

Economic Empowerment of Women Through Village Savings And Loan Schemes

Abstract:

Village Savings and Loan (VSL) schemes provide opportunity for low income-earners to access affordable financial services, which is a critical ingredient for economic empowerment. In 2004, CARE Kenya piloted a VSL project in Rachuonyo District, alongside three other districts. Six years later, the project had been scaled-up across the country based on its success. However, little has been documented about the influence of VSL projects on women's economic empowerment. A cross-sectional survey was used to guide the research process. Both quantitative and qualitative approaches were applied to source, process, analyze and interpret that data. Primary data were obtained from 135 women, 74 of whom were members of VSL groups, while secondary data were sourced through a review of financial records and reports of women groups. Quantitative analysis yielded frequency distributions, One-way Analysis of Variance (ANOVA) with F-statistic, as well as cross tabulations with Chi-square statistic. The study found that VSL members and non-members were significantly different in terms of the amount of capital invested in business, net returns on capital, ownership of properties such as land, business premises as well as production equipment and machinery. Despite the success, the project gains were yet to be consolidated in terms of production factors to guarantee sustainable empowerment of women. Empowering low income-earners remains critical for the attainment of national economic growth targets, specified in economic blue prints such as the Vision 2030. This requires attention in terms of suitable training programs targeting VSL groups to enable them come up with innovative home-grown solutions to their challenges such financial constraints, poor marketing infrastructure and high levels of poverty, among others. The study recommends the need for devolved government to prioritize and support the development of VSL activities through appropriate training, creating marketing structures such as cooperative unions, as well as improving the infrastructure to facilitate marketing of products.