

UNIVERSITY OF NAIROBI
DEPARTMENT OF SOCIOLOGY AND SOCIAL WORK

**KNOWLEDGE, ACCESS AND USE OF MICROFINANCE AMONG
SMALL SCALE WOMEN BUSINESS OWNERS IN KIAMBU COUNTY,
KENYA**

BY

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DECLARATION

This project paper is my original work and has not been presented for an award of a degree or any other award in any other institution.

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Date

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

Prof. Charles Nzioka

Date

DEDICATION

I dedicate this work to the Almighty God for giving me the ability to complete my research project. To my late father James Githinji Kamau who brought out the best in me and made me a greater person and finally to my lovely daughter, Justine Wairimu for her love and support. I hope this work inspires her to surpass my academic achievements.

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May the higher Deity shower you with blessings

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ACRONYMS AND ABBREVIATIONS

AMFI	Association of Micro financing Institutions
ASCRA	Accumulating Savings and Credit Association
CBK	Central Bank of Kenya
CFA	Certified Financial Analyst
CMFA	Client-based Microfinance Agency
CU	Credit Union
DANIDA	Danish International Development Agency
DFIs	Development Financial Institutions
GoK	Government of Kenya
IDRC	International Development Research Center
IDS	Institute of Developmental Studies
IFC	International Finance Corporation
ISSD	International Institute of Sustainable Development
IMF	International Monetary Fund
JIPP	Jiweze Improvement Productivity Programme
KI	Key Informants
K-REP	Kenya Rural Enterprise Programme
KSTES	Kenya Small Traders and Enterprises Society
KWFT	Kenya Women Finance Trust
MFI	Money Flow Index
MIX	Microfinance Information eXchange
MMFA	Member-based Microfinance Agency
MYWO	MaendeleoYaWanawake Organization
NBFI	Non-bank Financial Institution
NCKK	National Council of Churches Kenya
NGO	Non-governmental Organization
ROSCA	Rotating Savings and Credit Association
SACCO	Savings and Credit Cooperative Organization
SBO	Smallholder Business Organization
SL	Sustainable Livelihood
SLA	Sustainable Livelihood Approach
SMEP	Small and Microenterprise Program
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
UWSACCO	Women's Savings and Credit Co-operative Society
WEEC	Women Economic Empowerment Consort

ABSTRACT

The main aim of the study was to investigate knowledge, access and use of microfinance by small scale women business owners in Ndumberi, Kiambu County. The objectives of the study were to establish knowledge of range of microfinance services available among women, assess level of access of microfinance facilities and use by women, establish barriers and constraints faced by women in accessing microfinance assistance, and explore ways of circumventing barriers and use of microfinance by women.

Descriptive survey research design was adopted for the study. Quantitative data was obtained from purposively selected sample of 50 small scale women business owners who were interviewed using questionnaires which were randomly issued and qualitative data was obtained from 4 Key Informants who were credit officers. .

The study found that the vast majority (92.9%) had gained knowledge of MFIs through friends. A majority of these respondents had gained this knowledge between years 2005-2009. This could be attributed to the high publicity on MFIs given by the then existing government of President Mwai Kibaki.

The majority (77.3%) of the small scale women business owners did also report receiving credit without difficulties. However, a minority did report experiencing difficulties in their effort to secure credit, as a result of lack of collateral, complex bureaucracy, lack of documentation, and lack of monthly bank account cash flow. A majority of the respondents used the loans to expand their then businesses; others started businesses and bought assets. The study found out that microfinance played a part in empowering and improving livelihood of women.

Following these results, we recommend that financial institutions put in place simpler ways of accessing the financial facilities for the women small scale businesses and give them at reasonable rate to enable them to repay with ease. Most MFIs in the area have increased the number of field operative to reach the interior parts of the area, to educate and advice women on microfinanceservices.

CHAPTER ONE: INTRODUCTION

Increasing evidence shows that not only women are overrepresented among the poorest people but are also more likely than men to spend their incomes on the welfare of children and dependents. Therefore, poverty reduction programs which target women are likely to be more effective. Again, there is much evidence that in microfinance there is higher repayment and savings discipline among women than men. Empowering women is the second stated goal of microcredit summit campaign. There is also evidence of significant potential for microfinance to enable women to challenge and change gender inequalities at all levels. There is now the growing need to rethink the best practices to ensure that women have equal access to all types of financial services (Mayoux, 2006). This study therefore, seeks to show the importance of MFI to the success of small- scale businesses owned by women.

1.1 Background of the study

Microfinance is a type of banking service that is provided to the unemployed or low income individual or a group who would otherwise have no other means of gaining financial services. Ultimately, the goal of microfinance is to give low income people an opportunity to become self-sufficient by providing different types of financial services including savings, credit and insurance.

Essentially the provision of the micro finance services to poor people is intended to enhance their livelihoods. Livelihood express' the idea of actors 'striving to make a living, attempting to meet various consumption and economic necessities, coping with uncertainties, responding to new opportunities and choosing between different value positions (Long 1997a:11). Livelihood strategies are built upon material resources, labor and capital, but they also take account of time, information and identity. Livelihood therefore encompasses not only 'making a living but also 'ways and styles of life or living, which imply different relationships with others.

Microcredit is a service for poor people that are unemployed, entrepreneurs or farmers who are not bankable and lack access to formal credit institutions. The reason why they are not bankable is the lack of collateral, steady employment, income and a verifiable credit history, and limited business exposure. Because of these reasons they are unable to meet the minimal qualifications and requirements for accessing credit from formal bank sector and revert instead to microfinance institutions for assistance. By helping people with microcredit it gives them more available choices and opportunities with a reduce risk. It has successfully enabled poor people to start their own business generating or sustain an income and often begin to build up wealth and exit poverty.

1.2 Problem statement

There is a general perception that microfinance institutions are critical instruments of poverty alleviation, but there is a dissenting view that it is not for everyone (Khandeker, 2001). Those who oppose the view that MFIs are instruments of empowerment argue that lacking collateral, limited business exposure, marginalization and inability to give evidence of strong credit history can inhibit potential users of MFI services from using them. Women are in particular targeted beneficiaries of microfinance institutions, but their uptake of these services may be constrained by the factors cited above. In Kenya, there is a limited corpus of knowledge on the key factors that influence access and use of the MFI services. This information or data is vital to donors, governments and other support agencies that support women empowerment through MFIs. This information would be useful in both targeting and in unblocking all the constraints that inhibit women's access to MFIs support. This study therefore sought to identify the major constraints and bottlenecks that limit women's access and use of MFI support in Ndumberi, Kiambu County.

In particular, this study sought to document the roles played by micro-financial institutions in enhancing and promoting the livelihood of women. The study also tried to assemble evidence on whether microfinance support does empower women economically, and enable them to meet their basic life requirements such as food, shelter and clothing.

1.3 Study objectives

1.3.1 Broad objective

The goal of the study was to analyze the impacts of microfinance on livelihood of women. Women's perception and experience of microfinance in their lives, including levels of economic empowerment was established.

1.3.2 Specific objectives

The specific objectives of this study were to:

1. Establish knowledge range of women about microfinance services
2. Assess level of access of microfinance facilities and use by women
3. Establish barriers faced by women in accessing microfinance assistance
4. Explore ways of circumventing these barriers to the use of microfinance by women

1.4 Research questions

1. What is the level of knowledge of microfinance products available to women?
2. What are the experiences of women who have had access to microfinance? (In terms of benefits, losses, and risks).
3. What are the key obstacles to accessing microfinance facilities by women?
4. How can microfinance accessibility be improved for women?

1.5 Scope and Limitations of the Study

This study investigated on roles of microfinance on small scale women business owners who benefited from institutions that exclusively deal with MFI, banks, and NGOs that offer microfinance services. The sample comprised of small scale women business owners that benefitted from microfinance services and the employees in the MFI institutions as key informants, who briefed the researcher on the services offered to the small scale women business

owners in Ndumberi, Kiambu County. Services covered were; credit, business and budget training, savings, overdrafts and safety box deposit services.

Limitations of study included: poor response rate, failure to fill in all the questionnaires; illiteracy which meant that some of the respondents could only read and write in *Kikuyu* hence, more time used on interpretation; some employees from MFIs were reluctant to be interviewed and some key informants (KI) were too busy during their working hours to get adequate time to be interviewed.

1.6 Justification of the study

Microfinance programs, which are often facilitated through NGOs, are increasingly presented as an effective strategy to reduce poverty support economic development, and improve poor persons' livelihoods (Mayoux, 1998; Rahman, 1999; Woller & Woodworth. 2001a, 2001b). The expansion of microfinance services therefore is likely to positively empower women and strengthen their participation in society. Such expansion however requires inputs and support from governments, donors and other development agencies which would require evidence to support their involvement. Any gap in information would therefore deter such expansion and hence the critical importance of this research in narrowing this knowledge gap on microfinance.

Microfinance can be an effective tool for enhancing poverty alleviation. The concern of nations in most developing countries- Kenya included – is to fight poverty and increase incomes and in the process realize better lives for the citizenry. Many tools are being used by governments to realize this objective among them being microfinance. This study will contribute to a better understanding of microfinance and role it plays on small scale women business owners from the informal sector. A number of studies provide evidence that microfinance is an effective strategy to reduce poverty; especially among the very poor (Daley-Harris, 2007). This is particularly relevant in the Kenyan context where considerable resources – Women Fund, and Youth fund are being channeled through microfinance institutions across the country and in addition microfinance being seen as contributing somewhat to the realization of Vision 2030.

Increased knowledge of microfinance can aid community development. A lot of studies have been conducted on microfinance especially in countries of Asia (particularly the Grameen Bank in Bangladesh, Bolivia, and India) including some limited research into the subject in Kenya. This study enhanced the better understanding of microfinance especially with regards to the role it plays on families. Such a better understanding could contribute to increased flow of resources to the sector. Due to the immense interest in microfinance, scholars are in search of more and more information about the sector.

The purpose of the research was as a feedback tool to necessitate policy formulation in microfinance sector being dynamic requiring continuous review and introduction of new policy instruments. It is desirable that such policies are anchored on comprehensive research so as to ensure their relevance and attainment of intended outcomes. This study has provided recommendations in developing relevant and sustainable policy interventions. Microfinance institutions and their support agencies such as donors are ever in need of a feedback mechanism that informs them of the relevance, impact and sustainability of their interventions. Such feedback would incorporate an assessment of their procedures, the outputs that they are realizing and more importantly whether they are indeed achieving their general objective, role of MFIs on the livelihoods of their clients.

DEFINITION OF TERMS AND CONCEPTS

Age	Length of period a person has lived
Education	Level of learning attained in years
Empowerment	To give power
Household size	Number of persons living together in a given dwelling unit
Livelihood	The command an individual, family, or other social group has over an income and/or bundles of resources that can be used or exchanged to satisfy its needs
Microfinance	P rovision of financial services to low-income clients or solidarity lending groups including consumers and the self-employed
Rational	Logical/reasonable
Sustainable livelihood	Long term and enduring means of earnings

CHAPTER TWO: LITERATURE REVIEW

2.1 Overview of the chapter

This chapter presents a critical review of available literature on role of microfinance on small scale women business owners and their livelihoods. The chapter defines, livelihood, MFI, history of MFI, MFI in Africa and Kenya, knowledge, access, use and barriers experienced by women and MFIs.

2.2 Microfinance and Livelihood

2.2.1 Concept of microfinance and livelihood

Microcredit belongs to the group of financial service innovations under the term of microfinance, other services according to microfinance is micro savings, money transfer vehicles and micro insurance. Microcredit is an innovation for the developing countries. Microcredit according to Bogan, Johnson and Mhlanga (2007) denotes small loans given to the poor and a component of microfinance. There are local versions of microcredit across the country among the people for example merry-go round i.e. kibati or mzunguko.

Microcredit is a service for poor people that are unemployed, entrepreneurs or farmers who are not bankable and lack access to formal credit institutions. The reason why they are not bankable is the lack of collateral, steady employment, income and a verifiable credit history, and limited business exposure. Because of these reasons they are unable to meet the minimal qualifications and requirements for accessing credit from formal bank sector and revert instead to micro finance institutions for assistance. By helping people with microcredit it gives them more available choices and opportunities with a reduced risk. It has successfully enabled poor people to start their own business generating or sustain an income and often begin to build up wealth and exit poverty.

“(Microcredit) is based on the premise that the poor have skills which remain unutilized or underutilized. It is definitely not the lack of skills which make poor people poor....charity is not the answer to poverty. It only helps poverty

to continue. It creates dependency and takes away the individual's initiative to break through the wall of poverty. Unleashing of energy and creativity in each human being is the answer to poverty.” (Muhammad Yunus, 2003)

Microfinance therefore implies providing credit to the poor and non credit financial services such as savings, insurance, pensions and payment services (Wrenn, 2005; Microfinance Gateway)

The livelihood concept is relatively recent in the discourse of poverty, food security, natural resource management and development mainly associated with rural development. It is Chambers and Conway who are usually cited as the first scholars to define the concept of livelihoods (Scoones, 1998:2, Ellis, 2000:7, Degefa, 2005:72).

According to Chamber and Conway (1992) in Ellis (2000) livelihood comprise the capabilities, assets (stores, resources, claims and access) and activities required for a means of living (cited in Ellis, 2000:7). Based on this definition, different scholars have tried to adopt and define the concept. Among others, the Institute of Development Studies (IDS) team is one, which defined livelihood as follows:

“A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living.” (Scoones, 1998:2)

In both of these definitions the three building blocks of livelihood are capabilities, assets, and activities. However, in IDS definition, the assets are divided into material and social while in Chamber and Conway definition claims and access are also taken as assets.

In the above definitions the capability is taken as a component of livelihood. The capability concept is derived from Sen (1993, 1997) and refers to the ability of individuals to realize their potential as human beings in the sense of being i.e. to be adequately nourished, free of illness, doing exercise choices, develop skills and experience, participate socially and so on. (cited in Ellis, 2000:7).

In Ellis definition, the issue of capability is not explicitly put as in the others'. However, it seems to be included in what he calls human capital. Moreover, in Ellis definition the assets of livelihood are clarified more and the issue of access is given much weight. In the evolution of the concept of livelihood, different terminologies and concepts were borrowed and used from alternative structures of ideas. A good example as mentioned earlier is the use of the AmartyaSen's concept of 'capability' in the definition of livelihoods by Chambers and Conway (1992) and in the modified version of Scoones (1998) as cited by Ellis (2000:17). Because of this and different definitions being given the meaning of livelihood is elusive. According to Ellis the use of capabilities as a component in the definition of livelihood is potentially confusing since its meaning overlaps assets and activities (Ellis, 2000:17). According to Scoones, on the contrary, the use of the capability concept (Sen 1984, 1987) provided a wider definitional scope for the livelihoods concept (Scoones, 1998:3).

Livelihood can be sustained or unsustainable. Sustainability shows the capacity of a system to replenish itself or expand over time. Same case applies for livelihood. Sustainable livelihood (SL), incorporating the capabilities, assets (material and social) and activities which are available to poor men and women and together make up a living (Chambers,1995, Sen, 1992, UNDP, 1999). A SL has the capability to respond to change and is continually renewed through the development of adaptive strategies. Thus it can recover from stresses and shocks and is stable and sustainable over the long term (Chambers, 1995, Chambers and Conway, 1992, IISD, 1999, Singh and Titi, 1994, UNDP, 1998, UNDP, 1999).In a case that livelihood is not sustainable means that there is no improvement in the way of life. This could be as a result of lacking resources, and poor health.

2.3 History of Microfinance

2.3.1 Early beginnings

Microcredit can be traced back to various times in history. Jonathan, author of Gulliver's Travel, inspired the Irish Loan Funds of the 18th and 19th centuries In the mid-19th century, anarchist Lysander (1846) wrote about the benefits of numerous small loans for entrepreneurial activities

to the poor as a way to alleviate poverty. Ideas relating to microcredit were mentioned in portions of the Marshall Plan at the end of World War II.

In the 1950s, Dr. Akhtar Hameed Khan was a Pakistani development activist and a social scientist that is credited for pioneering microcredit and microfinance initiatives, farmer's cooperatives and rural training programmes in developing world. He began distributing group-oriented credit in East Pakistan. Khan used the Comilla Model, in which credit is distributed through community-based initiatives. The project failed due to the over-involvement of the Pakistani government, and the hierarchies created within communities as certain members began to exert more control over loans than others (Milford:2010).

In the 1800s, various types of larger and more formal savings and credit institutions began to emerge in Europe, organized primarily among the rural and urban poor. These institutions were known as People's Banks, Credit Unions, and Savings and Credit Co-operatives.

The concept of the credit union was developed by Friedrich Wilhelm Raiffeisen and his supporters. Their altruistic action was motivated by concern to assist the rural population to break out of their dependence on money lenders and to improve their welfare. From 1870, the unions expanded rapidly over a large sector of the Rhine Province and other regions of the German States. The cooperative movement quickly spread to other countries in Europe and North America, and eventually, supported by the cooperative movement in developed countries and donors, also to developing countries.

In Indonesia, the Indonesian People's Credit Banks (BPR) or the Bank Perkreditan Rakyat opened in 1985. The BPR became the largest microfinance system in Indonesia with close to 9,000 units.

In the early 1900s, various adaptations of these models began to appear in parts of rural Latin America. While the goal of such rural finance interventions was usually defined in terms of modernizing the agricultural sector, they usually had two specific objectives: increased commercialization of the rural sector, by mobilizing "idle" savings and increasing investment through credit, and reducing oppressive feudal relations that were enforced through indebtedness. In most cases, these new banks for the poor were not owned by the poor

themselves, as they had been in Europe, but by government agencies or private banks. Over the years, these institutions became inefficient and at times, abusive.

The origin of microcredit in current practical incarnation can be linked to several organization founded in Bangladesh, especially the Grameen Bank. The Grameen Bank, which is generally considered the first microcredit institution was founded in 1976 by Muhammad Yunus :(2003). Yunus began the project in a small town called Jobra, using his own money to deliver small loan at low interest rates to the rural poor.

Grameen Bank was followed by organizations such as BRAC in 1972 and ASA in 1978, (Drake and Deborah: 2002). Microcredit reached Latin America with the establishment of PRODEM in Bolivia in 1986; a bank that later transformed into the for-profit BancoSol, (Armendariz and Beatriz: 2005). Microcredit quickly became a popular tool for economic development, with hundreds of institutions emerging throughout the third world. Though the Grameen Bank was formed initially as a non-profit organization dependent upon government subsidies, it later became a corporate entity and was renamed Grameen II in 2002. Muhammad Yunus was awarded the Nobel Peace Prize in 2006 for his work providing microcredit services to the poor (Drake and Deborah: 2002).

Between the 1950s and 1970s, governments and donors focused on providing agricultural credit to small and marginal farmers, in hopes of raising productivity and incomes. These efforts to expand access to agricultural credit emphasized supply-led government interventions in the form of targeted credit through state-owned development finance institutions, or farmers' cooperatives in some cases, that received concessional loans and on-lent to customers at below-market interest rates. These subsidized schemes were rarely successful. Rural development banks suffered massive erosion of their capital base due to subsidized lending rates and poor repayment discipline and the funds did not always reach the poor, often ending up concentrated in the hands of better-off farmer.

Access to financial services, notably credit and insurance, are particularly important from a standpoint of human and economic development. The microfinance literature highlights how financial market imperfections could prevent the poor from borrowing against potential future earnings in order to invest, serving as an obstacle to lifting themselves out of poverty and locking

them in a poverty trap (Armendariz de Aghion and Morduch, 2005). Development practitioners and policymakers have devoted considerable energy and resources in the last thirty years or so towards advancing the cause and practice of improving broad based access to microfinance.

2.3.2 Microfinance in Africa

Small enterprises and most of the poor population in sub-Saharan Africa have very limited access to deposit and credit facilities and other financial services provided by formal financial institutions. To meet unsatisfied demand for financial services, a variety of microfinance institutions (MFIs) has emerged over time in Africa. Some of these institutions concentrate only on providing credit, others are engaged in providing both deposit and credit facilities, and some are involved only in deposit collection. Throughout the paper, the term “microfinance institutions” is used as commonly defined, that is, to designate financial institutions dedicated to assisting small enterprises, the poor, and households who have no access to the more institutionalized financial system, in mobilizing savings, and obtaining access to financial services. Institutions offering microfinance services are very diverse, including commercial banks, state-owned development banks, and postal offices.

Microfinance activities in Africa can be traced to informal saving and credit groups known as Tontines in the 17th Century in West Africa. Other credit groups we have Susus in Ghana and Chit Fund in India. The first formal MFIs on the continent were established in the 1960s in West African countries like the Ivory Coast, Togo, Burkina Faso and Benin (Africap:2003). In sub-Saharan Africa, MFIs have not been established for nearly as long and have only recently seen a growth in numbers, over half have been operating since 1998, and a number of them have doubled between 2001 and 2003. The highest concentration of MFIs in Africa can be found in countries where outreach of formal financial systems are limited in developing countries(IMF:2006) and concentrations are often found in areas where there is a gradually stabilizing political and economic environment, a thriving informal sector, and a strong demand for access to financial services. In comparison to other regions of the world, the African microfinance sector is often referred to as middle-aged, with African MFIs having a median age of 8 years, which is younger than counterparts in Latin America and Asia, but older than those in Europe and Central Asia.

Traditionally, microfinance was offered by non-governmental organizations (NGOs), in which there are thousands in Africa with this status. For those with an NGO status, it takes a tremendous effort in drive and professionalism to convert into a commercially driven MFI, in which only a few have had success in doing so. Donors began to lay the groundwork for the transformation of MFIs into long term financially sustainable programs in the mid 1990s with an objective to deliver financial services to the economically active poor on a large scale through competing financially self-sufficient institutions. This initiative spurred the widely known “microfinance revolution” and has been defined by a shift from less reliable provision of subsidized finance to cost-effective and profit-making financing (Susan: 2004, 16(3) 467-501) capable of achieving the long-term sustainability and expansion of products and services to the marginalized poor.

Saving services offered by MFIs have the advantage of security and liquidity that makes them popular among the poor, especially in rural areas.

2.3.3 Microfinance in Kenya

Kenya has a relatively well developed financial sector which comprises 43 commercial banks, 1 mortgage finance company, 7 Deposit Taking Microfinance companies (DTMs), some 3,500 active Savings and Credit Cooperatives (SACCOs), one postal savings bank - Kenya Post Office Savings Bank (KPOSB) 125 foreign exchange bureaus, a host of unlicensed lenders, and an Association of Microfinance Institutions (AMFI) with 56 members (AMFI, 2012).

This chapter will give a brief outline of the emergence of micro-finance in Kenya, explaining what agencies have played a critical role in boosting micro-finance as an industry in this country. To give an idea of the diversity of players in the field of micro-finance in Kenya, a typology of micro-finance agencies and then an overview of service delivery approaches are provided.

According to research by Jay K. Rosengard, (2000) The Kenya Rural Enterprise Programme (K-Rep) was established in 1984 by World Education Inc., a United States based private voluntary

organization, with funding from the United States Agency for International Development. It is now one of the most innovative and successful microfinance schemes in Africa. K-Rep provides financial services to the poor who are typically excluded from the formal financial sector, thereby generating income and employment opportunities for low-income people.

According to *The Women and Development* (1992) reveals that the local microfinance sector is largely dominated by women. This can be partly attributed to the fact that Kenyan women have a long history of collective action. A major influence on the growth of women group in Kenya was the founding of Maendeleo ya Wanawake Organization (MYWO) during the late colonial period and its development into a formal organization.

Kenya Rural Enterprise Programme (K-REP) is the first of NGO micro-finance in Kenya. The experimental and financing activities of K-REP have had far-reaching consequences, influencing the outreach modalities and outreach of quite some other NGO-MFAs and maybe even the forms of assistance given by Dutch CFAs to micro-finance programmes in Kenya. With generous support from USAID, K-REP was designed as an intermediary NGO in 1984 to provide credit and technical assistance to other NGOs in Kenya. In the early 1990s, K-REP recognized a potential danger in combining the provision of financial services (loans and deposits) with non-financial services (training and technical assistance). This problem arose from the difficulty in assessing the cost of non-financial services, leading to such costs undermining the financial sustainability of the institution.

One of Kenya's oldest microfinance institutions, which draws its membership from church associations, has acquired a licence to take deposits, making it the fourth micro-lender to come under the banking sector regulator.

Small and Micro Enterprise Programme (SMEP), which was founded by the National Council of Churches of Kenya (NCCCK), joins Faulu, Kenya Women Finance Trust and Uwezo Ltd among micro-lenders licensed by the Central Bank of Kenya to take deposits from the public. SMEP was formed in 1975 as a relief arm of NCCCK and currently has 87,500 clients and an outstanding loan portfolio of approximately Sh1.1 billion.

“Deposit mobilisation takes time as we have to educate our existing clients and market ourselves. Institutions that have transformed before are still borrowing,” said Phyllis Mbungu, chief executive of SMEP (Microfinance Africa: 2010/12/21)

It is perhaps from this young age of the industry that there are still many unresolved issues and, indeed, what is currently termed as micro finance constitutes a diverse range of practitioners, practices and body of knowledge. From this perspective the commonly accepted definition of micro finance as the means of providing a variety of financial services to the poor based on market-driven and commercial approaches (Christen, 1997) does not strictly fit what has come to be commonly regarded as constituting micro finance in Kenya.

2.4 Knowledge range of microfinance services available to women

There are two types of microfinance agencies that offer services to women; client-based and member-based.

Client-based microfinance agencies comprise of all microfinance providers, formal or informal, where customers are not also owners of the institution, have little direct involvement in the management of the institution, and do not have a share in the returns made by the institution.

Member-based microfinance agencies comprise of formal and informal mechanisms where resources are mobilized from members, management of the arrangement is in the hands of members and it is members who constitute the main target group for service provision. The formal segment of this largely comprise of both urban and rural Savings and Credit Cooperatives.

Rotating Savings and Credit Associations (ROSCAs) and Accumulating Savings and Credit Associations (ASCRA) are also locally known in Kenya as 'merry-go-rounds', *itegaor giteti*. Some of them are registered at the Ministry of Social Affairs, others are not. As self-regulation or group-based rules provide the most decisive regulatory framework for ROSCAs and ASCRA

(in mobilizing, rotating, accumulating and disbursing money), they are all labelled as informal whether registered or not.

Banks and private companies as well as hundred thousands of informal microfinance providers, such as traders, shopkeepers, specialized money lenders, family and friends. By mid 1999, it was estimated that the formal segment of this category comprised of 86 institutions, with a total of 134,612 active clients and a loan portfolio of Kshs 2.5 billion (K-REP, 1999).

In Kenya we have few MFI banks. The main successful MFI banks are; Equity bank, Kenya Rural Enterprise Bank (formerly known as Kenya Rural Enterprise Programme), and Kenya Women's Finance Trust,

The study will look at the following MFIs in Ndumberi and its environs. The kind of services offered and reasons for preference of either of the above by women. This will be analysed and interpreted in chapter four of the proposal after data collection.

2.5 Use and access of microfinance facilities by women and impacts on their livelihoods

Microfinance has an important role to play especially in development according to proponents of microfinance. UNCDF (2004) states that studies have shown that microfinance plays three key role in development, being: helps very poor households meet basic needs and protects against risks, improvement in household economic welfare and helps empower women by supporting women's economic participation and so promotes gender equality.

UNCDF (2002) when it comes to accessing microfinance facilities and services most (though not all) microfinance services do not pose such problems for poor women clients. Rather, in this case, cultural barriers to women borrowing money were more significant in impeding women's access. Institutions from the Arab States cited relatively more cultural restrictions on women's ability to borrow money than did other respondents, although the acceptance of women's borrowing varies by community. In certain places, the Islamic prohibition on usury still seems to play an important role in dissuading women from accessing credit. It must be noted, however,

that institutions in places as diverse as Mexico, West Africa, and India also mentioned that “cultural barriers” represented an obstacle to women’s access to microfinance.

The following are impacts of microfinance on livelihoods of women:

- MF services have led to an enhancement in the quality of life of clients, had increased their self confidence, and had helped them diversify their livelihood security strategies and thereby increase their income (Robinson, 2001).
- Health care and education are two key areas of non-financial impact of MF at a household level. Wright (2000) stated that from the little research that has been conducted on the impact of MF interventions on health and education, nutritional indicators seem to improve where MFIs have been working. MF interventions have been shown to have a positive impact on the education of clients’ children because one of the first things that poor people do with new income from micro-enterprise activities are to invest in their children’s education (Littlefield, Murdugh & Hashemi, 2003).
- Moreover, women empowerment is a key objective of MF interventions. Women need empowerment as they are constrained by the norms, beliefs, customs and values through which societies differentiate between women and men. MFI cannot empower women directly but can help them through training and awareness rising to challenge the existing norms, cultures and values that place them at a disadvantage in relation to men and to help them have greater control over resources and their lives Kabeer, quoted in (Mosedale, 2003).
- Littlefield (2003) stated that access to MFI can empower women to become more confident, more assertive, more likely to take part in family and community decisions and better able to confront gender inequities.

- Hulme & Mosley (1996) also made this point when they referred to the naivety of the belief that every loan made to a woman contributes to the strengthening of the economic and social position of women. MF projects can reduce the isolation of women as when they come together in groups they have an opportunity to share information and discuss ideas and develop a bond that was not there previously.
- However, Chowdhury&Bhuiya (2004) found that violence against women actually increased when women joined the program, as not all men were ready to accept the change in power relations, and so resorted to violence to express their anger.

2.6 Barriers and constraints faced by women in accessing microfinance

For the purpose of this study “barriers” are defined as those factors tending to inhibit potential entrepreneurs entering the MSE sector. These may also be external in nature beyond the control of the potential entrepreneur. “Constraints”, tend to limit the growth of MSEs by confining them in terms of scale of operation. They could also be said to be internal in nature and may be controlled to some extent by the entrepreneurs. Some of these barriers and constraints include: financial aspects; social inequality. Entrenched cultural and traditional procatices; technology; legal institutional and policy levels, among others (IFC/World Bank, 2006; Kibas, 2006).

Women entrepreneurs in Kenya, women concerns and gender related constraints tend to negatively affect equal participation of both sexes at the local, institutional and policy levels. Hence, this may lead to a failure to utilize the full potential of human resources for wealth creation, as one section of the population, which forms the majority, is left out or only allowed limited opportunities. Disabled women entrepreneurs face bigger barriers than other women entrepreneurs in general, in the form of limited mobility (Alice Munala, 2006), discrimination, myths/negative cultural attitudes, overprotection, marginalization and lack of specific funding that takes into consideration their conditions. Other specific barriers will be determined during the primary research.

2.6.1 Financial and credit availability and accessibility

Financial availability and accessibility is cited in many studies as being one of the major barriers and constraints to growth. In a study of NGOs and women small-scale entrepreneurs in the garment manufacturing sector of the textile industry in Nyeri and Nairobi by Macharia and Wanjiru (1998), the factors that inhibit credit availability to women include: lack of start-up (seed) capital; lack of awareness of existing credit schemes; high interest rates; lengthy and vigorous procedures for loan applications; and, lack of collateral security for finance. These factors have become a major barrier to the growth potential of businesses owned by women.

Although more than a quarter of households in Kenya are women-headed, only five per cent of the women own land in their own name (Feldman, 1984). At a recent "Kenya Gender and Economic Growth Assessment" seminar in May 2006, a case clearly illustrating the plight of women was presented by an official from the Ministry of Trade and Industry. A loan approved for the woman applicant by the Joint Loan Scheme at the Ministry, failed to materialize because her husband refused to pledge the family's land title deeds as collateral. Owning title deeds as collateral to finance expansion is still a hurdle for most women entrepreneurs, given that property is not usually registered in their names (Karanja, 1996). The Government is, however, moving towards solving this problem through the Sessional Paper No. 2 of 2005 and the Micro-Finance Bill of 2005. The latter became an Act of Parliament in December 2006.

Accessibility to initial capital, even when available, is also a major hurdle for women entrepreneurs. Microfinance institutions (MFIs) and commercial banks choose where they locate, thus excluding entrepreneurs in remote regions, leading to regional disparities. Credit conditions when forming a group, paying membership fees, group registration fees and joining a savings plan, result in delays in accessing initial capital, thereby worsening the women's household financial burden (Stevenson and St-Onge, 2005; Alila et al., 2002). However, this is no longer the key barrier and constraint, but a lack of creativity, innovativeness and responsiveness (on the part of capital suppliers) that now hampers women's entrepreneurship in Kenya. Whereas many MFIs emerged to provide initial and working capital, relevance and cost-effectiveness is often

inappropriate in satisfying the particular needs of potential and operating women entrepreneurs (Government of Kenya, 1999).

A good example that would bring about the barrier in discussion would be WEEC (Women Economic Empowerment Consort). To obtain finances from WEEC, women must organize themselves into groups of 15 to 30 members, register with the appropriate Government Ministry and pay an initial WEEC membership fee of KES3,000 (US\$40). Members of each group must be willing to contribute an initial KES2,000 (US\$28) to the group, meet monthly, contribute to a savings plan and undertake to guarantee each other's loans, before they are granted loans. The initial loan amount is limited to KES4,000, after the above conditions have been met. Then after six months of lending activities among themselves from their savings fund, they can apply to WEEC for a loan to boost the group's fund.

Each group holds elections every two years and dividends are calculated and shared accordingly. The average loan amount is about KES6,000 (US\$80). A WEEC credit officer trains groups on aspects of starting and managing a revolving credit fund.

The Chief Executive of the Association of Micro Financing Institutions (AMFI) indicated that women still face many barriers in accessing microfinance, but the association has not yet done anything specific to explore or address particular constraints (Stevenson and St-Onge, 2005, p. 30). This could be an admission that, even with the many MFIs emerging with the aim of addressing women's particular microfinance needs, there is, as yet, no solution in sight.

Though commercial banks and Development Finance Institutions (DFIs) have vast financial resources, their impact is yet to be felt among the MSEs, and particularly by women entrepreneurs, most of whom have no collateral. Consequently, most banks have created special facilities to support MSEs as a result of Government encouragement and their own need to expand. However, many entrepreneurs and, in particular women, tend to steer clear because of lack of information, and conditions such as high transaction costs and interest rates averaging above 35 per cent per annum. Commercial banks, which have microfinance programmes, include Cooperative Bank of Kenya, Kenya Commercial Bank, Barclays Bank, Standard Chartered

Bank, Equity Bank, National Bank of Kenya and K REP Bank. The secondary findings indicate that most women entrepreneurs, including those with disabilities, do not access credit from formal sources, especially commercial banks and DFIs.

There is need for the primary research to address the constraints, outreach and impact of the loans provided by the MFIs, commercial banks and DFIs to women and disabled women entrepreneurs in the MSE sector.

2.6.2 Legal and regulatory barriers

These include: registration of business names; obtaining licenses; adhering to statutory requirements and contracting. Due to the aforementioned factors, women entrepreneurs are the least prepared to engage in contractual processes key to doing business in Kenya. Contracts involve long legal processes such as leasing, drawing up business contracts, legal representation and other aspects which place the woman entrepreneur in a disadvantaged position. Most MSEs find these processes lengthy and time consuming, thus they cannot grow or expand their enterprises (K'Obonyo, et al., 1999).

2.6.3 Appropriate technology

Appropriate technology is one that is suitable to the environment, culture and level of development of the people (www.unido.org). In Kenya, there is a general lack of appropriate technology available to disabled women entrepreneurs (McCormick and Pedersen, 1996). During a recent visit to APDK and UDPK, there was no data available on adaptive technology or assistive devices suitable to women entrepreneurs with different types of disability. During the primary phase of this study, it will be important to follow up on this issue.

2.6.4 Lack of risk mitigating mechanisms for women in MSEs

Loans offered to women by MFIs propose a variety of short-term credits aimed at their business and household needs. For instance, both K-REP and KWFT, which are the largest MFIs offering credit, in addition to business loans, also offer consumer, medical and education loans to cater for related needs.

Loans from Kenyan microfinance institutions tend to be limited in amount, have no grace period, are short term in design and carry very high interest rates. Consequently, most women entrepreneurs are likely to have multiple short-term loans to cater for both business and social needs. Studies have shown that loans to MSE entrepreneurs only satisfy a fraction of their financial needs. When they are exposed to personal risks resulting in losses beyond their means, competing needs for cash limit the growth of their enterprises. They also tend to contribute to the collapse of such businesses. This calls for a need to restructure the financial products available to women entrepreneurs to include long-term micro-insurance products.

Makokha (2006) established in her study that women entrepreneurs have financial social demands that compete with business capital, leading to a diversion of capital away from business needs. Some of these factors include housing space, health, old age and divorce. Therefore, the study concluded that there was need to develop long-term financial products such as micro-insurance. While microfinance provides working capital and disposable incomes to women in MSEs, micro insurance products would ensure that the assets of these entrepreneurs are protected if their income is diverted from their businesses. The MFIs would also benefit as their clients' sustainability would contribute to their own. Some specific products that need to be rolled out freeing capital and benefiting women entrepreneurs include: loan insurance; life insurance; pension; house insurance; health insurance; asset insurance; and, long-term housing loans or mortgages. Disabled women entrepreneurs, however, would find it more difficult to access such products since, traditionally, most companies have always been reluctant to insure disabled people.

2.6.5 Gender disparities in employment

The above is confirmed, as noted earlier, the fact that only 30 per cent of women were in wage employment in 2004. Women's employment is important to the economy, particularly in MSEs, since it is previous employment that, in most cases, provides the initial capital for the MSEs (Kibas, 2006). In the modern wage sector, women's employment accounts for only 30 per cent of the total (GoK Economic Survey, 2005). Even though, in the rural areas, labour force

participation for women is much higher than men (about 70 per cent), most of their activities are unpaid and include basket weaving, retail trading, food processing and minor industries. The result is that fewer women than men in MSEs work for pay and some of them work as co-owners without pay.

A number of World Bank studies have shown that gender equality leads to faster economic growth and that inequality, especially in education, leads to lowering of the economic growth rate (Klassen, 1999). The gender disparity in employment and income earning opportunities in Kenya has been attributed to a number of factors, including occupational segregation in the labour market, social attitudes towards women, inadequate capacities in terms of knowledge and skills, and lack of gender sensitive policies and programmes.

2.6.6 Rural-urban disparities (spatial isolation)

There is a pronounced rural-urban disparity in economic development in Kenya. This has been mainly due to the outcome of an underlying economic, ideological and socio-cultural orientation that perceived rural areas as peripheral to urban areas. This perception gave rise to a development model that placed urban areas at the top of the development agenda. The result has been that rural areas have been left behind in many spheres of development. Although this has changed a great deal over the years, the relics of policy bias are still evident to date. Labour force participation of women in the rural areas is much higher than that of men. Women are disadvantaged with low incomes from these agricultural activities as they cannot equitably participate in off-farm economy in MSEs in Kenya. The result of the rural-urban disparities is that more women than men in rural areas are poor, less educated, and less informed about the availability of employment opportunities (Human Development Report, 2001, p. 18). This tends to relegate them more to the chores surrounding the village and the farms in the rural areas.

2.7 Ways of circumventing barriers and obstacles to access and use of microfinance

Having listed the barriers and constraints in section 2.5 all through to sections 2.5.7, the study will list more ways of circumventing barriers to access and use of microfinance by women in chapter four after data collection.

The poor, a majority being women often face significant problems in obtaining access to credit services; MF try to overcome these problems in few innovative ways (World Bank, 2008):

- Loan officers come from similar backgrounds and go to the poor, instead of waiting for the poor to come to them, following a bottom up marketing approach (if Mahomet doesn't go to the mountain, it's the mountain that goes towards Mahomet);
- Group lending models, if applicable improve repayment incentives and debt monitoring through peer pressure (particularly effective in rural areas and with women); they also build support networks and educate borrowers with frequent meetings and discussion panels;
- MFIs products include not just credit but also savings, insurance, and fund transfers (internal or remittance);
- Development activities, focused on social issues, health and education, are frequently a corollary to MF activities, especially if sponsored by NGOs.

2.8 Theoretical Framework

A theory is defined as a logical-deductive system consisting of a set of interrelated concepts from which testable propositions can be deductively derived so as to present a systematic view of phenomenon by specifying relations among variables with a purpose of explaining and predicting phenomenon (Nachmias, 1996).

Theoretical framework is the foundation of which the entire research project is based. It identifies the network of relationships among the variables considered important to the study of given problem. The dependent variable is small scale women business owners, while the intervening variable is microfinance facilities and the independent variables being age, education, marital status being single (widow or widower, divorced or separated) or married,

household size which the study will consider number of family members being supported by MSE member and income generated from the small scale business owner.

2.8.1 Empowerment Theory

Empowerment is a construct that links individual strengths and competencies, natural helping systems, and proactive behaviours to social policy and social change (Rappaport, 1981, 1984). Empowerment theory, research, and intervention link individual well-being with the larger social and political environment. Theoretically, the construct connects mental health to mutual help and the struggle to create a responsive community. It compels us to think in terms of wellness versus illness, competence versus deficits, and strength versus weakness. Similarly empowerment research focuses on identifying capabilities instead of cataloguing risk factors and exploring environmental influences of social problems instead of blaming victims. Empowerment –oriented interventions enhance wellness while they also aim to ameliorate problems. Provide opportunities for participants to develop knowledge and skills and engage professionals as collaborators instead of authoritative experts. The various definitions are generally consistent with empowerment as,

” an intentional ongoing process centred in the local community, involving mutual respect. Critical reflection, caring and group participation, through which people lacking an equal share of valued resources gain greater access to and control over those resources”(Cornell Empowerment Group, 1989).

Theories of empowerment include both processes and outcomes, suggesting that actions, activities, or structures may be empowering, and that the outcome of such processes result in a level of being empowered Swift and Levin, (1987). Both empowerment processes and outcomes vary in their outward form because no single standard can fully capture its meaning in all contexts or population Rappaport, (1984). A distinction between empowering processes and outcomes is critical in order to clearly define empowerment theory. Empowering processes for individuals might include participation in community organizations. At the organizational level, empowering processes might include collective decision making and shared leadership. Empowering processes at the community level might include collective action to access government and other community resources such as media and health immunization. Empowered

outcomes for individuals might include situation- specific perceived control and resource mobilizations skills. When we are studying organizations, outcomes might include development of organizational networks, organizational growth, and policy leverage. Community-level empowerment outcomes might include evidence of pluralism, and existence of organizational coalitions, and accessible community resources.

Empowerment suggests that participation with others to achieve goals, efforts to gain access to resources, and some critical understandings of the socio-political environment are basic components of the construct.

Empowerment being a construct that links individual strengths and competencies, natural helping systems, and proactive behaviours to social policy and social change as defined earlier by Rapport, in this case the study can deduce that individual strengths and competencies are women's knowledge and abilities to join MFIs, while natural helping systems are the MFIs in relation to the research topic.

Women get empowered by MFIs that enhance wellness and ameliorates problems. Women can be empowered at individual level, organizational level and community level. Perfect examples of the women being empowered in the three levels in Kenya would be: At individual level women have access and can join MFIs such as KWFT, Faulu Kenya, and K-rep, at organizational level women can get empowered by joining SACCOs and Investment Schemes and at the community level women may be empowered by joining investment programs such as Women Enterprise Fund Program (WEFP) and also by affirmative action in schools and employment.

Empowering involving processes and outcomes, Processes can be equated to the process involved joining MFIs and processes involved in accessing services such as loans and trainings for small scale business owners. Outcomes can be seen as the long term impacts for women as beneficiaries of MFIs such as increased asset ownership, savings and expanded businesses. Activities in this study can be considered as the actions women carry out to join the MFIs and to access their services such as, having knowledge of MFIs, having correct documentation such as identification cards which are necessary in the joining of MFIs and applying for credit and saving.

2.8.2 Gender Stratification Theory

In most societies, the gender division of labour favours men's access to and control over resources, allowing them to control wives' labour at the household level. Women, burdened with non-remunerative reproductive labour, are constrained (but may not be excluded) from engaging in resource-generating activities outside the household. Status and power hierarchies derive from males' superior control over material resources. That control and the resulting power differential provide the motivation for males to continue this hierarchal system based on gender differentiation. At the macro-level, male power permits elites to shape ideology, norms, and stereotypes as well as formal social institutions, in such a way that defines male activities and traits as superior and more valuable than women's. Chafetz argues that 'to the extent that women choose to comply with gender norms, accept gender ideologies and stereotypes, and acquiesce to male definition of situations, men need not employ their power—micro or macro—to maintain the status quo' (Chafetz 1989, p. 139). In sum, gender stratification is comprised of intentional processes (though perhaps deeply embedded in institutions so as to appear 'natural') that ensure male dominance in all aspects of social life—in cultural, legal, political, religious, and economic institutions. The degree of gender stratification varies positively with the extent to which labor is gender segregated, and as a result, with the level of women's economic power and the control over the material resources this stratification generates (Blumberg, 1984; Chafetz, 1989). Huber

(1990) succinctly summarizes this principle: producers in the family economy (and more generally, those with control over the surplus) have more power than consumers. Greater economic power—that is, control over production and the surplus— in turn, allows women to control their sexuality and fertility and affords them increased power at the macro-level in key institutions. These precepts, derived from sociological and anthropological research, presciently anticipate the more recent intra-household bargaining literature in economics. The earlier work differs, however, in emphasizing features of stratification that also operate outside the household, based on a framework that links the micro- and macro levels.

Blumberg (1984) advances the hypothesis that the more power women have at macro-levels of social organization (in the workplace, in the larger economy, and in political spheres), the greater their ability to control a proportionate share of their output at the household level. Women's

bargaining power at the household level is 'discounted' in proportion to their gender's relative status at the macro level (Blumberg, 1984, p. 49).

The greater the degree of gender inequality at the macro level (the greater women's concentration in low-wage insecure jobs or lack of jobs as compared to men), the less bargaining power all women have within the household, though to differing degrees. This is equivalent to saying that the state of the macro economy influences women's bargaining power at the household level, since it affects women's outside options. For example, the overall demand for labour coupled with the types of jobs women can get or the goods they can produce (associated with the degree to which work is gender differentiated) have a positive effect on women's status within households.

These observations suggest the foundations of a theory of change in gender stratification. Improvements in women's relative well-being require a less rigid of the gender division of labor, permitting women greater access to and control over material resources. Sustained shifts in this direction can contribute to shifts in gender ideology, norms, and stereotypes, which will change to conform to new gender economic roles.

The greater degree of gender equality at the macro level leads to high-wage jobs. In this study the high-wage secure jobs will be equated to successful small-scale businesses. The small-scale businesses are as a result of MFI which can be considered as a resource in this theory.

2.8.3 Rational Choice Theory

A pioneering figure in establishing rational choice theory in sociology was George Homans (1961), who set out a basic framework of exchange theory, which he grounded in assumptions drawn from behaviorist psychology. The inspiration behind Homans's psychology was the behaviorism of Skinner, developed from studies of pigeons (See Skinner 1938, 1953, 1957). Food is the basic goal sought by animals, and Skinner held that animal behavior could be shaped by the giving or withholding of food. Food is a reward that reinforces particular tendencies of behavior. Humans, however, are motivated by a much wider range of goals. While pigeons will

do almost anything for grain, humans are more likely to seek approval, recognition, love, or, of course, money.

Human consciousness and intelligence enters the picture only in so far as it makes possible these symbolic rewards. Homans did not see this as involving any fundamental difference in the way that their behavior is to be explained. The character of the rewards and punishments may differ, but the mechanisms involved are the same.

Rational choice theorists see social interaction as a process of social exchange. Economic action involves an exchange of goods and services; social interaction involves the exchange of approval and certain other valued behaviors. In order to emphasize the parallels with economic action, rewards and punishments in social exchange have generally been termed rewards and costs, with action being motivated by the pursuit of a 'profitable' balance of rewards over costs. The various things that a person might do - his or her opportunities - vary in their costs, but they also vary in their rewards. In many cases, there will be a combination of monetary and non-monetary rewards and costs.

Rational choice theory adopts a methodological individualist position and attempts to explain all social phenomena in terms of the rational calculations made by self-interested individuals. In this study an assumption can be made that women tend to join the MFIs due to discrimination and lack of resources as a rational to develop and better themselves.

Social interaction between women and MFI results to social exchange. Joining of MFIs is as a result of means to an end to small scale women business owners. The end resulting to more savings, asset ownership, business expansion, better health and education for their dependents and involvement in decision making within family and community set up.

2.9 Conceptual Framework

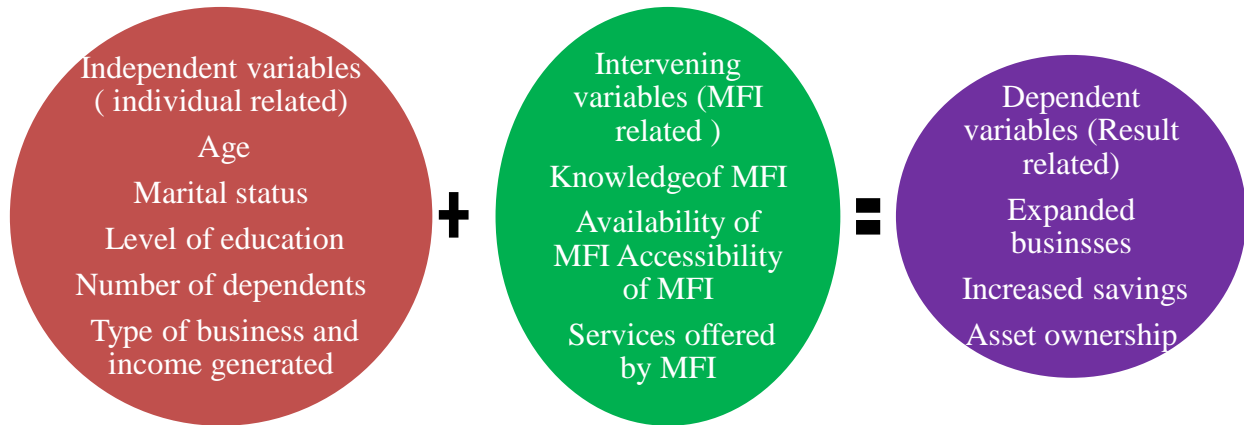


Figure 2.9: Conceptual framework

The conceptual model used in this study (see Fig. 2.9) shows the link between the independent, intervening and dependent variables. The dependent variable is small scale women business owners, while the intervening variable is microfinance facilities and the independent variables being age, education, marital status being single (widow or widower, divorced or separated) or married, religion, level of education and type of business and income it generates.

This conceptual model shows that the ability to access and use MFI services among women in Ndumberi, Kiambu is dependent on a combination of individual factors such as age, marital status and level of education, (independent variables) and service related factors such as knowledge of MFIs, availability, accessibility (intervening variables) and services offered by MFIs. For example it is hypothesized that women who have knowledge of the existence of MFIs and know how to access these services, are likely to access these services as opposed to those who have limited or no knowledge of these services.

We consider microfinance as empowering women by increasing their access to credit, diversifying their livelihoods strategies and enhancing their incomes. This is likely to translate to increased individual confidence, expanded business, enhanced saving and, asset ownership and sustainable livelihoods.

The null hypothesis being microfinance does not play a role on sustaining the livelihood of women while the alternative hypothesis accepts that microfinance plays a role on sustaining the livelihood of women.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

In this chapter we present the research methodology, including the site description, study design, sampling techniques, data collection methods and data analysis. Research methodology is important to give the researcher a clear work formula when going to the field to collect the data like selection of sample size, the sampling procedure. It is also used when carrying out the data analysis. Nachmias and Nachmias, (1992) observe that a research design enables the researcher or investigator to come up with solutions to the problems being researched and guides the researcher in the various stages of the research.

3.2 Site selection and Description

The study was conducted in Ndumberi which was a municipality as of June 2009. Ndumberi is in Kiambu district, central province which is 16km from Nairobi. Under Kenya's current constitutional dispensation Ndumberi municipality is found under Kiambu County. Ndumberi is favored both in large scale and small scale farming, and small businesses. The town is surrounded by hilly Kikuyu farmland, mostly coffee and tea plantations. About 20% of the coffee production comes from small-share landowners and co-operatives.

Most Kikuyus living here are predominantly farmers growing tea and coffee as cash crops alongside food crops such as maize, beans, assorted vegetables and sweet potatoes. Other communities living in the county include Luo, Luhya, Maasai, Kamba, Meru, Kalenjin and other ethnic groups from all over Kenya

Kiambu County enjoys a warm climate with temperatures ranging between 12°C and 18.7°C. The rainfall aggregate for the county is 1000mm each year. The cool climate makes it a conducive for farming. June and July rank as the coldest months while January-March and September-October are the hottest months

Kiambu County relies mostly on agriculture and industries to sustain its economy. Although majority of residents are small scale farmers growing tea and coffee, there are several large-scale coffee and tea farms which are serviced by local industries. Local tea factories include Kambaa Tea Factory in Githunguri, Gachege Tea Factory; Kiambu, Ngorongo Tea Factory, Kagwe Tea Factory in Lari and Mundoro Tea Factory in Gatundu (Wikipedia, 2014).



Figure 2: Map of Kenya showing Kiambu County



Figure 3: Map showing distance from Nairobi to Ndumberi ward in Kiambu County 17Km.

Ndumberi has a population of 10,842 males and 11,116 females (KNBS, 2009). Women are the target population of the study.

3.3 Research design

According to Kombo and Tromp (2006), research design can be thought of as a structure of research. It is 'glue' that holds all elements in a research together. Research design 'deals with a logical problem and not a logistical problem' (Yin, 1994). Before a builder or architect can develop a work plan or order materials they must establish the type of building required, its uses and the needs of the occupants. The work plan flows from this. Similarly, in social research the issues of sampling, method of data collection (e.g. questionnaire, observation, and document analysis), and design of questions are all subsidiary to the matter of 'What evidence do I need to collect?' The study was generally descriptive in nature.

Mugenda (2008) explains that descriptive design studies are commonly used when examining social issues that exist in a community. This study is descriptive in nature and applied a survey research design to elicit both qualitative and quantitative data.

3.4 Unit Analysis

Singleton, 1988 defines a unit of analysis as "what or who is to be described or analyzed". This is what the research seeks to explain or understand. Unit of analysis in this study was small scale women business owners who were also beneficiaries of MFIs.

3.5 Unit of Observation

Unit of observation is the subject, item or entity from which a researcher measures the characteristics or obtains data required in the researcher's study. In this study, the units of observation included small scale women business owners, who were beneficiaries; either expanded their businesses or started business'.

3.6 Study samples and sampling procedures

Sampling is a process of selecting a sub-set of cases and draw conclusions from the active set. It is a process of selecting a number of individuals or objects from a population such that the selected group contains elements representative of the characteristics found in the entire group, (Orodho, 2001).

Each element in the population has an equal chance of being selected to represent the population, Singleton et al (1988:137). There are basically two types of designs namely probability and non probability designs. In probability sampling , all units or elements in the sampling frame have equal chances of being included in the sample while in non probability sampling, elements in the sampling frame have unequal chances of being included (Dane,1990).

Random sampling being probability sampling was used to select successful small scale women business owners in Kiambu County. A list of all available, qualified and willing women participants was drawn by the researcher. Each participant was then allocated a number and a simple random sampling method (or a lottery method) used was then used to draw the final list of respondents for inclusion in the study sample. Simple random sampling is advantageous in the sense that it yields research data that can be generalized to a larger population. All the small scale women business owners had an equal and independent chance of being selected as a member of the sample.

3.6.1 Selection of respondents

Women respondents in Ndumberi area, Kiambu County, were randomly selected and the KIs were purposively selected, since they have knowledge of MFIs and have experience of dealing with women as MFIs clients.

Ndumberi has a population of 10,842 males and 11,116 females (KNBS, 2009). Women are the target population of the study.

Purposive sampling was also used to select 4 key study informants for in depth interview. The key informants included employees from four different types of MFIs. Namely;- KCB, Equity Bank, Jiweze and KWFT. The key informants were selected as a result of experience, knowledge and working with small scale women business owners, who are members of the respective MFIs.

3.6.2 Selection of Ndmberi, Kiambu County

Ndumberi, Kiambu County was purposefully selected in this study due to the following reasons: the resources available for this study would have low cost implications affordable to the researcher, the researcher was well familiar with the region and thus convenient in terms of accessing information relevant for the study, and the area in subject is well served with MFIs facilities that offer services to women which was the area of study

3.7 Methods of data collection

This study used mixed methods approach to elicit both primary and secondary data. The primary quantitative data were obtained through face-to-face interviews with respondents using a questionnaire. Additional qualitative data were obtained from key informants using the key informant interview guide.

In addition, secondary data were obtained from existing published sources including books, research work, Government reports, electronic websites and media reports. The secondary data in this study has been used to provide initial insights into the research problem but the exercise of secondary data reviews continued throughout the study period.

3.8 Techniques of data collection

Kothari (2004) defines techniques as “behavior and instruments we use in performing research operations” These techniques and methods are normally determined by nature of research. In addition, factors like time, accessibility, and cost limitations determine the choice of methods.

Primary data collection techniques used included, face to face interviews, and observation.

3.8.1 Questionnaires

The questionnaires were appropriate for assemble data on rating, ranking, information on knowledge, access, use and obstacles in the use of MFI facilities by small scale women business owners and on the socio-demographic characteristics of the respondents such as age, education level, marital status, and number of dependants. Questionnaires are advantageous in the sense that data were gathered from a large sample population within a short time. This data was collected from 7th day to 14th day of August, 2014. See annex II, questionnaire.

3.8.2 Key informants

Key informants were four in total. These were persons knowledgeable or who had extensive experience in dealing with micro-finances. The four key informants were credit officers from: Kenya Commercial Bank, Equity Bank, Jiweze Improvement Productivity Programme and Kenya Women Finance Trust. The data were collected using a key informant interview guide (see annex III).

Data obtained from the KIs were used to supplement and/or complement data obtained from the primary sample of this study

3.9 Quality Control

Since the study participants were well conversant with Swahili and Kikuyu languages, the research assistant and the researcher translated the questionnaires verbally to Swahili and Kikuyu for the respondents who had difficulties in reading and understanding the questionnaires. The research assistant did not need training for she is well experienced in this field of work. The research assistant was selected on the criteria of level of education being a graduate, having experience in research and being eloquent in both English and Swahili languages. The research tools were pre-tested and a few changes made. The pre-test included difficulties in comprehending and responding to the questions, any amendments that was deemed necessary was incorporated in the tools before the actual survey such as the commencement time of data collection.

3.10 Ethical Consideration

One of the key responsibilities of a researcher is to ensure that, the welfare and dignity of the people involved in the research are well taken care of and that no chance is given to allow the manipulation of the study participants at their expense or on the advantage of the researcher (Nachmias,1996). Another important responsibility is for the researcher to ensure that the study is beneficial to the target community and that no more than minimal risk is involved in the research which may invasively affect the study participants.

To ensure the above, the researcher used an informed consent sheet which covered the research topic, objectives of the study, the study procedures, the selection criteria, the anticipated benefits of their involvement, any risk, assurance of the confidentiality aspect, and privacy during the data collection exercise. The research assistant and researcher shared with the respondents and KIs that participation was voluntary. Participants read and comprehended the informed consent, and requested to indicate their voluntary participation by signing the informed consent sheet, which they did. The consent form was administered randomly together with questionnaires and KI.

3.11 Data Analysis

Data analysis refers to examining what has been collected in a study and making deductions and inferences. Quantitative data was analyzed using the Statistical Package for Social Sciences (SPSS) because it incorporates all the most popular analytical procedures for use in social sciences, business research, health sciences and physical sciences. SPSS was appropriate as it will use data from the survey to generate descriptive statistics namely frequencies, and percentages.

Qualitative data was analyzed using content analysis approach or technique. Nachmias and Nachmias (1996) describe content analysis as any technique used to make inferences by systematically and objectively identifying specific characteristics and messages. According to Nachmias and Nachmias, content analysis is used to analyze the data through describing phenomena, classifying it and seeing how the concepts interconnect as indicated by the responses

or data. This approach of analysis is preferred as it gives results that are predictable, directed or comprehensive. Content analysis enables the researcher to sift through large volumes of responses and analyze commonality of the themes presented. This will be integrated with the findings from quantitative data.

Questionnaires and key informant interview guides, themes and categories were identified in relation to the objectives of the research. The collected data was thoroughly examined and processed prior to drawing inferences through a series of operations involving editing to eliminate inconsistencies, classification on the basis of themes and similarities to relate variables. After coding the data, the refined and organized data was analyzed. The findings were then interpreted and recommendations made.

3.12 The challenges encountered when collecting data

Difficulties were encountered during the data collection period (7th- 14th August 2014).

- High cost of doing the research. The researcher and research assistant experienced high cost of collecting data to administer and pick up the filled questionnaires on a daily basis within the data collection duration. The research assistant and researcher had daily travel from Kitengela and Embakasi to Ndumberi hence, high cost of travel.
- Missing numbers of respondents. This was noted after data collection. The 50 questionnaires administered only 46 filled questionnaires were returned. The missing number was as a result of, illness, language barrier, change of location and unwillingness to participate in the study. It would have been best to have all the 50 filled questionnaires for the study.
- Illiteracy was a challenge. This was experienced where by the research assistant and researcher had to interpret the questionnaire verbally in Kiswahili or Kikuyu to the respondents. This was experienced when dealing with Primary School level respondents (22.7%) as seen in chapter four, Figure: 4.3.

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.0 Introduction

This chapter primarily focuses on data analysis, presentation, and interpretation. These results relate to the following research objectives:

1. Establish knowledge of range of microfinance services available among women
2. Determine the level of access of microfinance facilities and use by women
3. Establish barriers faced by women in accessing microfinance assistance
4. Establish the various strategies of circumventing barriers to access and use of microfinance by women

4.1 Socio-demographic characteristics of the respondents

A total of 50 respondents who were small scale women business owners and beneficiaries of MFI were targeted, but only 46 (92%) responded to our questionnaire. We had a non-response rate of 8% (4) due to the following reasons: one participant refused to participate; another travelled to a different location; another could not be interviewed because of language problem; and the fourth respondent was too ill to participate. Additional data were obtained from 4 key informants – one from each of the following MFIs: KWFT, Jiweze, KCB and Equity Bank.

On the socio-demographic profile of the respondents, we examined the following attributes (age, marital status, number of dependents, level of education, employment status and monthly income). Our findings were as reported below:

4.1.1 Age of the respondents

The majority of the respondents were aged between 25-44 years, as indicated in the table 4.1 below. The results show that a higher proportion of the respondents (26.1%) were respondents

aged between 30-34 and 40-44 years (23.9%) of age. This was followed by 17.4 percent of the respondents who were aged between 35-39 years of age. 15.2 percent respondents were between 25-29 years of age, while 8.7 percent of the respondents were aged between 45-49 years. Only 4.3 percent of the respondents were aged either above 49 years or 18-24 years of age.

Table 4.1: Age group of respondents

Age Group	Frequency (N)	Percent (%)
18-24	2	4.3
25-29	7	15.2
30-34	12	26.1
35-39	8	17.4
40-44	11	23.9
45-49	4	8.7
>49	2	4.3
Total	46	100.0

A majority of respondents were aged 30-34 and 40-44 years of age. This finding was corroborated by credit officers from KCB, Equity Bank, Jiweze and KWFT. It appeared that persons in the age bracket of 30-44 were most active in trade/business and/or were more willing to be involved in various entrepreneurial activities in the community.

Access to credit seemed to significantly increase their participation in economic activities. As people get into their 40's due to deteriorating physical energy and social participation (WHO, 2007) their energy to participate in economic activities reduces significantly.

4.1.2 Marital status of respondents

The majority of respondents (71.7%) were married. This was followed by nearly a quarter of the respondents (23.9%) who were single, and 4.3% who were separated (see figure 4.1 below).

Married women have more household responsibilities as a result of dependents within the family hence, the assumption that 71.7% as the study findings are members of MFIs as a result of the pressure pushing them to MFIs to seek assistance in credit hence, leading to expansion or start up of businesses to be able to support the family. It is widely assumed that microfinance have a positive impact on women's livelihood in leading to higher income that help women to better

perform their reproductive role as brokers of the health, nutritional, and educational status of other household members; increasing women’s employment in micro enterprises and in improving the productivity of women’s income-generating activities; and enhancing their self-confidence and self-esteem, and status within the family as independent producers and providers of valuable cash resources to the household economy (ILO,1998).

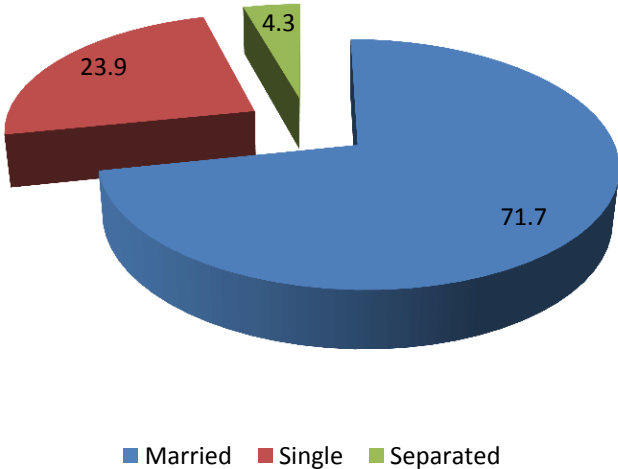


Figure 4.1: Marital Status of the respondents

The key informants contributed by mentioning that a majority of their members are married and as a result of having a number of responsibilities, this led to the joining of MFIs to better their livelihood.

4.1.3 Respondents' type and number of dependents

Table 4.2 Respondents' dependents

Type of dependents		
Type of dependents	Frequency (N)	Percentage (%)
Own children	34	73.9
Other children under your care	4	8.7
Other dependents	3	6.5
None	5	10.9
Total	46	100.0
Number of the dependents		
1-3	27	58.7
4-6	12	26.1
7-9	2	4.3
None	5	10.9
Total	46	100.0

Findings on the nature and number of the respondents, majority (73.9%) of the respondents had their own children as dependents. Only 10.9 percent of the respondents had no one as dependent under their care. As for those with dependents, 58.7 percent had 1-3 dependents followed by 4-6 number of children and 7-9 number of the children (Table 4.2 above).

Jeffery Sachs (2005) in a visit to a BRAC project was amazed to find that women he spoke to had only one or two children, when he was expecting them to have five or six as he had become accustomed to for Bangladeshi women. When he asked those with no or one child how many children they'd like to have, the majority replied two. He calls this a "demonstration of a change of outlook" (2005, p.14). He refers to a new spirit of women's rights, independence and empowerment among clients, showing the positive empowerment effects the project has had on the women.

From the study, it is evident that respondents with fewer numbers of dependents were more in number and constituted (58.7% of all the respondents). An assumption can be made that, respondents who have higher number of dependents sometime may have challenges to join MFIs.

On average, there were about 2 dependents per the respondent according to the survey results. The total number of the dependents was 107 and the mean was 2.61 which translate to at least 2 per respondent or about three on average.

4.1.4 Respondents level of education

The study revealed that a majority (45.5%) of the respondents had secondary level of education, 22.7% of the respondents had primary level education, while 22.7% of respondents had completed college level of education. Only 9.1% of respondents had completed university level education (Figure 4.3).

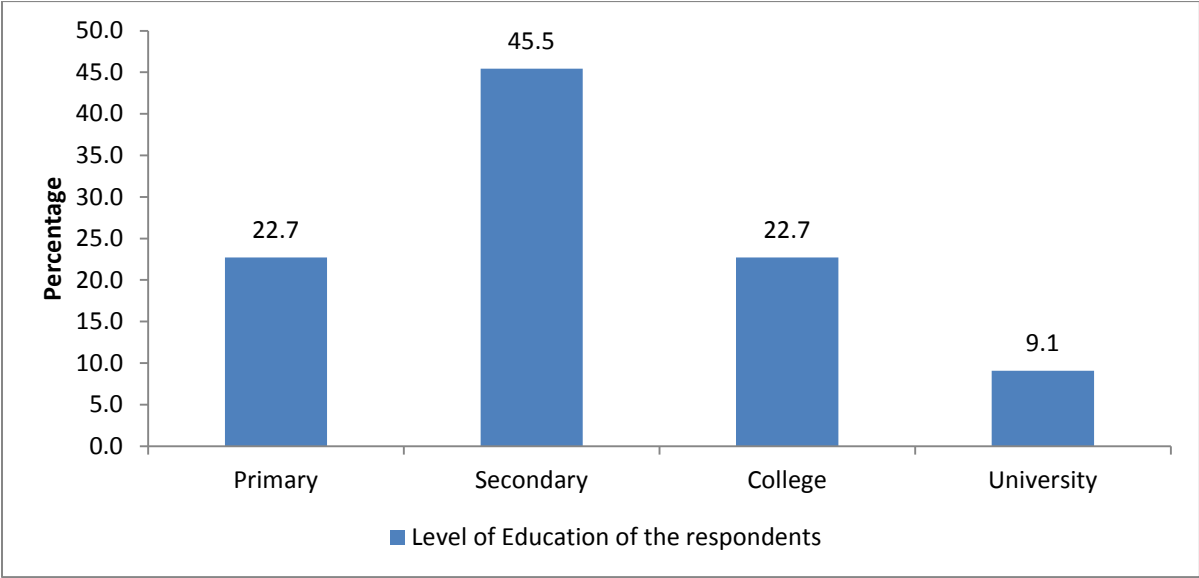


Figure 4.3: Respondents' Level of Education of the respondents

Discrimination against women and girls in educational opportunities is one the factors underlying gender segregation in the labour market in many parts of the world. In 2006, the median share of women in scientific tertiary studies was 29 per cent in general and 16 per cent for engineering (UNESCO, 2008).

Table 4.3: Years of schooling completed by the respondents

The Exact years of schooling completed by the respondents	
Mean	11.96
Std. Error of Mean	0.49
Median	12.00
Mode	12.00
Std. Deviation	2.49
Variance	6.20

The exact years of schooling completed by the respondents are shown in the table 4.3. On average, the respondents spent 11.96 years or nearly 12 years schooling with the standard error of 0.49 (-/+). Similarly, other measures of the central tendency, that is mode and median yielded the same results. This implies that half of the respondents had gone to school up to form four; secondary school. The standard deviation of the sample is 2.49 meaning that the samples were closely clustered around the mean revealing low dispersion of the respondents' education level or years of schooling. This indicates that the sample was a good representation of the target population.

4.1.5 Respondents current employment status

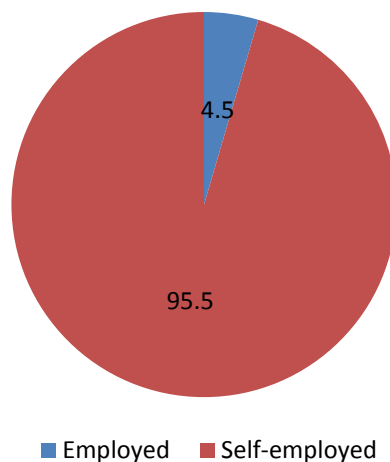


Figure. 4.4: Current employment status

The majority of the respondents were self- employed (95.5%) whereas, only 4.5 percent of the respondents were employed or had permanent job (figure 4.4). This could be based on the assumption that the majority having completed their secondary school level suffered, lack of resources or as a result of traditional practices such as early marriages, they would not go on with higher learning, joining MFIs would be considered a soft landing for these women.

4.1.6 Respondent’s Income

Table 4.4 below shows the respondents’ current income at the time of the interview. 10 respondents did not reveal their income. Of those that revealed this, 58.3 percent had monthly income of less than Kenya Shillings. 10,000. However, 16.7 and 19.4 percentages of the respondents had an income in the range of Kenya Shillings 11,000-20,000 and Kenya Shillings 21,000-30,000, respectively per month. Only 5.6 percent (2 women) had a monthly income of more than Kshs. 30,000. It was assumed that the presence of MFI services could boost the monthly income of these women in Ndumberi, Kiambu County.

Table 4.4: Respondent’s income

	Frequency (N)	Percentage (%)
Less than 10,000	21	58.3
11,000 - 20,000 Shillings	6	16.7
21,000 - 30,000 Shillings	7	19.4
More than 30,000 Shillings	2	5.6
Total	36	100

4.2 The level of knowledge of microfinance services to women

It was established that women know some range of microfinance services available in Ndumberi. Interestingly, nearly a half of women were not aware of the microfinance services available in Ndumberi, Kiambu. A majority of them (57.8 %) knew about Equity, 40 percent knew about Kenya Women Finance Trust, 22.2 percent knew about Faulu and only 17.8 percent were aware that KRep bank; exist as microfinance institutions (Table 4.5 below). Further, of the lot of women interviewed, 30.4 percent were aware of Jiweze’s existence in Ndumberi. Another 11 percent apiece of the entire women population knew of Family Bank and PAWDEP existence.

Table 4.5: Knowledge of the existing microfinance services

Are you aware of KWFT?	Frequency (N)	Percentage (%)
Yes	18	40.0
No	27	60.0
Total	45	100.0
Are you aware of K-Rep		
Yes	8	17.8
No	37	82.2
Total	45	100.0
Are you aware of Equity?		
Yes	26	57.8
No	19	42.2
Total	45	100.0
Are you aware of Faulu?		
Yes	10	22.2
No	35	77.8
Total	45	100.0
Other MFI that you are aware of		
Family Bank	5	10.9
Jiweze	14	30.4
PAWDEP	5	10.9
SMEP	1	2.2
UWEZO	1	2.2
Total	26	56.6

One of the KI being an employee from KWFT, mentioned KWFT, FauluKenya, K-Rep Bank, Equity Bank, and PAWDEP as some of the MFIs within Ndumberi environs. The other 3 Key Informants added KCB, DEMKES, Family Bank SMEP and Jiweze as MFIs to the list within Ndumberi.

4.2.1 Major source of information on microfinance services

Table 4.6: Major source of information on MFIs

	Frequency (N)	Percentage (%)
Friends	39	92.9
Brochures	1	2.4
Media advertisement	2	4.8
Total	42	100.0
Which year did you get to know of the MFI		
1995-1999	1	2.2
2000-2004	9	19.6
2005-2009	24	52.2
2010-2014	12	26.1
Total	46	100.0

Table 4.6 shows avenues through which respondents came to know about microfinance services and the year they came across. The majority (92.9%) of the respondents came to understand the presence of the microfinance through friends. Brochures and media advertisement were seen as the least mode used for obtaining information on microfinance services in Ndumberi area by the women.

Slightly above average of the respondents knew the availability of microfinance services in the years 2005-2009 (52.2%) followed by 2010-2014 (26.1%). This implies most of the microfinance services became more vibrant during the first decade of the 21st century when the President Kibaki took power as the President of Kenya at the time.

All the Key Informants were in agreement that a majority of the small scale business women members from KCB, Equity Bank, Jiweze and KWFT knew the MFIs through friends. The rest got to know of MFIs through brochures and media advertisement.

The Kenyan microfinance sector is one of the most vibrant in Sub-Saharan Africa. It includes a diversity of institutional forms and a fairly large branch network to serve the poor. However, microfinance activities have been regulated in Kenya only since 2006 (FSD Kenya, 2012). This could be the reason that respondents above average having knowledge of MFIs between the years 2005-2009 (52.2%)

4.3 Level of access and use of the Microfinance services by women

4.3.1 Availability of the Microfinance Facilities

According to women in Ndumberi, Kenya Women Finance Trust was most famous to women with 60.5 percent followed closely by Faulu Kenya with 51.2 percent and others 52.2 percent, respectively. Equity Bank also enjoyed the popularity to women by slightly below average (48.8%). Krep Bank was the least popular to women with 34.9 percent (table 4.7a). The popularity of the microfinance services implies their presence in the Ndumberi area.

Table 4.7a: Availability of MFIs

	Percentage (%)					
	N	Yes	N	No	N	Total
KWFT	26	(60.5)	17	(39.5)	43	(100.0)
Krep Bank	15	(34.9)	28	(65.1)	43	(100.0)
Equity Bank	21	(48.8)	22	(51.2)	43	(100.0)
Faulu	22	(51.2)	21	(48.8)	43	(100.0)
Others	24	(52.2)	22	(47.8)	46	(100.0)

Table 4.7a shows other services included; DEMKES, Family Bank, Jiweze, PAWDEP, UWEZO, and SMEP were found to be other microfinance institutions available in Ndumberi.

Table 4.7b: Availability of other MFIs

Other MFI	Frequency (N)	Percentage (%)
DEMKES	1	2.2
Family Bank	3	6.5
Jiweze	10	21.7
PAWDEP	7	15.2
SMEP	2	4.3
UWEZO	1	2.2
Total	24	52.1

4.3.2 Membership of and duration in the Microfinance Institutions by women

The figure 4.5 gives the membership of the respondents in the microfinance institutions and the duration they have been members. In figure 4.5a, 97.8 percent of the respondents were at least members of the microfinance institutions. Therefore, nearly all of the respondents were members of the MFI in Ndumberi area with only 2.2 percent of women being non members of any given MFI.

However, on duration of the membership in the microfinance institutions by a majority (86.4%) had 3 years of membership in the MFIs, as seen in the study. Only 6.8 percent had stayed for only 6 months in the institutions similarly to the proportion of women with 12 months of membership (Figure 4.5b).

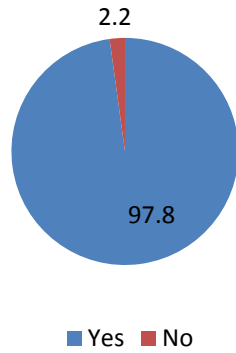


Figure 4.5a: Membership of the Microfinance Institutions

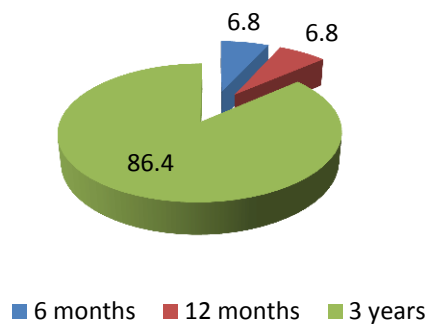


Figure 4.5b: Duration of membership in the Microfinance Institutions

In relation to the information given by the four key informants from KCB, Equity Bank, Jiweze and KWFT, a majority of respondents have been members of the respective MFIs for a period of 3 years and above.

Table 4.8: Reasons of the preferred MFI

Reasons of the preferred Microfinance institutions	Frequency (N)	Percentage (%)
Easy credit access	18	40.0
Low interest rates on credit	13	28.9
Free Entrepreneurial skills training	5	11.1
Quality client based services	9	20.0
Total	45	100.0
Other Reasons		
Accessibility	1	2.2
Bonus	1	2.2
Total	2	4.4

More women cited easy credit access (40.0%) as the reason that made them prefer certain MFI, followed by low interest rates on credit (28.9%). Only 11.1 percent revealed that they preferred certain MFI because of free entrepreneurial skills training. Other reasons included; accessibility of the institutions and the bonus they offer to their esteemed customers.

Key informants as employees of KCB, Equity Bank, Jiweze and KWFT provided the following services through the MFIs: easy credit, children’s bank accounts for dependents of the respondents, free entrepreneurial skills training and safety deposit box services.

Table 4.9: Services offered by microfinance services

Services offered by MFIs		
	Frequency (N)	Percentage (%)
Credit facilities	34	77.3
Business improvement trainings	19	43.2
Safe deposit custody	14	31.8
Saving services	32	72.7
Others	1	2.2

*The Percentages are calculated based on each service offered by MFI to women who enjoyed the services

Majority of the respondents received credit facilities (77.3%) followed by saving services (72.7%) as indicated in Table 4.9 above. About a third of the respondents got safe deposit custody of their money in the MFIs. 43.2 percent of women enjoyed business improvement trainings from the MFIs.

The Key Informants said that their respective MFIs being KCB, Equity Bank, Jiweze and KWFT as employees benefited from offering the above services especially loans, by making profits and having more clients.

4.3.3 Loan application by women

Out of 50 women sampled; 36 made loan application (figure 4.6) which is 72 percent of the respondents. This implies that some women still went through difficulties in loan application.

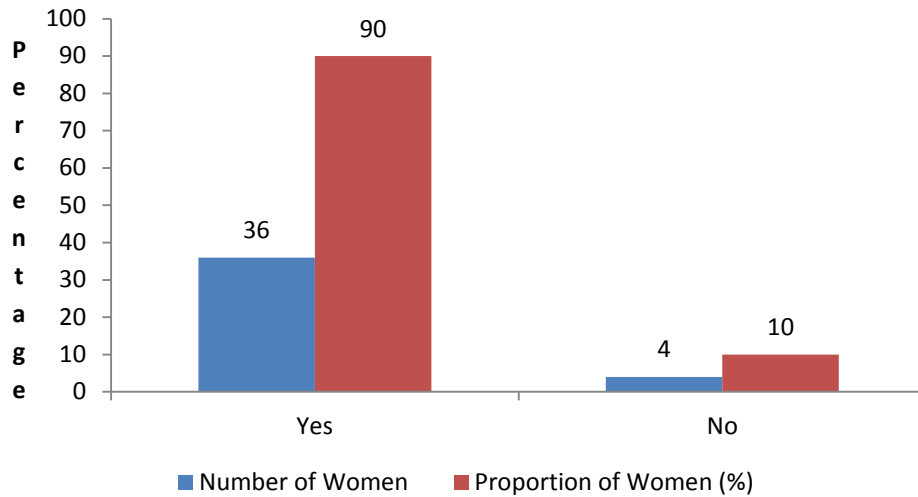


Figure 4.6: Loan application by women

Those who did not apply for the loan cited lack of collateral and lack of minimum account cash flow as the main challenges in accessing the loan. Other reasons were lack of guarantors and lack of proper documentation.

4.3.4 Loan Guaranteed to women

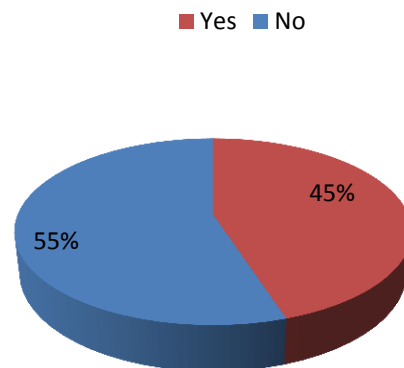


Figure 4.7: Proportion of women who applied and received the loan

Of the 36 women applied for the loan, 55 percent received the loan while 45 percent did not. This further complicates the complexity of getting the loan by women in Ndumberi (Figure 4.7).

4.3.5 Access to the loan by women in Ndumberi

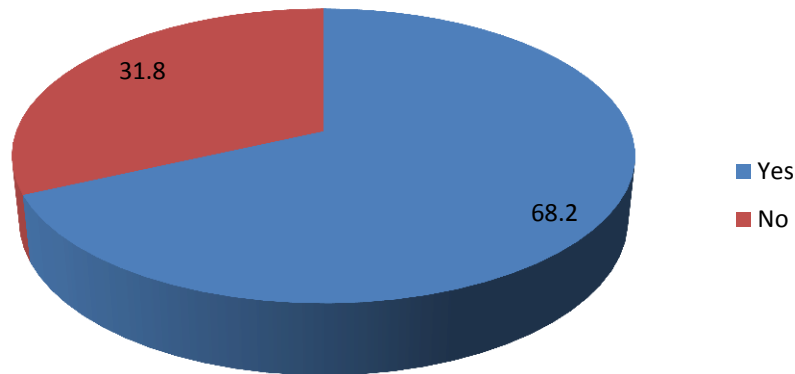


Figure 4.8: Proportion of women who qualified for the loan easily

Those women who applied for the loan and received noted that they did not struggle to get the loan because they accessed unsecured loans where only their signatures were needed. More importantly there was lack of complex bureaucracy for loan approval in the microfinance institutions they applied loan from Figure 4.8 above gives the proportion of women who qualified for the loan easily. Slightly more than two thirds of women qualified for loan without any hitches unlike (31.8 %) or about a third of their counterparts who struggled to get the loan. The study concurs with the study hypothesis that women in Ndumberi have wide access to loan services and from the analysis majority of women in Ndumberi have access to loan services. Similarly, the level of education among women in Ndumberi makes them to be active in seeking information related to MFI services such as loans.

Figure 4.9a and b show the proportion of women who received other services other than the loan. Majority (82.9%) of women interviewed received other services other than the loan. Only 17.1 percent did not get other services apart from the loan services (Figure 4.9a). The proportion of women who received other services is shown in Figure 4.9b above. More than a half (54.5%) of respondents enjoyed business advisory services and training followed by a distant (21.2 %) proportion of women who received savings accounts for their children. Overdraft withdrawals,

had, only 12.1 percent respondents enjoying the services. Opportunity to attend motivational talks and trade fairs were enjoyed least by the respondents' women. Others included insurance loan.

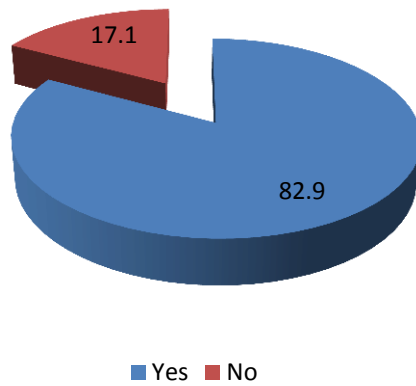


Figure 4.9a: Proportion of women who received other services except loan

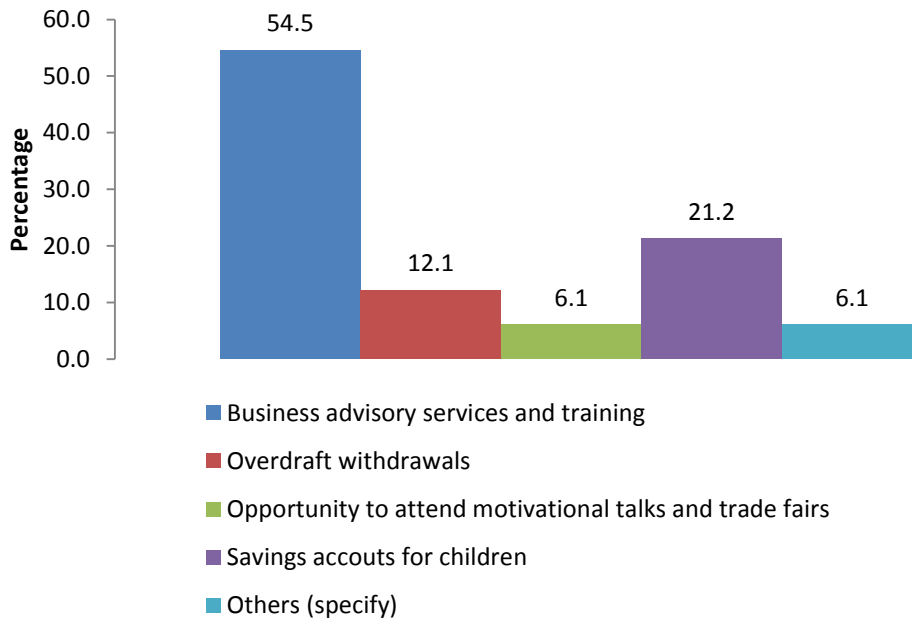


Figure 4.9b: Other services received by women apart from the loan

“Credit is the most offered service by our bank.” (Credit officer KCB bank, 2014)

Equity Bank, JIPP and KWFT Key Informants suggested that credit, business training and children’s account services offered, were popular to their members.

4.4 The obstacles of accessing Microfinance facilities by women

4.4.1 Barriers of accessing to the loan and other MFI services

Lack of collateral and minimum account cash flow contributed to not getting the loan. However, lack of guarantors and long procedures made them not to re-apply for the loan. As shown in Figure 4.10 below, 73.7 percent of women accessed the loan reported collateral necessity as the main difficulty while accessing the loan. 21.1 percent reported others such as need to have guarantors and lack of cash flow as setbacks of accessing the loan. Only 5.3 percent women experienced complex bureaucracy as impediment to access the loan.

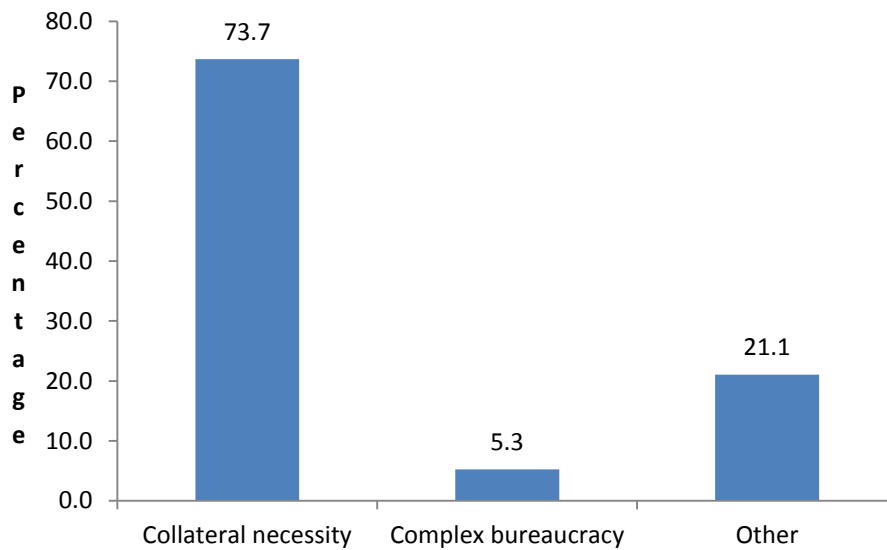


Figure 4.10: Difficulties in accessing the loan by women.

Key Informants cited that difficulty in accessing credit services would be as a result of lack of collateral, enough monthly cash flow, lack of guarantors, and lack of proper documentation. The Key Informant from Equity Bank cited that women aged 74 years of age and above cannot access loans.

4.4.2 Duration for processing the loan

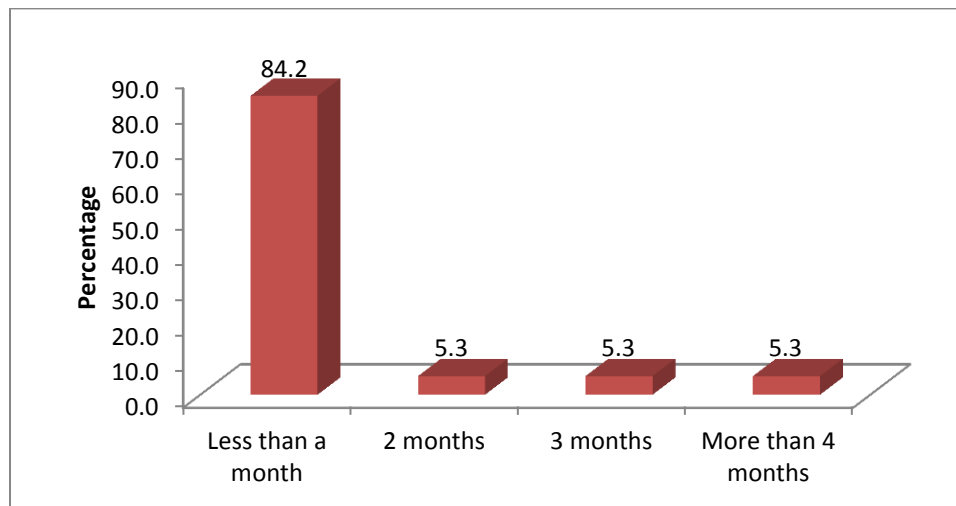


Figure 4.11: Duration taken to process the loan

The time taken to process the loan varied among women who applied and qualified for the loan is shown in Figure 4.11 above. Majority (84.2%) of women said their loans took less than a month to process. The proportion of the respondents whose loan took duration of 2 months, 3 months and more than 4 months to be processed were 5.3 percent equally.

The four Key Informants from KCB, Equity Bank, Jiweze and KWFT cited that it took less than a month for the loan application process to go through and completed.

4.4.3 Amount applied by women in Kenya Shillings.

Table 4.10: Amount applied by women in Kenya Shillings

How much did you apply for?	Frequency (N)	Percentage (%)
Kenya Shillings 0 - 250,000	39	95.1
Kenya Shillings 251,000 - 500,000	2	4.9
Total	41	100.0
Did you receive the entire amount applied for?		
Yes	34	79.1
No	9	20.9
Total	43	100.0

Table 4.10 shows the amount applied for and received by women in the microfinance institutions. 95.1 percent of women applied for the loan amounting Kshs. 250,000 and below. A quarter of women did not receive the entire amount they had applied for from the microfinance institutions. This implies that the money in the microfinance institutions is not sufficient to cater for the needs of the women in Ndumberi area. Still there could have been other considerations for denial of the amount sought.

The KWFT credit officer said that most women applied for loans worth Kenya shillings 200,000, while the officers from Jiweze, KCB, and Equity Bank said that most of the women who are members in the institutions apply for loans ranging from Kenya Shillings 250,000 to Kenya Shillings 300,000.

4.4.4 Ways of using the loan by women

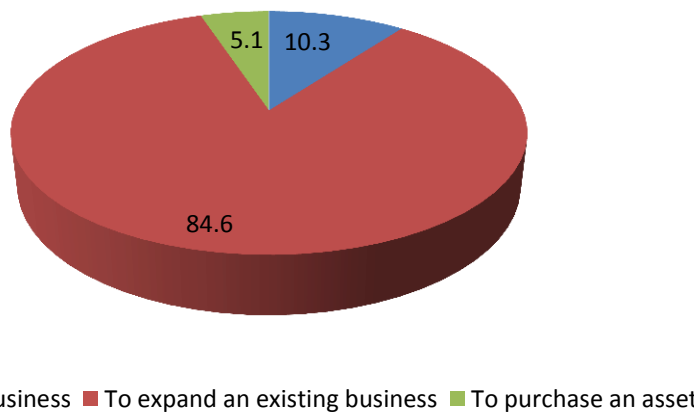


Figure 4.12: Ways through which women put to use loans received

A majority (84.6%) of women who received the loan utilized it to expand their existing businesses. 10.3 percent of the respondents used the loan to start up the business. Only 5.1 percent of women who received the loan used it to buy assets. Others used the loan in *Chama* (merry go round) which is a kind of saving opportunities.



Picture 1, Respondent's at Kiosk in Ndumberi



Picture 2, Respondent's bakery



Picture 3, Respondent's hair salon at Ndumberi



Picture 4, Respondent's grocery shop in Ndumberi

These were the small scale businesses owned and managed by a majority of women in Ndumberi. Majority of women specialized in business' that entail agricultural products. Such as selling of groceries and animal products such as eggs, and milk. Salon business' too were quite a number in Ndumberi.

Key informants from KCB, Equity Bank, Jiweze and KWFT stated that most women sold groceries, had shops, salons, and tailor shops as businesses. They either opened or expanded the above businesses or bought assets.

4.4.5 Proportion of women with no difficulty in accessing the MFI services

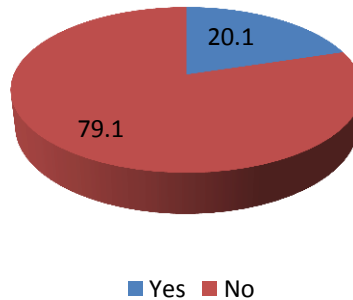


Figure 4.13: Proportion of women with no difficulty in accessing the MFI services

One out of five women who were interviewed had difficulties in accessing the microfinance services while 4 out of five had no difficulty in accessing the MFI services as shown above.

4.4.6 Difficulties women experience in accessing the MFIs services

Table 4.11: Difficulties women experience in accessing the MFIs services

	Frequency (N)	Percentage (%)
Location of MFI being far	1	5.9
Lack of collateral	8	47.0
Lack of guarantors	5	29.4
Lack of documentation	1	5.9
Long bureaucratic processes with the MFIs	1	5.9
Account saving policy on loan application	1	5.9
Total	17	100.0

More women interviewed cited lack of collaterals (47.1%) while 29.4 percent of women cited lack of guarantors as the challenges faced in accessing the loan. Location of MFIs services being far, lack of documentation, long bureaucratic processes with the MFIs and account saving policy on loan application were cited as the least challenges at least faced by women in accessing the loan.

The Key informants from KCB, Equity Bank, and KWFT addressed the lack of collateral, and lack of guarantors.

“Lack of knowledge of MFI services and illiteracy are the main issues leading to women experiencing difficulties in accessing MFI services.” (Credit Officer JIPP, 2014)

4.5 Ways of circumventing barriers and enhancing use of microfinance by women

Having guarantors; Repayment of credit on time, having the required savings to access the desired loan amount were ways of counteracting with the barriers associated with the access to the microfinance services. As shown in the figure 4.14 below, 46.7 percent of respondents actually cited having the required documents as a way of circumventing barriers and enhancing access and use of the microfinance services. About a fifth and a third of the respondents suggested having guarantors and repayment of credit on time, respectively as ways of circumventing barriers and enhancing access and use of the microfinance services. From the study hypothesis, women in Ndumberi have limited ownership of assets thus making them not to have access and use of microfinance services fully. Therefore, this concurs with the findings where about a fifth and a third of the respondents suggested having guarantors and repayment of credit in order to access loan on time.

A majority of respondents being 46.7 percent thought it best having the required documents as a way of circumventing barriers to accessing MFI services, while 20.0 percent considered having required number of guarantors too as a measure and lastly 33.3 percent considered repayment of credit on time as a way of circumventing barriers to accessing MFI services as shown in Figure 4.14.

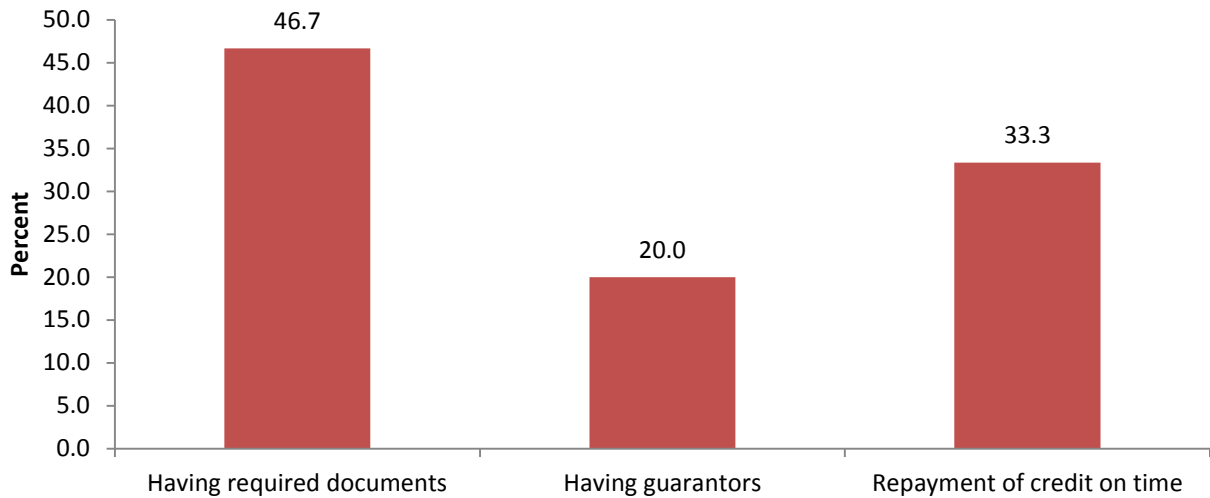


Figure 4.14: Ways of circumventing the barriers

Key informants being employees from KCB, Equity Bank, Jiweze and KWFT considered the following measures as ways of circumventing barriers best, to accessing services offered by MFIs: Credit officers taking the services to women in interior areas and educating the women on services available from the MFIs, having flexible loan securities collateral, guarantors, or signatures and not all or both, less bureaucracy when providing loan services and stabilizing the interest rates by charging other MFI services offered instead of loans.

Micro financing organizations have multiple operational and financial goals to meet in increasingly competitive markets. They have to raise financing, offer an attractive product, recruit and retain clients, keep operating costs low, and motivate and control the distribution and delivery systems (Roodman&Qureshi, 2006). They have few choices but to keep the repayment rates high (Rosenberg, 1999). However, repayment rates need to be considered in conjunction with variables such as underlying business performance (Bruton, in press).

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the summary of the study findings drawn from responses of questionnaires, KI and observations. It draws conclusions and recommendations based on the findings. The principle purpose of this study was to understand ways in which MFIs play a role in small scale women business owners as beneficiaries.

5.1 Summary of findings

The following were major findings that emerged from the data analysis. Their themes were guided by the research questions.

5.1.1 Socio-demographic characteristics of small scale women business owners

The study found out that a majority of the small scale business owners respondents ranged between the age of 25-44 years (26.1%), 30-34 and 40-44 years being 23.9%. A majority being within the age group 30-44 years is as a result of this being considered as the active age group hence, the women being involved in various economic activities within the community. Only 8.7 percent of the respondents were aged between 45-49 years. This is due to deteriorating physical energy and social participation (WHO, 2007), energy reduces significantly in participation of economic activities. . The majority of respondents (71.7%) were married. This was followed by nearly a quarter of the respondents (23.9%) who were single, and 4.3% who were separated. Married women have more household responsibilities as a result of dependents within the family hence, the assumption that 71.7% as the study findings are members of MFIs as a result of the pressure pushing them to MFIs to seek assistance in credit hence, leading to expansion or start up of businesses to be able to support the family.

On average, the respondents spent 11.96 years or nearly 12 years schooling with the standard error of 0.49 (-/+). Similarly, other measures of the central tendency, that is mode and median yielded the same results. This implies that half of the respondents had gone to school up to form four; secondary school. The standard deviation of the sample is 2.49 meaning that the samples were closely clustered around the mean revealing low dispersion of the respondents' education level or years of schooling. This indicates that the sample was a good representation of the target population.

The majority of the respondents were self- employed (95.5%) whereas; only 4.5 percent of the respondents were employed or had permanent jobs. This could be based on the assumption that the majority having completed their secondary school level suffered lack of resources or as a result of traditional practices such as early marriages, they would not go on with higher learning, joining MFIs would be considered a soft landing for these women.

The small scale women business holders 58.3 percent of respondents, had monthly income of less than Kenya Shillings. 10,000. However, 16.7 and 19.4 percentages of the respondents had an income in the range of Kenya Shillings 11,000-20,000 and Kenya Shillings 21,000-30,000, respectively per month. Only 5.6 percent (2 women) had a monthly income of more than Kenya Shillings. 30,000. It was assumed that the presence of MFI services could boost the monthly income of these women in Ndumberi, Kiambu County.

5.1.2 Challenges facing small scale business owners in accessing MFI services

The experiences small scale women business owners have in accessing MFI services are as a result of ; lacking collateral, lack of documentation, lack of regular account cash flow, and lack of guarantors.

Common wealth secretariat (2002) adds that when business training is available, women may not be able to take advantage of it because it is held at a time when they are looking after their family. Comparative studies show that women start business at an older age than men, when they have had the family and children (Zororo 2011, Green and Cohen 1995), this becomes a great

challenge. The rural women appear not to be driven by profits but rather, by the need to provide for their families. They see enterprises as a means of setting them free from ‘begging’ from their spouses money for the basic necessities of their families – food, clothing and health. What they earn is totally spent for the benefit of the entire family. Another key motivating force for women to become business owners has been identified as interest in helping others. Generally women entrepreneurs in small scale business receive substantial family support at start-up and in the course of running their business. Such support is however, based mainly on social rather than economic consideration

5.1.3 Efforts made to circumvent barriers to accessing MFI services

Formation of Women Enterprise Fund (WEF) was conceived by the Government of Kenya in 2006 and officially launched in 2007. The principal objective of the fund is economic empowerment of women. Women Enterprise Fund loans reach the target beneficiaries through the partner financial intermediaries and directly through Constituency Women Enterprise Scheme (C-WES). This fund is aimed to enable the government realize the 3rd Millennium Development Goal (MDG) on “gender equality and empowerment of women”. In recognition of the critical role women play in socio-economic development, the WEF has been identified as a flagship project under the social pillar in the Vision 2030. It is expected that the fund will play a Catalytic role in mainstreaming women in the formal financial services sector.

The establishment of Kericho Women’s University of science and Technology is one of the positive affirmative actions taken to empower women in MSEs. This gives young women a chance to study science and Technology, the foundations for creativity and innovation and elements essential for growth of MSEs. This gives women more access to technical education hence empowers them to enter MSEs. On the other hand, the public universities, the entry qualification for women, for all degree programs has always been a point lower, as part of an affirmative action scheme. This allows for educational opportunity for women. There is an assumption that with the knowledge and skills acquired in life, women graduates will have a better chance of being entrepreneurial. (Women entrepreneurs in Kenya, 2008)

5.2 Conclusion

Based on the objectives of the study, majority of small scale women business owners benefit from the MFI services. The government and the MFIs are still trying to make the services accessible to women. Most MFIs have put or hired field officers to reach women in the interior areas which may tend to be far from MFIs.

Majority of women have benefited by starting up businesses, asset ownership, business expansion, more savings hence, better livelihoods for dependents and themselves.

5.3 Recommendations

Business development services comprise non- financial services that are aimed at capacity building. They include training services, marketing and institutional support. Management training of MFIs focuses on building the capacity of entrepreneurs, by transferring of relevant knowledge and skills needed to successfully run the enterprise. These include skills in financial management, marketing, human resources management and entrepreneurship training. . In Kenya the Institutions offering such are Christian Industrial Training Centers (CITC's), Federation of Kenya Employers (FKE) Voluntary Service Overseas (VSO) Kenya Institute of Management (KIM), Jomo Kenyatta University of Agriculture and Technology (JKUAT), the national polytechnics, the Kenya Institute of Business Training (KIBT) and a number of NGOs using donor funding.

Married women should be given support by their spouse in respect of finances, motivational encouragement, advice and actual involvement in the running of business.

5.4 Further Research

Further research should be done on MFIs resulting to vicious cycle of poverty for the women who fail to pay up loans and whether or not the MFIs have created the dependency syndrome in Africa.

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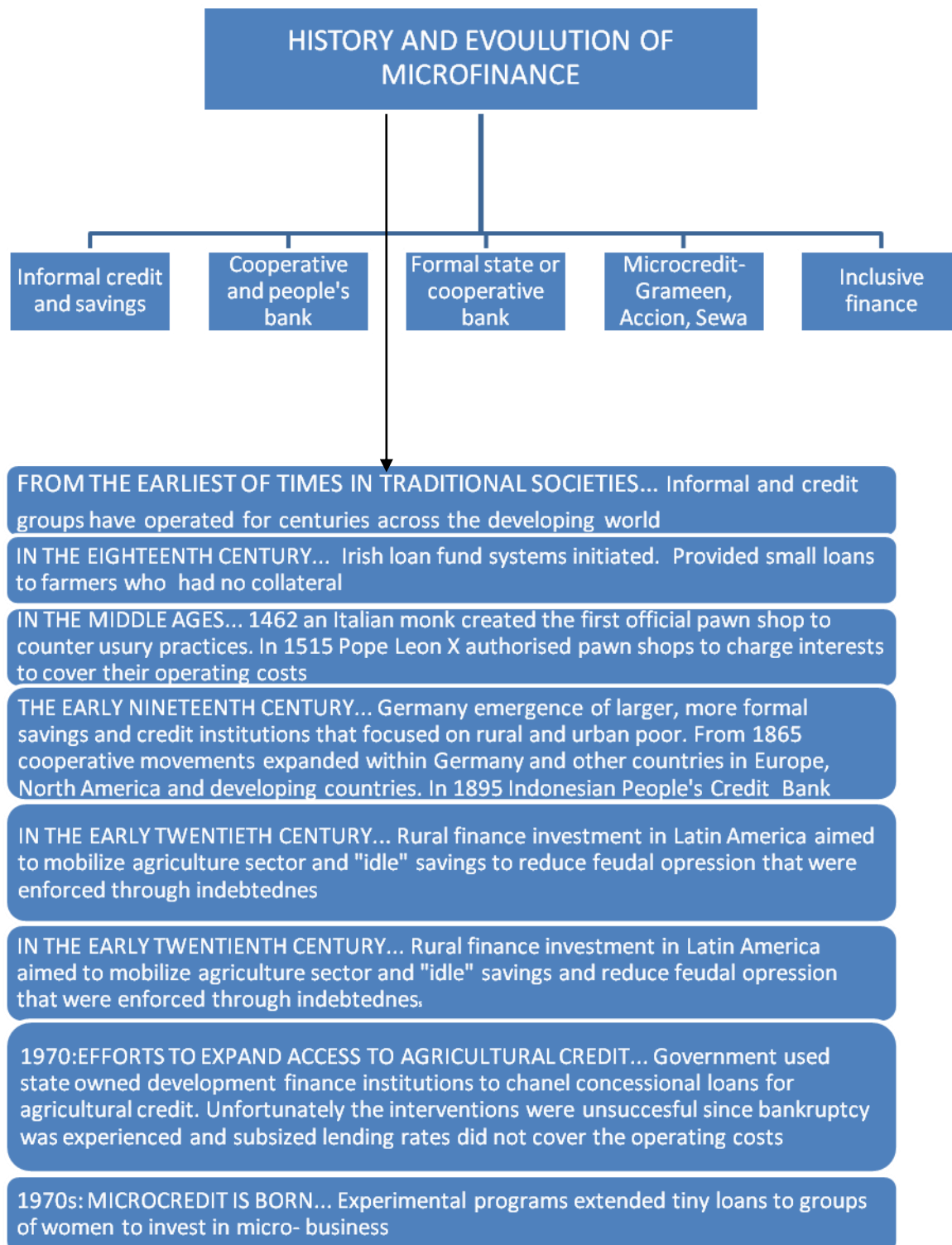
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Annex I: History of MFI. Modified from, FIJI National MFI workshop (4-5 Nov,2009)



Annex II: Questionnaire for Microfinance Beneficiaries

My name is Joan Githinji and i am a student at the University of Nairobi, sociology department. I am carrying out a research project on KNOWLEDGE, ACCESS AND USE OF MICROFINANCE AMONG SMALL SCALE WOMEN BUSINESS OWNERS, in partial fulfillment to the completion of my Masters Degree in Rural Sociology and Community Development. The questionnaires have been designed, to be filled by small scale women business owners from Ndumberi and willing to participate in the study. It will be highly appreciated to fill this five-section questionnaire. It will take approximately 20-25 minutes. I expect your kind cooperation in this respect. All information provided in this study will be treated as confidential and your anonymity is assured.

Respondents signature:.....

CODING:

- 1- Refusal to fill in the questionnaire
- 2- Individual not eligible
- 3- Questionnaire completed
- 4- Questionnaire partly completed
- 5- Person referred to as absent
- 6- Others, specify

Date of Interview.....

Name of Interviewee (Respondent).....

Instructions: Please tick the answers using a pencil. Demographic data on women respondents

- 1. Age.....years?(Exact years in age)
 - 1= < 18
 - 2=18-24
 - 3=25-29
 - 4=30-34
 - 5=35-39
 - 6=40-44

7=>49

2. What is your marital status?
 - 1=Married
 - 2=Single
 - 3=Divorced
 - 4=Separated
 - 5=Widowed
3. Who are your dependents?
 - 1= Own children
 - 2=Other children under your care
 - 3=Other dependents specify
4. What is the number of dependents? (Exact.....)
 - 1=1-3
 - 2=4-6
 - 3=7-9
 - 4=<10
5. What are the years of school completed? (Exact.....)
 - 1=Primary
 - 2=Secondary
 - 3=College
 - 4=University
 - 5=other, specify.....
6. What is your current employment status?
 - 1=Employed
 - 2=Self-employed (If self-employed, go to question 7)
 - 3=If other specify.....
7. How long have you been employed?
 - 1=Never
 - 2=> 6months
 - 3=1 year
 - 4=2 years
 - 5=<3 years
8. Have you had other jobs in the past?
 - 1=Yes
 - 2=No

If yes, what was it.....
9. What is the range of your current income per month? (Exact.....)
 - 1=Less than Shillings 10,000
 - 2=11,000- 20000Shillings
 - 3= 21,000- 30,000Shillings
 - 4=< 30,000 Shillings,
10. Other major sources of income and range?
 - 1= Yes
 - 2= None
11. If yes, what is the range of the current income? (Exact.....)

- 1=Less than Shillings 10,000
- 2=11,000- 20000Shillings
- 3= 21,000- 30,000Shillings
- 4=< 30,000 Shillings

Knowledge range of MFIs available for women

12. How did you get to know of MFIs?

- 1=Website
- 2=Friend
- 3=Brochures
- 4=Journals
- 5=Media advertisement

13. Which year did you get to know of the MFI? (Exact year.....)

- 1= 1980-1984
- 2= 1985-1989
- 3=1990-1994
- 4=1995-1999
- 5=2000-2004
- 6=2005-2009
- 7=2010-2014

14. Which MFI are you are you aware of?

- 1=Kenya Women Finance Trust
- 2=K- Rep Bank
- 3=Equity
- 4=Faulu Kenya
- 5=If others, specify.....

15. Which MFIs are available in Ndumberi or its environs?

- 1=Kenya Women Finance Trust
- 2=K-Rep Bank
- 3=Equity Bank
- 4=Faulu Kenya
- 5=If others specify.....

Access of microfinance facilities

16. Are you a member of any MFI?

- 1=Yes
- 2=No

17. If yes, which one?

- 1=Kenya Women Finance Trust
- 2=K-Rep Bank
- 3=Equity Bank
- 4=Faulu Kenya
- 5=If others, specify.....

18. Reasons of your preferred MFI?

- 1=Easy credit access
- 2=Low interest rates on credit

- 3=Free entrepreneurial skills training
 - 4=Quality client based services
 - 5=If other, specify.....
19. How long have you been a member of the MFI?
- 1=3 Months
 - 2= 6 Months
 - 3= 12 months
 - 4= 3 Years
20. Which services do the MFIs offer?
- 1=Credit services
 - 2=Business improvement trainings
 - 3=Safe deposit custody
 - 4=Saving services
 - 5=If other, specify.....
21. Have you ever applied for loan? (if yes, skip to question 27)
- 1=Yes
 - 2=No
22. If no, give reasons
- 1=Lack of collateral
 - 2=Lack of proper documentation
 - 3=Lack of minimum account cash flow
 - 4=If other, specify.....
23. Have you received loan from the MFI? (if yes, skip to question 26)
- 1=Yes
 - 2=No
24. If no, did you apply for the loan again?
- 1=Yes
 - 2=No
25. If no, why not?
- Give reasons*
- 1=Lack of collateral
 - 2=Lack of guarantors
 - 3=Lack of proper documentation
 - 4=Lack of minimum account cash flow
 - 5=If other, specify.....
26. Is it easy to qualify for loan? (If no, skip to question 27)
- 1= Yes
 - 2= No
- If yes, give reasons
- 1=Unsecured loans where only your signature is needed
 - 2=Lack of complex bureaucracy for loan approval
 - 3=If other, specify.....
27. What difficulties were experienced in qualifying for loan?
- 1=Collateral necessity
 - 2=Complex bureaucracy
 - 3=If other, specify.....

28. How long did the process take to get a loan?
 1= Less than a month
 2= 2 months
 3= 3 months
 4= More than 4 months
29. How much did you apply for?
 1=Kenya Shillings 0- 250,000
 2=Kenya Shillings 251,000 – 500,000
 3=Kenya Shillings 501,000 – 750,000
 3=Kenya Shillings 751,000 – 1,000,000
 4=Kenya Shillings 1,000,001 and above
30. Did you receive the entire amount you applied for?
 1= Yes
 2= No
31. If no, how much did you receive?
 1=Kenya Shillings 0- 250,000
 2=Kenya Shillings 251,000 – 500,000
 3=Kenya Shillings 501,000 – 750,000
 3=Kenya Shillings 751,000 – 1,000,000
 4=Kenya Shillings 1,000,001 and above

Experiences in the use of microfinance facilities

32. How did you use the loan?
 1=To start a business
 2=To expand an existing business
 3=To purchase an asset
 4=If other, specify.....
33. Did you consider the repayment period to be fair to you as a customer?
 1=Yes
 2=No
34. Did you manage to pay the loan as per the agreed period?
 1=Yes
 2=No
35. If no, what was the reason of failure to repay the credit on time?
 1=High interest rates
 2=Members having multi-loans from different MFIs
 3=Crisis in clients lives such as family emergencies
 4=If other, specify.....
36. What happened to the business after failing to repay the loan?
 1= Did you sell off the business
 2=Did the bank take full ownership of your collateral
 3= If other, specify.....
37. Having paid the loan, did it simply lead to receiving another loan from MFI? (if no, skip to question 39)
 1=Yes
 2=No

38. How many times have you received loan in the last three years?
 1=Once
 2=Twice
 3=Thrice
 4=Four times and above
39. Have you received any other services other than the loan service? (if no, skip to question 41)
 1=Yes
 2=No
40. If yes, which other services?
 1=Business advisory services and training
 2=Overdraft withdrawals
 3=Opportunity to attend motivational talks and trade fairs
 4=Saving accounts for children
 5=If others, specify.....

Barriers and constraints in use and access of MFIs

41. Have you had any difficulties in accessing and services provided by MFIs? (if no, skip to question 44)
 1=Yes
 2=No
42. If yes, give reason(s)
 1=MFI location being far
 2=Lack of collateral
 3=Lack of guarantors
 4=Lack of documentation
 5= Long bureaucratic processes with the MFIs
 6=If other, specify.....
43. How have you as an individual tried circumventing the barriers?
 1=Having required documents
 2=Having guarantors
 3=Repayment of credit on time
 4=If other, specify.....
44. Do you experience any difficulties in the use of MFI services?
 1=Yes
 2=No
45. If yes, give reasons
 1=Poor budgeting
 2=Less amount of loan given than the actual applied amount
 3=High interest rates on loan
 4=If other, specify.....

Annex III: Informant Guide for Key Informants

My name is Joan Githinji and i am a student at the University of Nairobi, sociology department. I am carrying out a research project on KNOWLEDGE, ACCESS AND USE OF MICROFINANCE AMONG SMALL SCALE WOMEN BUSINESS OWNERS, in partial fulfillment to the completion of Masters Degree in Rural Sociology and Community Development. The key informant guide has been designed for you to fill, as a result of having knowledge of MFI, work experience and experience in interacting with women as beneficiaries of MFIs. It will be highly appreciated to answer this five-section key informant guide. It will take approximately 20-25 minutes. I expect your kind cooperation in this respect. All information provided in this study will be treated as confidential and your anonymity is assured.

Interview Date:
Name of Key Informant.....

Respondent

Age:Sex
Title.....Marital Status
Role in microfinance institution
Name of microfinance institution
How long have you been an employee with the MFI.....?

Issues for Discussion on Knowledge of MFIs

1. Give name and types of the MFIs currently in Ndumberi and its environs
 - In the above named MFIs which ones only deal with women as clients?
 - How many women currently on average are account holders?
 - What is the average period of most women being account holders in thisMFI?
 - Which services are offered by this particular MFI to women?
 - How does this MFI benefit from offering services to women?
 - What is the attitude of women towards MFIs and their services?

Issues on access of MFIs

2. Do you think the MFI is easily accessible?
 - If no, give reason(s)
 - If yes, what are some of the strategies implemented to make it accessible?
 - What is the process involved of being an account holder of the MFI?
 - Which current feedbacks have you received from account holders on accessibility of services?

Experiences of women in the use of MFIs

3. Is it easy for women to easily qualify for loan?
 - If no, give reason(s)
 - If yes, in which ways have you made it easy?
 - What basic requirements do the women have to satisfy before applying for loan?.
 - Which types of loans do you currently offer?
 - On average how long does the processing of loan take?

- What is the current average loan women apply for?
- Why do most women apply for the above stated amount?
- Give reason(s)
- Do most women get the loan amount they apply for?
- If no, give reason(s)
- If yes, how do most women use the loan?
- Do you think the repayment period is fair for clients in regards to the loan received?
- If no, give reason(s)
- Do women default in loan repayment?
- If yes, give reason(s)
- Which action is taken against defaulting of loan repayment?
- After repayment of the first loan do most women apply for the second?
- If no, give reason(s)
- What is the average number of times women apply for loans?
- What is the average number of times an individual small scale woman business owner receives loan annually?
- What is the average number of times a group of small scale women business owners receives loan annually?
- Is it easier for a group of women to that of an individual to receive loan easily?
- If yes, give reason(s)
- If no give reason(s)
- Is there an improvement on savings by most women after joining the MFI?
- If no, give reason(s)
- Have most women expanded their businesses after joining the MFI?
- If no, give reason(s)
- As a result of women joining the MFI, have you noted an increase in asset ownership?
- If no, give reason(s)
- Do you think the MFI has played a positive role to women?
- If no, give reason(s)
- If yes, explain in detail
- What change would you like to see among your clients as a result of your services?

Barriers and constraints in accessing MFI

4. What are the accessibility barriers of the MFI by women?
- What constraints are faced by the MFI when delivering services?

Circumventing barriers on the use MFI

5. What suggestions would you give for easier accessibility to women for MFI services?
- What suggestions would you give to the MFI to increase the number of women as account holders?
- What suggestions would you give to the MFI for better and easier service delivery to women?