|                  | Divorced       | 1.4175     | 0.2405   | 2.06   | 0.04  |
|                  | Widowed        | 1.1882     | 0.1774   | 1.15   | 0.248 |
|                  | Married        | 2.3276     | 0.239    | 8.23   | 0     |
|                  | Other          | 1.4438     | 1.5634   | 0.34   | 0.734 |
| Religion         |                |            |          |        |       |
|                  | Islam          | 2.3565     | 0.2946   | 6.86   | 0     |
|                  | African        | 0.3219     | 0.1267   | -2.88  | 0.004 |
|                  | Hindu          | 0.1643     | 0.1243   | -2.39  | 0.017 |
|                  | Other          | 1.3175     | 0.4384   | 0.83   | 0.407 |
| Education Level  |                |            |          |        |       |
|                  | Primary        | 2.1336     | 0.2088   | 7.74   | 0     |
|                  | Secondary      | 4.0826     | 0.4916   | 11.68  | 0     |
|                  | Tertiary       | 43.3635    | 14.0525  | 11.63  | 0     |
|                  | _cons          | 0.1608     | 0.0294   | -10.01 | 0     |

|                             |               |   |         |
|-----------------------------|---------------|---|---------|
| Logistic regression         | Number of obs | = | 8,656   |
|                             | LR chi2(20)   | = | 1495.24 |
|                             | Prob > chi2   | = | 0.0000  |
| Log likelihood = -2824.5412 | Pseudo R2     | = | 0.2093  |

**Source:** Fin Access data (2019).

**Table 4.6: Marginal effect**

|                  | Variable       | dy/dx   | Std.Err. | Z     | P> z  |
|------------------|----------------|---------|----------|-------|-------|
| Gender           | Gender         | -0.0112 | 0.0062   | -1.81 | 0.07  |
| Land Ownership   | Landownership  | 0.0235  | 0.0064   | 3.66  | 0     |
| Social network   | Social network | 0.0095  | 0.0059   | 1.59  | 0.111 |
| Household Size   | Household size | -0.0071 | 0.0013   | -5.68 | 0     |
| Age Distribution | 18-25 years    | 0.1036  | 0.0069   | 15.06 | 0     |
|                  | 26-35 years    | 0.1699  | 0.0099   | 17.16 | 0     |
|                  | 36-45 years    | 0.1413  | 0.0077   | 18.46 | 0     |
|                  | 46-55 years    | 0.1159  | 0.0061   | 19.01 | 0     |
|                  | Above 55 years | 0.1133  | 0.0076   | 14.83 | 0     |
| Marital status   | Divorced       | 0.0249  | 0.0106   | 2.34  | 0.019 |
|                  | Widowed        | 0.0132  | 0.0108   | 1.22  | 0.221 |
|                  | Married        | 0.0735  | 0.0097   | 7.59  | 0     |
|                  | Other          | 0.0256  | 0.0643   | 0.4   | 0.69  |
| Religion         | Islam          | 0.0534  | 0.0061   | 8.75  | 0     |
|                  | African        | -0.1433 | 0.0701   | -2.05 | 0.041 |
|                  | Hindu          | -0.2832 | 0.1761   | -1.61 | 0.108 |
|                  | Other          | 0.02    | 0.0215   | 0.93  | 0.352 |
| Education Level  | Primary        | 0.0595  | 0.0077   | 7.72  | 0     |
|                  | Secondary      | 0.0941  | 0.0073   | 12.89 | 0     |
|                  | Tertiary       | 0.1294  | 0.0047   | 27.6  | 0     |

**Source:** Financial Access data (2019)

Gender has a negative and significant effect on access to financial capital at 10% ( $p=0.07$ ).

The result implies that the probability of male individual having access to financial capital is

1% less than female individuals. Land ownership has a positive and significant effect on

access to financial capital at 1% level ( $p=0.000$ ). The probability of individuals owning land

having access to financial capital is 2% higher than individuals with no land ownership.

Household size plays negative and significant effect on access financial capital. The marginal

effect of household size is significant at 1% level ( $p=0.000$ ). This implies that 10% increase

in household size is associated with less than 0.07% probability of financial access among the households. Age distribution has a significant and positive effect on access to financial capital. Compared to those individuals aged between 16 and 17 years, the probability of individuals aged between 18-25 years having access to financial capital is 10% higher. Age distribution falling between 26 and 35 years have positive and significant ( $p=0.0000$ ) effect on financial access. This implies that individuals aged 26-35 years are 17% more likely to have access to financial capital than those individuals aged 16-17 years are. Individuals aged between 46-55 years are 12% more likely to have access to financial capital than aged 17-18. An increase in an individual age may increase the chances of access to finance up to 46 years, after which the effect of age starts to decline (figure 4.6). This findings of the positive effect of age on access finance may be due to more work experience, employment and acquisitions of resources and networks, which come with increase in age. Additionally, Age of the respondent and the business may be a source of capital that may help improve ability of fish traders to access financial capital.

Marital status has both negative and positive significant influence on access to finance. The positive effect of marital status implies that married individuals had 7% higher probability of accessing finance at 1% level ( $P=0.000$ ) than unmarried individual. The positive effect implies that married individuals have a higher probability of accessing finance to those who are not married. The positive effect may be because the married couple may acquire properties jointly and use the assets as collaterals that the bank may require to access finance.

Level of education positively and significantly influenced access to finance. These results indicate that individuals with higher level of education (tertiary) had a higher possibility of financial access than those with no education. The marginal effect indicates that, attaining tertiary education increased the probability of borrowing credit. This result reflects the fact

that, tertiary level of education may increase employment, provide information on alternative sources of financial access and improve acquisition of resources that might be required by financial institution in order to qualify for credit. Level of education is a key challenge among fish traders in Homa Bay County, as indicated by the in-depth interview carried along beaches. In depth interview reported that, most of the fish traders had primary level of education (55%), 36% of the respondents had secondary levels of education and those with tertiary and graduate levels of education were 4% for both. However, those with post graduate level of education were 1%.

The above quantitative findings were corroborated by qualitative findings from the interviews. The following voice from one of the respondents puts the situation into perspective.

“I here this young men and women complain a lot that the banks do not want to give them loans or credit.....they get loans from BMU Sacco” (IDI#19 F 41).

Thus, as people grow old or age, they become knowledgeable about the various financial products and services and start using them till they reach a certain age maybe towards retirement where they stop having interest. These results are supported by a number of studies Hoyos *et al.*, (2013) who observed that 25-64 age bracket at which people access financial services and products and those who are younger or older are excluded.

In regard to education level, there are marked differences in access based on the level of education. According to one key informant:

“Education give people a better bargaining power and voice when participating in development. Those who have been exposed to education or knowledge or just any form of training is better than those who have not undergone any. And you realize these are the leaders in these SACCOs and BMUs and other spaces in the beach communities as well” (KII 5, BMU Official).

The findings on low level of education among fish traders concur with those of Ikiara (1999) which indicated that most fishers are poorly educated, 65% have primary level of education and 8% have no education. In an earlier study, Merdard (2001), in Tanzania established that the issue of low education among fishers/fish traders and education was key in influencing societal roles of men and women. Mutoro (1997) adds to this study by stating that most women are aware of the effects of low level of education in their life and asserts that it has limited their participation in business and to the outside world.

The study also established that most of the male fish traders who owned bank accounts had access to financial services as compared to their female counterparts. This was also true of the most male traders who owned with access to financial services. Most male traders who owned mobile phones also accessed financial services as compared to female traders. When trained on how to run business, most male traders had access to financial service. The findings of the study also reveal that most male traders who received training on record keeping accessed financial services. Most male traders whose businesses were owned individually had access to financial services as compared to female traders. This was also true when businesses were group owned and when business were registered.

The findings may lead to an understanding that access to financial services is gendered along economic factors. According to Kenyan federation of women lawyers study conducted in Kenya, women's right to own, inherit and manage or dispose property has long been under attack from cultural beliefs and practices that do not give women access to and control over properties, they are only granted secondary rights to land and property through male relatives. The findings of this study thus could be explained by the perceived limited ownership to economic factors by women themselves. Such perceptions could be explained by the deeply

rooted cultural norms, which entitles the male to ownership of properties. The female fish traders in the study area thus perceive themselves to be lacking in ownership of economic factor and thus do not make deliberate attempts to access financial services. It is also possible that those financial institutions do not advance adequate financial services to the women based on the perception that their access to economic factors is limited. This is in agreement with findings by Korir (2015) who found gender-based credit constraints such as limited education, inferior legal status and unpaid reproductive responsibilities.

These findings corroborate those by Adulla and Ayedh (2017) who found that financial access is influenced by various socio-economic factors and those factors include those related to the owner of the enterprise and those related to the nature of the enterprise including age, marital status, gender, level of education. Similarly, these findings agree with those by Oxfam (2014) who concluded that social perceptions of the role and place of women was identified as responsible for the general attitudes regarding access to factors of production and that women are under the guardianship of their husbands or brothers or eldest sons.

#### **4.4: Financial institutional factors that affect uptake of financial capital**

The study sought to establish institutional factors that affect uptake of financial capital. Findings from the qualitative and quantitative data are presented below. Quantitative data was specifically used to investigate specific fish trader savings and loans product, the gendered loan products, lending arrangements and loan repayment grace periods. Table 4.7 below presents the findings.



**Table 4.7: Financial Institutional Factors that affect uptake of financial services.**

| <b>Variable</b>                                      |            | <b>Percent</b> |
|--|------------|----------------|
| Have fish traders focused savings and loans products | Yes        | 78             |
|  | No         | 22             |
| Have specific loan products for women and men        | Yes        | 33             |
|  | No         | 67             |
| Lends to   | Individual | 92             |
|  | Group      | 6              |
|  | Both       | 2              |

The study established that 78% of the financial institutions had fish trader focused savings and loans products and 22% of the respondents stated otherwise. The findings also indicate that 92% of the financial institutions lends to individual as opposed to group or both.

The above quantitative findings were supported by qualitative findings from the key informant interviews. From the findings it emerged that the financial services offered to the fish traders were not flexible in terms of repayment period.

One of the key informants illustrates this phenomenon as follows:

“The challenge we have with the financial institution is that they have very short repayment period and yet our business sometimes is not very good. There are seasons when fishing activities go down and the catch is not very good. At that time, we do not make any profit and thus not able to repay the loans. The financial institutions should consider loan products with that in mind (KII 3. BMU Official).

The study established that the financial institutions has policies that did not favor majority of the fish traders. The policies did not march with the real needs of the study participants. This situation is exemplified by of the respondents who noted that:

“The banks and all the other financial institutions are not keen to help us.....we fish traders have very unique financial needs and challenges and they should understand that instead of denying us loans based some polices that are even not practical in our livelihood” (IDI#12 F 34).

The above findings were supported by one key informant who stated that:

“The Homa Bay County women Sacco is looking into changing lending policy to be accommodative of agricultural enterprises. (KII 5, Finance Officer).

The study established that even though loans were offered to individuals, group members are not advanced loans when their member defaults.

One of the respondents indicated that;

“The problem with these financial institutions is that they offer loan services to individuals but when that individual defaults, the whole group suffers. They do not loan a member of a group when one of them has defaulted. This makes us fear the financial services because they expose the whole group to the risk of one person” (IDI#16 F 40).

The study further established that that terms and conditions put in place by the financial institutions were sometimes difficult to for the fish traders to meet them. For instance, the need for guarantors and security before one or a group is offered a loan was highlighted as a major obstacle for the fish traders owing to the nature of the asserts that they own. Many noted that their mode of livelihood was largely centered on the lake which would limit them having asserts to be used as securities for securing loan. One of the respondents puts this into perspective:

“The requirements for having guarantors and security which is mostly land or movable properties is a challenge to most of us. Getting a guarantor is not easy and sometimes you may not have land or movable properties and therefore your loan will not be processed” (IDI#10 M 46).

From the study results, it emerged that some of the financial institutions only consider the working class for loans. Consider the following voice from one of the informants indicated that;

“The other problem with the financial institutions is that they seem to discriminate people. Most of the institutions see fish traders as the people who cannot pay back the loan when they are given, and this is the reason why most fish traders prefer borrowing money from the Chama. Because they are also readily available at a lower rate and flexible” (KII 2, KCB Bank Official).

Findings of the study indicate that there are challenges with the financial institutions which are associated with the interest rates charged by the financial institutions. Majority of the study participants noted that almost all the financial institutions including Saccos were charging them very high interest rate of up to 20%. Some of the respondents noted that:

“.....as much as we really want the financial institutions to allow us access their loans.... the problem is they charge very high interest so end up just working for them in the name of paying back the loan together with interest” (IDI#11 M 33).

“Financial institution gives us short terms/periods for starting to pay back the loan, failure your properties be auctioned (KWFT) Most financial institution do not give extension to pay loan when we face challenges such as the omena traders during rainy seasons. (IDI#19 F 29).

The above assertions were corroborated by key informants who opined that the interest rates charged by the financial institutions were high for most of the traders and that the repayment periods were also short.

Consider the following quote from one of the key informants:

“Fish traders are also complaining of the high interest rate put in place by the financial institution. (KII 3, BMU Official).

Conversely, some of the key informants associated with financial institutions indicated that indicated that the interest rates were as low as 4 % payable by reducing balance which they considered to very favorable terms for the fish traders.

“Our bank does not charge high interest rates because we know the nature of fishing as an economic production.....Our payment is flexible and sometimes we can negotiate with our clients (fish traders) depending on the season.....” (KII 4, Coop Bank Official).

The above findings on challenges embedded in the institutions as articulated by respondents was supported by key informants who noted that the financial institutions were aware of the challenges facing the fish traders in loan repayment. One of the key informants indicated that

“Members engaged in agribusiness (fish traders) face challenges in repayment especially in situations where the commodity takes a while to be ready for the market. Loan repayment is not 100%. This is the biggest challenge facing the SACCO currently. During the low season the fish traders and fishers migrate to other beaches and this makes it difficult to trace them to pay back the loans (KII 5, Finance Officer).

Findings of the study show that distance from the bank and the bank location hinder the fish traders from borrowing loan and saving money the bank and therefore they opt to borrow funds from Saccos, Chama and digital Apps such as Mshwari. This is attributed to the availability of these financial services within the beach localities. One respondent illustrates this:

“You know fish traders like us here in Kananga we are very far from town and hence just getting time to go to these financial institutions becomes difficult therefore we resort to using loans services from Chamas that are here.....sometimes we borrow from these Mobile Apps such as Tala that offer loans and even Mshwari” (IDI#10 M 41)

In relation to the sentiments above, one key informant supported the sentiments with the following statement.

“We need a financial institution to save money or a bank agent, here in Kananga Beach we do not have bank or bank agents, as you know fish traders get a lot of money during good seasons, but they do not have a bank to save the money” (KII, Male, BMU chair).

Findings show that financial institutions are located in Homa Bay town and for a trader to access them they have to travel by motor bike or boat and incur several charges for transport at some point.

Study findings show that credit accessibility was established as one of the financial institutional challenges that affect uptake of finance by the fish traders/agribusiness, this emanates from the existing policies and complicated policies put in place by the financial institutions. Findings show that financial institutions delays in processing the loans and the fish traders do not get the credits at the exact time especially at the banks when they need the

loan; this affects their access to financial services and therefore opt to seek finance from marry-go round, Chama, digital app and microfinance which is more reliable and accessible.

One of the respondents indicated that.

“The problem with the financial institution, specifically, the bank is that when we apply for loan it takes time to be released, we are not given the money at time we want it” (IDI#9 F 39).

The above statement was supported by one key informant who asserted that:

“Yes, formal institutions will require that all the due process is followed to ensure that everything is water tight.....unfortunately many fish traders find this to work against them. They feel we are too slow with our processes yet for them they tend to be in a hurry....” (KII 2, KCB Bank Official).

The study established that limited information on financial access negatively affects fish traders’ financial access and use. Study respondents indicated that most of the financial institutions close to the beaches have never trained fish traders on their financial products and how the fish traders can access their financial services. Some of the traders especially women were trained by Non-Governmental organizations through their Chama groups. One respondent noted that:

“The banks and many other financial institutions have never come close to us here like our Sacco does. We need training on how to use the services they are offering but they have failed to live up to that.....When you go to the banks they will tell you that they will send their officer to engage with us and educate us but we have never seen that” (IDI#3 M 38).

Thus, the findings of the study indicate that most of the financial institutions had no fish-trader focused savings and loans products and that most of the institutions lend money to individual as opposed to group or both. Further, the institutions charge very high interest rates and short repayment period. Findings of the study demonstrates the financial institutional factors that affect access to financial services such as high interest rates, location of the banks, delay in processing the loans, shorter repayment periods, lack of flexible terms,

limited information on financial services and strict requirements for loan security and guarantors. These findings agree with those of Ngeno (2013) who reported that financial institution through their lending policies creates most of the access problem. He further noted that the policies included the interest rates, requirements for guarantor and security, as well as repayment terms.

Findings from a study by Okello, Osamba and Parasitau (2015) are also in keeping with the findings of this study. While examining challenges facing the fishing industry in Homaline and Kendu Bay zone in Homa Bay County, the trio pointed out that, lack of banking facilities hindered the fishers and fish traders from saving money. They pointed out that most banks were situated in towns like Kisi, Homa Bay and Kisumu that were far from beach management Unit where fishers and fish traders were located and to reach the banks the traders have to part with some money for transport. The findings of this study also concur with those of Buvinic and Berger (1990) conducted in Tanzania among 198 fish traders and processors revealed that only 6% of fish traders and 2% fish processors had knowledge on book keeping and trainings that relates to financial access.

#### **4.5 Gender differential challenges experienced in the uptake to financial capital .**

The study sought to establish gender differential challenges experienced by fish traders in the uptake of financial capital. Findings of the study indicate statistically significant gender challenges experienced in uptake of financial capital include having experienced certain challenges in accessing financial services as well as proximity to financial services. Table 4.8 below presents the findings.

**Table 4.8: Financial Institutional factors affecting uptake of financial services**

| <b>Variable</b>  | <b>Std.<br/>Err.</b> | <b>Odds</b> | <b>Z</b> | <b>P&gt; z </b> |
|--|----------------------|-------------|----------|-----------------|
| Ever received training/information on financial services | 0.665                | 0.007       | -0.055   | 0.934           |
| Belonging to association of fish traders                 | 0.73                 | 2.27        | 1.1      | 0.132           |
| Borrow money from association                            | 0.737                | 0.009       | 0.071    | 0.924           |
| Interest rate  | 0.032                | 1.199       | -0.035   | 0.274           |
| Challenges hindering access to financial services        | 0.023                | 4.674       | -0.05    | 0.031           |
| Nearest financial provider                               | 0.327                | 2.848       | -0.552   | 0.002           |
| Constant   | 1.615                | 1.178       | 1.753    | 0.278           |

Quantitative findings show that fish traders having faced challenges in accessing financial services negatively affected access to financial services for men ( $Z=-0.05$ ) with an odds ratio of 4.674. Also, male respondents indicated that financial services closer to them were not banks were (2.847) less likely to access financial services ( $Z=-0.552$ ).

The above quantitative findings were supported qualitative findings from the key informant interviews. The findings show that banks, banks agents and other financial institutions do not have a good presence in some of the study sites hence denying the fish traders the opportunity to own a bank account to facilitate savings.

One key informant puts this into perspective:

“Here in Kananga we do not have a bank or even bank agents that may enable our people to save, as you know fish traders and fishers gets a lot of money during good seasons, but they do not have a bank to save that money” (KII 4, BMU Official).

The study established that the challenges facing fish traders are layered along the dichotomous gender category and that they vary from men to women. Further, the challenges facing certain groups of women within the fish trade vary from those challenges facing other women groups for instance the poor verse the rich. The study also established that challenges facing male fish traders manifest along the line of asset ownership, control of resources and wealth status. Results of the study show that the fish business is sometimes organized along

associations and that people who are not in the circles or not well connected, by blood or sexually may pay more to buy fish from the fishermen.

Consider the following assertions from some of the study respondents:

“.....like the people dealing with omena are majorly affected by this kind of arrangements. Omena traders which is female dominated. Fishermen tend to value their relatives or their **jakambi** interest in getting omena from their boats, if you have no relative or sometimes **jaboya** in that boat.....” (IDI#13 M 31)

“We as woman must dig deep into our pockets to bribe fishermen in order to obtain fish or to be considered. This can be through incurring expenses such as providing fuel for the fishermen or purchasing fishing gears or items used by the fishermen” (IDI#18 F 41).

The above voices were backed up by one key informant who stated that:

“The other option that women traders have is accepting to exchange sex for fish or bribe the fishermen prior to the catch this happens during reduced catch seasons where there is high demand for fish by traders...women suffer a lot during this period because they must sell fish and for them to get it they must have sex with the fishermen” (KII 5, BMU Official).

The study findings indicate that gendered differential challenges were also as result of the type of fish that traders dealt with. Results indicate that fish traders who engaged in Oman and those in Tilapia experience different challenges. These challenges are associated with the utility of the fish type that drives the demand which ultimately controls price in the market.

One key informant pointed out that:

“Female traders are majorly dominated in the undersize fish, dagaa and tilapia while majority of male traders dominated Nile perch. Nile perch are used for several purpose, they are used in industries and for food, they require more capital to start and run it while the undersize fish and dagaa require small amount of capital to start and they are majorly seen as consumable products. Majority of Nile perch traders are male and have higher access to financial capital compared to the under sized fish and dagaa which are dominated by women” (KII 3, BMU Official).



Findings of the study established that storage facilities suffice as a key challenge for fish traders in the study site. Qualitative findings show that fish traders lack adequate storage facilities that can be used in storing fish as they look for market or transported to the market. Many respondents insinuated that this challenge has in return led to fish spoilage before reaching the market hence affects the traders' sales. This scenario was noted to sometimes drive traders to seek loans to sustain themselves in the fish business. Dagua traders were also identified to be facing challenges of adequate storage facilities. Some respondents noted that the traders are forced to store the dagaa in their houses where they live with their children hence leads to spoilage of the products and their financial access. The above findings are exemplified by the following voices from study respondents.

“We lack sufficient coolers to store our fish as we wait for market this leads to fish spoilage before reaching market. Dagua (omena) traders in this beach also lack storage facilities for the dried omena.....” (IDI#14 F 50).

“.....we store them in our houses during the rainy season so that they do not get spoiled before the market day.....” (IDI#9 M 51)

The study findings established that fish traders faced the challenge of having title deeds to act security to secure bank loan and other services. Results of the study established that fish traders, specifically, single and divorced female traders had challenges in owning title deed, this affects their access to financial capital from the existing financial institutions.

One key informant puts this situation into perspective:

“.... the banks require security for them to give loans. Some people have tried using their vessels like the boats to secure loans but banks have been reluctant to accept boats as security for loan.....the banks wants title deeds and if you don't have that they you don't stand a change.....these poor women who are single or sometimes divorced are then locked out completely because they don't have land title deeds...” (KII 3, MBU Official).

Thus, the challenges experienced in uptake of financial capital include having experienced certain challenges in accessing financial services, sexual harassment as well as proximity to financial services, lack of access to and control over resources, exclusion when they did not have associations with the fishermen, type of fish, lack of adequate storage facilities and lack of title deed that can be used as security. The study findings show that these challenges often lead to one of the common fish trades around Lake Victoria beach regions referred to as 'sex-for-fish and bribery along the wild fish value chain.

The findings of this study correspond with those of Nyandat and Owiti (2013) who found that fishermen around Lake Victoria scramble for limited fish available leading to low income. The duo associated the gradually decline of fish in the lake to overfishing, high population, ecosystem degradation, environmental pollution and climate change. The findings of this study are also in keeping with those of Medard, Sobo and Nyatunga (2015) who found that because of challenges extant in the fish value chain many traders have developed several coping strategies. The trio noted that some of the fish traders bought their own boats and fishing gears while others had developed special relationships with the fisher folks in order to secure sufficient supplies of fish and the arrangements included fish for sex, buying fishermen/women gifts, loaning them money and foods.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMEDATION

#### 5.1 Introduction

This chapter presents the summary of the study findings, the conclusion and the recommendations for policy action. The chapter concludes with suggested areas for further research.

#### 5.2 Summary of findings

The aim of the study was to conduct a gender analysis of access to financial capital for agri-business SMEs among fish traders in Homabay County. In order to achieve this objective, the study conducted a content analysis of Financial Access data (2019), conducted in-depth interviews with fish traders as well as key informant interviews with leaders of BMUs and other key persons knowledgeable on the topic of study. Findings show that age of fish traders had significant and positive effect on access to financial capital. An increase in an individual age may increase the chances of access to finance up to 46 years, after which the effect of age starts to decline. The study established that in general, financial access was higher for 26-35 years age group. Findings of the study show that access to finance was mediated upon by religion in that Christians respondents reported higher access to finance followed by Islam respondents and other religious orientations. Marital status was also found to have a direct influence of fish traders' access to financial capital. More than half of the respondents who indicated that they were married had a higher financial access. The study established that level of education had positive and significant effect on financial access in that respondents with tertiary education had higher possibility of financial access and inclusion compared to those without education.

Findings of the study indicate the financial institution factors affecting access to financial services included lack of flexible terms of repayment period, the policy of denying members financial access when a member has defaulted, strict financial credit requirements including need for guarantors and security before one is offered a loan. Another institutional factor was perceived discrimination when loans are offered to individuals as well as high interest rates and short repayment time. Findings of the study indicate that gender differential challenges experienced in uptake of financial capital include having experienced certain challenges in accessing financial services as well as proximity to financial services. Female fish traders faced the challenge of exclusion when they did not have associations with the fishermen leading to human rights violation such as sexual harassment and bribery. Findings indicated that lack of adequate storage facilities that can be used in storing fish as they wait for markets affects both fish traders which leads to fish spoilage before reaching the market hence affects the traders' access to financial services. Lack of title deed emerged from the findings as a gender differential challenge in uptake to financial capital among fish traders.

### **5.3 Conclusion**

Access to financial capital for fish traders has positive effect on the economy of men and women engaged in this form of production. Sustainable economic growth invites the need to ensure men and women are included in finance and have adequate access and use of such services. This is not only important for empowerment but also as a key factor in increasing prosperity by reducing poverty. To enhance financial capital access for men and women engaged in fish value chain, the need to understand the determinants driving access must be contextualized. The socio-economic factors underpinning access and use of financial services include; age, gender, level of education, marital status, and religion. From the study findings therefore, it is possible to conclude that gendered socio-economic factors determine access to and use of financial capital for fish traders. Women fish traders are negatively affected by the

socio-economic factors in their access to financial services as compared to their male counterparts. This is attributed to the cultural factors which limit financial entitlement for women. The study also concludes that financial institutions have various factors which limit access to financial services. Such factors include high interest rates, short repayment periods, requirements for security and guarantors, proximity of the financial services as well as inadequate policies to cater for specific needs of the fish traders. This implies that increase in any of these variables significantly increases the level of financial access for men and women within the fish value chain. Finally, a conclusion is made of the fact that there are gendered challenges in access to finance and therefore fish traders are not left behind. Men and women have the challenge of exclusion should they be without associations which leads to their exploitation. Financial access and utilization for both men and women is vital for fish production. This is an incentive that can attract players from outside the county to invest in the fishing industry which comes with increasing employment and business opportunities for fishing communities.

#### **5.4 Recommendations.**

Access to financial capital for fish traders is a catalyst for reducing poverty. This opportunity is not being utilized by the stakeholders involved in the fish value chain including the county government. Men and women involved in the fish trade are riddled many of the aforementioned factors in regard to access to financial capital. The study therefore makes the following recommendations:

- i. There is need to link self-help group and Beach Management Unit with financial institution to enhance financial access among fish traders in Homa Bay County and more specifically , the study areas.
- ii. There is need for sensitization targeting women with regards to economic entitlement be conducted in the county. The financial institutions, ministry of trade and

industrialization as well as other development partners to counter the perceived lack of economic empowerment and poor access to finance among the fish traders could do such.

- iii. Financial institutions in the lake region to review existing financial policies to cater for the special needs of the fish traders and especially the female traders. Such policies should target to improve flexibility of the services offered. Such institutions should also consider other ways of advancing credit to the traders without necessarily requiring them to have guarantors and securities.
- iv. There is need for a financial institution to consider putting up banks or banks agent, that may enable the fish traders to save since there is no bank in some of the beaches under the study area, specifically, Kananga Beach.

### **5.5 Suggestion for further research**

- i. An elaborate case study to elucidate specific factors which make certain traders' access financial services. Such studies could be conducted among the fishermen as well as the fish traders in the country.
- ii. A longitudinal study should be conducted to further understand enablers of financial access among female fish traders as well as the coping mechanisms to challenges that women fish traders face in financial access in Kenya.

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## Appendix I: Work Plan

*Work plan for the period of 6 months*

| Sn  | Activity schedule                                 | Year 2019 |      |      |    |      |     |     |     |
|-----|---|-----------|------|------|----|------|-----|-----|-----|
|     |   | May       | June | July | Au | Sept | Oct | Nov | Dec |
| 1.0 | Full proposal development and defense.            |           |      |      |    |      |     |     |     |
| 1.1 | Retrieval of secondary data from various data set |           |      |      |    |      |     |     |     |
| 1.2 | Analysis of data                                  |           |      |      |    |      |     |     |     |
| 1.3 | Paper writing and submission                      |           |      |      |    |      |     |     |     |
| 1.4 | Result publication                                |           |      |      |    |      |     |     |     |
| 1.5 | Graduation  |           |      |      |    |      |     |     |     |

## **Appendix II: Informed Consent form**

Good morning/afternoon? My name is **Cynthia Atieno Oliech** a student doing a Master of Arts in Gender and Development Studies at the Institute of Anthropology Gender and Development Studies, University of Nairobi. As part of the requirements for my studies, I am conducting a survey of fish traders in this area. Your business has been selected by chance from all the fish traders in this County. I would like to ask you some questions related to access to finance.

Combined with the participation of other fish traders in Homa Bay County, the information you provide will be useful in establishing the overall situation of access to financial capital for SMEs in this region. Participation in the survey is voluntary.

All the information you give will be confidential. The information will be used to write my thesis, but will not include any specific names of entrepreneurs or their businesses. There will be no way to identify that you are the one who gave this information.

If you have any questions about the survey, you can ask me or my research assistant. At this point, do you have any questions about the research?

Signature .....

Date.....

## **Appendix III: In-depth interview guide**

### **Section one: Socio-demographic characteristics**

Record gender of participants

How old are you?

What is your highest level of education of education?

What is your marital status?

How much do you earn from fish trade per month?

### **Section two: Gendered socio-economic determinants**

Now as we start, I am going to ask you about some of the determinants of access to financial capital. I would like to know some of the socio-economic factors that determines access to financial capital.

What is your level of education? (Probe how level of education affects access to finance. What of high level of education, low level of education.)

Have you ever received a training to run your business? (Probe how the training determines access to finance? Who offered the training?)

Do you keep records for your business? (Probe: how record keeping influence access to finance?)

Do you have access to any financial service? (Probe: type of services, nature of services)

Do you own a bank account? (Probe; how account ownership influences access to finance, which type of financial institution, how often to use financial institution and use of financial institution?)

What is your feeling about land ownership? (Probe: ownership status, size of the land, does the land have a title deed?)

Speaking about mobile loan, do you own a mobile phone? (Probe: mobile loan app awareness, ever borrowed money through the loan app?)

Have you ever borrowed money to finance your business? (Probe reasons for borrowing money, where financial services were assessed?)

Which type of fish do you trade in? Probe how type of fish influence financial access?

Have you ever applied for finance from a financial institution and was denied? (Probe reasons for denial?)

### **Financial Institutional factors**

What generally do you consider as the major financial institutional challenges that you have encountered while accessing finance?

Where is your business located? Probe location of the business, determinants of access to finance, town, beach, rural or town?)

In your own opinion what are the most important elements necessary for a financial institution to correct for (a) women (b) men access finance?

### **Challenges experienced in uptake to financial capital among gender.**

Have you received training/information from a financial institution regarding their services? (Probe: type information/training, who offered the training and if the training has effect financial accessed?)

Do you belong to any association of fish traders? (Probe: if they borrow money, interest rate,

What would be the cost of public transport from where your business is located to the nearest financial provider?

Which is the nearest financial provider from where you live? (probe the cost of transport to where the financial institution is

In your opinion what are the key intervention strategies needed to optimize women participation in the fish trade?

**Thank you for participating**

## Appendix IV: Key informant interview guide

### Background information

Name of the institution\_\_\_\_\_

Positions\_\_\_\_\_

Years of service\_\_\_\_\_

1. What is the governance structure of the institution? How is the board and management composition? (Probe how many are female, male?)
2. Speaking on access to finance by fish traders, do you have fish traders focused savings and loans products?
3. What in your opinion are some of the loan products available for women and men in fish trade business? (**probe:** what loans product does men prefer and what loan product does women prefer).
4. What are some of the specific loan product for women engaged in fish trade do you have? (Probe: loan product that are specifically for women in this financial institution, explain on the loan products)
5. Speaking on fish traders access to the loans, what are the requirements and collateral that the institution requires before providing loans to the fish traders. (Probe on collaterals or movable items that are required?)
6. Are there some lending terms that are in place for the fish traders to access financial access? (What are the lending terms? how effective are the terms?)
7. Whom do you lend to? (probe: if the organization lend to individual fish traders or groups?)
8. What is the nature of your lending? Do you have maximum or minimum loan that you give the traders? (Probe: if the financial institution have limits? what is the minimum and maximum limit?)
9. What is the grace period before repayment of the loan/ credit? (Probe: probe if there is a grace period? What is the duration?)
10. Speaking about lending to fish traders, what is your opinion about lending to women and engaged in fish trade? (probe opinion men, opinion on women fish traders?)  
Probe: if men pays their loan back at the right time, if women pays their loan?
11. What is your opinion about lending to men engaged in fish trade?
12. What are some of the challenges faced by financial institution in Homa Bay county? (probe: late repayment, migratory nature of fishers... What are possible responses to these challenges?)

**Thank you for participating**