EFFECTS OF MICROFINANCE SERVICES ON EMPOWERMENT OF WOMEN ENTREPRENEURS: A CASE OF KIBERA CONSTITUENCY, NAIROBI COUNTY

BY

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A RESEARCH PROPOSAL SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF BACHELORS OF ARTS IN DEVELOPMENT STUDIES OF MANAGEMENT UNIVERSITY OF AFRICA.

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DECLARATION

Declaration by Student

This research project is my original work and has never been presented for a degree in any other University.

Signed……………………………… Date…………………………………..

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ADM NO: BDS/00001/01/2013

Declaration by Supervisor

This research project proposal has been submitted for examination with my approval as Management University of Africa supervisor in the School of Management and Leadership.

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

Mrs. Dorcas Kibachio

DEDICATION

This research project proposal is dedicated to my entire family for encouraging me through my entire studies and particularly my husband and my son for being there for me all the time.

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DEFINITION OF THE SIGNIFICANT TERMS USED IN THE STUDY

Term	Meaning/Definition
Empowerment	Empowerment in this study refers to the social and economic enhancement gained by the women entrepreneurs in Kibera Constituency as a result of the micro finance services generally it is the process of enhancing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes.
Microfinance	Financial services for poor and low-income clients offered by different types of service providers. In the context of this study, the term is used to refer to loans and other financial services from providers that identify themselves as microfinance institutions" (MFIs).
Micro-credit	It is a component of microfinance and is the extension of small loans to women entrepreneurs, who are too poor to qualify for bank loans and other financial facilities.
Micro finance Institutions	A microfinance institution is an organization, engaged in extending micro credit loans and other financial services to poor borrowers for income generating and self-employment activities in this case the study targets the women entrepreneurs in Kibera Constituency.
Microfinance Access	Eligibility of women in getting financial services from the microfinance banking institutions in enhancing their entrepreneurial activities

Women enterprises	Refers to the establishment or a type of small business, often registered, having five or fewer employees and requiring small capital to start and sustain for this case women enterprises

ABBREVIATIONS AND ACRONYMS

CIDA	Canadian International Development Agency
KWFT	Kenya Women Finance Trust
MFIs	Microfinance Institutions
MUA	Management University of Africa
NGEC	National Gender and Equality Commission
NGOs	Non-Governmental Organizations
REPOA	Research on Poverty Alleviation
SACCOs	Savings and Credit Cooperative Organisations
SEDA	Savannah Economic Development Authority
SEP	Small Scale Enterprises Promotion SMEs
SIDO	Small Industries Development Organization
UNCDF	United Nations Capital Development Fund
UNDAW	United Nations Division for the Advancement of Women
UNDP	United Nations Development Programme
UNIFEM	United Nations Development Fund for Women
URT	United Republic of Tanzania
USAID	United States Agency for International Development
WEG	Women Economic Groups
WEF	Women Enterprise Fund

ABSTRACT

Microfinance enterprises are actively involved in the provision of financial services and the management of small amount of money through a range of products and a system of intermediary functions that target low income clients especially women. It includes loans, savings, insurance, transfer services and other financial products and services. The purpose of the study will be to establish the influence of microfinance access on empowerment of women enterprises among the women enterprises in Kibera Constituency. The objectives of the study were; to determine the influence of credit facilities on the empowerment of women entrepreneurs, to determine the influence of micro finance savings on the empowerment of the women entrepreneurs and to establish the influence of micro finance training on the empowerment of the women entrepreneurs. The findings of this study is useful to policy makers and institutions especially those in the microfinance services to develop policy framework which will take care of gender issues in micro financing in Kenya. The information gathered is useful to improve the lot of Kenyan women who form the larger per cent of the total current population of over forty million Kenyans. The study was carried out in Kibera constituency; the target population was women entrepreneurs in Kibera Constituency where the target population was 210. The study deployed the use of Questionnaires to collect data from the respondents. Descriptive statistics such as percentages, frequency, means, proportions and standard deviation was used in the analysis of the data. Research data was analyzed using Statistic Package for Social Sciences (SPSS) and the results presented in form of tables, pie charts and bar charts. Out of the targeted 210 respondents, one hundred and seventy nine (179) responded by completing the questionnaires. This is a response rate of 85%. The researcher recommends that: the government should provide subsidies to microfinance institutions to cover the operational cost and provide the women borrowers financial services with cheap credit; microfinance institutions should increase credit advances and the loan administration process to be made more user-friendly; microfinance institutions should provide entrepreneurial and business skills trainings to women before start operationalizing their microenterprises; and lastly, microfinance institutions should relax or simply procedures for securing loans as well as allowing women to use collateral assets that are readily available to them.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Microfinance comprises the provision of financial services and the management of small amount of money through a range of products and a system of intermediary functions that are targeted at low income clients. It includes loans, savings, insurance, transfer services and other financial products and services. It therefore involves primarily of providing financial services, including savings, microcredit, micro-insurance, micro-leasing and transfers in relatively small transactions designed to be accessible to micro enterprises and low income households (Asiama et al 2007).

Micro finance is seen as a movement that envisions a world in which as many poor and near poor households as possible have permanent access to an appropriate range of high quality financial services, including not just credit but also savings, insurance and fund transfer (Robert et al (2004).Data from the micro Banking Bulletin reports that 63% of the world's top MFIs had an average rate of return, after adjusting for inflation and taking out subsidized programmes of about 2.5% of total assets (Mugwara, 2000). This indicated that microfinance can be sufficiently attractive for investors and those in the retail banking sector. The income generating loan is used for a variety of activities that generate income for their families.

In Africa, MFIs have recorded notable gains. The sector has transformed from an insignificant player in the national psyche to a recognized sector with potential to equitably offer financial services to the active poor women in viable micro-enterprises, empower enterprising women through financial access and skills and drastically reduce poverty. Microfinance has developed into its current state through governmental policies and programmes. Examples of largest MFIs in Africa are Equity Bank in Kenya, Kenya Women Finance Trust (KWFT), Kenya Post Office Savings Bank (KPOSB, there are Centenary Rural Development Bank, Uganda Women Finance and Credit Trust (UWFT), Nigeria's Integrated Microfinance Bank (IMFB), Country Women Association of Nigeria

(COWAN), Morocco's Al Amana, Capitec Bank of South Africa, Amhara Credit and Savings Institution (ACSI) in Africa.

Women have enormous potential to bring prosperity in the world and encouraging their entrepreneurship is very important (Mc Connel, 2001). Women have proven to be excellent clients notably in paying back loans on time and they are key drivers to development, investing in women has proven effective way to increase individual family expenditure on health, education, improved nutrition and food security. In Kenya they are creating employment and contributing to the general economic growth. They own 48% of all microcredit enterprises which contribute 20% of Kenya's GDP and have created 46,200 jobs annually since 2000 (ILO Report, 2007).

Development of the finance sector in Kenya is as a result of the need for development that saw the Kenyan government develop several strategies and plans such as the vision 2030 and the millennium development goals. The need for financing of the development projects has developed microfinance institutions in the country. Microfinance has received a lot of attention since its inception in the early 1970s perhaps(Okiocredit, 2005).Microfinance has the ability to reduce poverty alleviation and enhance economic development by providing credit and savings services to those people earning low incomes.

1.1.1 Microfinance and Women Empowerment

Microfinance, the provision of financial services to the poor in a sustainable manner, utilizes credit, savings and other products such as micro insurance to help families take advantage of income-generating activities and better cope with risk. Women workers throughout the world contribute to the economic growth and sustainable livelihoods of their families and communities. Microfinance helps empower women from poor households to make this contribution. Women particularly benefit from microfinance as many microfinance institutions (MFIs) target female clients.

Microfinance services lead to women's empowerment by positively influencing women's decision-making power and enhancing their overall socio-economic status. By the end of

2006, microfinance services had reached over 79 million of the poorest women in the world (Daley-Harris, 2007). As such, microfinance has the potential to make a significant contribution to gender equality and promote sustainable livelihoods and better working conditions for women. Women's empowerment through microfinance is key to promoting the International Labour Organization's (ILOs) Decent Work Agenda, which acknowledges the central role of work in people's lives as a means for achieving equitable, inclusive and sustainable development. By increasing women's access to financial services, microfinance ultimately contributes to ILO core values of greater gender equality and non-discrimination (Gakure, 2003).

1.1.2 Women Entrepreneurs in Kenya

Women entrepreneurs in Kenya are the key to economic growth because they are generating employment. But women owned businesses could contribute more than what they are doing today. A growing amount of research shows that countries that fail to address gender barriers are losing out on significant economic growth. Without increased attention to the gender dimensions of economic development, Kenya is therefore unlikely to meet its growth targets. This therefore demonstrates that addressing gender barriers in Kenya could generate significant economic growth for the country. The Kenyan government recognizes that women entrepreneurs have not been on an equal footing when it comes to their access to opportunities and assets but it has yet to effectively address the barriers facing women in business (Athanne, 2011).

The 1999 National MSEs Baseline survey revealed that there were 612,848 women in Micro and Small Enterprises (MSEs) in Kenya, accounting for 47.4 per cent of all those in MSEs. The results showed that women tended to operate enterprises associated with traditional women's roles, such as hairstyling, restaurants, hotels, retails shops and wholesale outlets.In general, women tended to operate smaller enterprises than men, with the average number of employees in a women-owner/manager MSE being 1.54 versus 2.1 in men –owner/managed MSEs. In women owner/managed MSEs, about 86 per cent of workers were women owner/managers themselves, 4 per cent were hired workers, with the remainder made up, of unpaid family members and /or apprentices. Whereas, in men-owner/managed MSEs, only 68 per cent of the workers were men owner/managers themselves, 17 per cent hired workers and the remainder made up of unpaid family members and /or apprentices.

There are three profiles of women entrepreneurs operating MSEs in Kenya, namely those in Jua Kali micro-enterprises, “very small” micro-enterprises and “small-scale” enterprises (Steven son and St-Onge, 2005). These are differentiated by their demographic profiles, extent of previous business experience, needs, access to resources and growth orientation.

1.2 Statement of the Problem

Majority of microfinance programmes target women with the explicit goal of empowering them. There are varying underlying motivations for pursuing women empowerment. Some argue that women are amongst the poorest and the most vulnerable of the underprivileged and thus helping them should be a priority. Whereas, other believe that investing in women’s capabilities empowers them to make choices which is a valuable goal in itself but it also contributes to greater economic growth and development. It has been well-documented that an increase in women’s resources results in the well-being of the family, especially children (Kabeer, 2001). A more feminist point of view stresses that an increased access to financial services represent an opening/opportunity for greater empowerment. Such organizations explicitly perceive microfinance as a tool in the fight for the women’s rights and independence. Finally, keeping up with the objective of financial viability, an increasing number of microfinance institutions prefer women members as they believe that they are better and more reliable borrowers.

Women in Kibera slums settlements have for many years experienced financial difficulty in experiencing growth in their established entrepreneurial ventures due to the poor capital base, this problem has been aggravated by the fact that few of them have been in a position to access financial support from the microfinance institutions. This has been manifested in the survival pace of most of these entrepreneurial ventures, besides poverty rate among women in Kibera slums have been escalating at an alarming rate with poor and low living standard manifested in the household livelihood, it’s against this drop back that the study seek to establish the influence of micro finance services on empowering women entrepreneurs in Kibera Constituency Nairobi County.

Business growth is predicated upon many factors among these, is the ability of the business people to access credit facilities. According to Kamau (2000), ninety percent of all small and micro enterprise collapse in their first year of startup, due to lack of financial resources where women enterprises are prone to these challenges. Although many financial institutions have been vigorously marketing their credit facilities, few enterprises have been accessing them Kamau (2000). Since introduction of county government, Nairobi County has been praised as the best performing county thus attracting most entrepreneurs’ to invest with the county Lakwo (2006). However it’s not clear whether accessibility of credit among women encourage entrepreneurship in the area. Therefore there is a reason for the poor accessibility for these facilities. In view of these there is a need for a study to establish the influence of micro finance services on empowering women entrepreneurs in Kibera Constituency Nairobi County.

According to CIDA (1999) most financial institutions have avoided lending to the women due to their relative inability to comply with the high costs of funds, difficulties in assessing and managing their risk profile, and a lack of the required collateral. Some financial intermediaries have been accused of giving the women unreasonable conditions before their loan applications can be approved. Among the conditions being set are provisions of various forms of collateral such as, land title deeds and maintaining accounts with the financial intermediaries for six months prior to being given the loans Katwolo (2007). Despite these concerns few studies have been conducted to ascertain the influence of the micro finance services in empowering women and consequently the plight of women in accessing microcredit in Kenya. It’s against this realization that the study aimed to bridge this knowledgeable gap by investigating the influence of micro finance services in empowering women entrepreneurs in Nairobi County Kibera Constituency.

1.3 Purpose of the Study

The purpose of this study was to establish the influence of microfinance services on empowerment of women entrepreneurs Nairobi County; Kibera Constituency.

1.4 Objectives of the Research

This study was guided by the following objectives;

1. To examine the effects of credit facilities on the empowerment of women entrepreneurs in Kibera Constituency.
2. To assess the effects of micro finance savings on the empowerment of the women entrepreneurs in Kibera Constituency.
3. To evaluate the effects of micro finance training on the empowerment of the women entrepreneurs in Kibera Constituency.
4. To evaluate the effects of demand for collateral on accessibility of credit among women entrepreneurs' in Kibera Constituency.

1.5 Research Questions

Research questions for the study were;

1. What is the influence of credit facilities on the empowerment of women entrepreneurs in Kibera Constituency?
2. How does microfinance saving influence women entrepreneurs' empowerment in Kibera Constituency?
3. How does micro finance training influence empowerment of women entrepreneurs in Kibera Constituency?
4. Does the demand for collateral influence the accessibility of credit among women entrepreneurs in Kibera Constituency?

1.6 Significance of the Study

Microfinance and gender issues play a major role in geo-politics of today thus any government or institution which ignores them does so at its own peril. The findings of this study has enabled policy makers and institutions especially those in the microfinance services to develop policy framework which will take care of gender issues in micro financing in Kenya.

This study was a pace setter for similar studies by other scholars in other low income areas and slum dwellings in Kenya. The information gathered is useful in improving empowerment of Kenyan women who form the larger per cent of the total current population of over forty million Kenyans.

1.7 Limitations of the Study

This study confined to the influence of microfinance access in empowerment of women in Kibera Constituency. The empowerment of women entrepreneurs was investigated as perceived by the entrepreneurs themselves. The study was limited by a number of factors: the available time may not be enough to gather enough data to investigate the research problem; the research may be limited by finance required to conduct the study. The study was limited by the fact that other people may not be willing to disclose their financial wellbeing. However, the researcher engaged more research assistants to be able to collect data within the limited time. Moreover, the researcher assured the respondents that the purpose of the research was for academic purposes and therefore information provided would not be disclosed.

1.8 Delimitations of the Study

This research is limited to the influence of microfinance services on the empowerment of entrepreneurial women engaged in small scale trade in Kibera Constituency focusing on microfinance and women empowerment both as a gender issue and a deliberate development policy having agency and opportunity structures as the main components of empowerment. The study focused on the loan services offered, micro finance training and the influence of deposit taking on women empowerment. The study was limited to the women entrepreneurs in Kibera Constituency.

1.9 Assumptions of the Study

This study made certain assumptions as follows: the method of gathering information was sufficient and reliable enough; and the respondents are expected to answer questions correctly without withholding crucial information. The study sampled women entrepreneurs in Kibera and therefore it is assumed that women entrepreneurs in the County have similar trends and therefore information from the women under investigation was adequate and sufficient to draw conclusion at the County level.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews materials from academic writings of other scholars that describe the issues on influence of micro finance services on empowering women entrepreneurs in Kibera by focusing on the loan services provided by the microfinance institution, microfinance training, deposits with the microfinance institutions and the collateral required to access these loan facilities. This chapter also provides the theoretical framework and conceptual framework related to the study.

2.2 Theoretical Review

Multiple literatures suggest that the following factors may figure prominently in explanations of women's increasing empowerment: (1) socioeconomic development; (2) rising gender egalitarian attitudes that transform economic development into a cultural process of human development; (3) historical legacies stemming from a society's cultural and political traditions; and (4) institutional design factors.This study is grounded on classical feminist theory. The main proponent to this theory is (Ackerly, 1995) the theory advocates economic independence of women as a solution to equality of women. The theory suggests that women's liberation requires feminists to join the working class struggle against capitalism. The theory asserts that women are originally equal to or more powerful than men in communal forms of production with matrilineal family organization. Men's control of private property and the ability to generate a surplus changes the family to a patriarchal one where women become the property of the father and husband. Further the theory holds that the rise of capitalism in separation of the family household from commodity production solidifies this control of men over women in the family when the latter become economic dependents of the former in the male-bread winner, female -housewife, nuclear family. Based on the classical feminist theory women need financial empowerment to continue playing their crucial role in the family set up, microfinance institutions have played a crucial role in empowering women therefore enabling women to gain economic empowerment for sustained development.

There are two theoretical approaches that explain the coexistence of both financial sectors, one is the residual approach and the other one is defined as the approach "whereby the most effective cost of borrowing is thought to be used" (Boucher *et al*. 2007 as in Morvant-Roux 2009). In the residual approach, the informal sector has a residual role, as it just receives the applications that the formal sector was not able to fulfil the so-called spill over demand (Conning 1999 as in Morvant-Roux 2009). This approach explains the existence of informal credit markets either as consequence of a monopolistic position when the informal market is the only source of credit available or as a part of a perfect credit market with perfect competition when they coexist with formal forms or credit (Hoff 17 and Stiglitz 1990).

The second approach takes the coexistence of the informal and formal sectors as a result of a rational decision of the borrower. This approach, in opposition of the residual approach, is based in the imperfect information paradigm, which stresses the importance of the asymmetries of information, that is, when the borrower and the lender have access to different (asymmetric) amounts of information in order to evaluate the risk of each transaction (Hoff and Stiglitz, 1990).

2.3 The Concept of Microfinance and Empowerment

Microfinance is evolving as a powerful instrument for poverty alleviation in the many economies. Microfinance is a collection of banking practices aimed at providing small loans (typically without collateral) and accepting small deposits (Cheston and Kuhn, 1995). Microfinance for the poor in general and poor women in particular has received extensive recognition as a strategy for poverty reduction and for women's economic empowerment. Women generally are poorer and more disadvantaged than men (Cheston and Kuhn, 1995. There are good reasons to target women. This includes the fact that through microfinance institutions most people are free to access loan facilities which will promote and enhance business development among the community residence and the entire business community; this will promote development to greater heights and contribute to the GDP. Microfinance empowerment has been enhanced for its support system to the poor population through services offered which includes loan facilities, training services among other services which have so far been offered with these financial institutions (yunus, 2003)

Microfinance institutions around the world have been quite creative in developing products and services that avoid barriers that have traditionally kept people from accessing formal financial services such as collateral requirements, male or salaried guarantor requirements, documentation requirements, cultural barriers, limited mobility, and literacy. Nevertheless, in a number of countries and areas few or no institutions offer financial services under terms and conditions that are favorable to women (Burjorjee, 2002).

UNIFEM (2000) defined empowerment as the gaining of the ability to generate choices and exercise bargaining power, developing a sense of self-worth, a belief in one's ability to secure desired changes. The right to control one's life is important elements of women's empowerment. The term "empowerment" has been used to represent a wide range of concepts and to describe a proliferation of outcomes. The term is used more often to advocate for certain types of policies and intervention strategies than to analyze them Bratton, (2001). Feminist writings often promote empowerment of women but vary in the extent to which they conceptualize it (Sen and Grown 1987; Jahan, 1995; Kumar 1993). In this study the term "microfinance refers to a collection of banking practices built around providing small loans (typically without collateral) and accepting tiny deposits (Cheston and Kuhn, 2002). Microfinance is emerging as a powerful instrument for poverty alleviation in the new economy.

Microfinance can provide the economic opportunities that women need to control their lives. Poverty alleviation strategies that focus on empowering women not only improve the lives of women, but also positively affect entire families and communities. According to Cheston and Kuhn (2002), when women are given greater autonomy over their lives and the lives of their children, living conditions tend to improve. These scholars argue that this is so due to the fact that women are most apt to use household income to better the nutrition, health and educational opportunities of their children. Societies that discriminate on the basis of gender pay the cost of greater poverty, slower economic growth and lower living standard of their people. Evidence is mounting that improved gender equality is a critical component of any development strategy.

Microfinance is an integral component to new development strategies because it allows women greater autonomy and control over their economic well-being. Kazi (2007) posits that running a successful business not only contributes to women's improved welfare, it also contributes both directly and indirectly to their empowerment. Access to start-up and working capital increase in working capital is particularly important for women's empowerment. Access to credit and business training has helped women to expand and improve their businesses, leading to increased respect and decision-making power in the home and community. Advice and peer support has helped women manage their triple roles as mothers, wives, and businesswomen. Cheston and Kuhn, 2002) have argued that education and experience in leadership have helped women become more confident and capable leaders.

A report by REPOA (2005) in northern Tanzania showed that microcredit programs positively affect a woman's decision-making role, her marital stability, and her control over resources and mobility. This report established that a woman's contribution to her household's income is a significant factor towards her economic empowerment. The impact of microfinance on women's empowerment is clear and impressive. Because economic advancement of women is crucial to poverty alleviation, it can be deduced that access to financial services is also an integral component to the eradication of poverty. Women are traditionally treated as inferior to men because of lack of economic opportunity and authority over income generation (REPOA, 2005).

Generally, microfinance enables women to gain access to all of the empowerment tools. Borrowing credit to start a microenterprise gives women control over household income and entry into the public domain, as well as providing them with economic and educational opportunities. Cheston and Kuhn 2002 mentioned that when women have control over household income, children's nutrition, health, and education improve more than when men control the income.

2.4 Credit Facilities and Empowerment

Microfinance credit facilities have been increasingly hailed for their positive economic impact and the financial self-sustainability of rural and sub-urban women. Most microfinance target women with the explicit goal of enhancing their financial self-sustainability. Microfinance is considered as a means of providing women with credit facilities that could not be obtained from other formal financial sources and hence empowers them through economic independence (Lakwo 2006). This is based on the view that women are more likely to be credit constrained, have restricted access to wage and labour market and have limited decision-making and bargaining power within the household. Worldwide, microfinance is not merely a popular way of fighting poverty. It also enhances gender equality. By providing women with access to small loans, it is expected to enable women generating an income and initiating their own economic empowerment (Tedeschi 2008). Three broad approaches to micro-finance for women are identified as well as the constraints affecting impact in each case, approaches emphasizing financial sustainability, integrated community development.

Women's empowerment is increasingly being viewed as one of the key constituent elements of the poverty reduction strategy. It is not only seen as a development objective in itself but as a means of promoting growth, reducing poverty and promoting better governance (World Bank, 2007). Specialized microcredit institutions providing loans to poor women all over the world, since the 1980s, have been widely associated with their potential to empower' women. Improvements in women's access to credit through microfinance institutions expand this `choice set' available to women by providing them with greater access to economic opportunities. This leads to economic empowerment that transpires into greater bargaining power in the intra-household decision making process (Khandker *et al.* 2006).

In gender comparison, different studies revealed that enterprises owned by women, experience the same problems as those owned by men, however certain characteristics are typical for many women-owned firms. These characteristics include small size, limited prospects for profitability and failure to provide collateral for obtaining loans (Fielden et al, 2003). Women are constrained by education/training, business experience, discriminations, socialization/networking and unwillingness to take risk (Nchimbi, 2002). Also the overall negative attitudes towards the business owned by women (particularly by men) and inadequate and affordable business premises also limit the overall performance of female owned enterprises. Additionally, it is agreed that there is a significant variation between male and female especially when considering sources of funds for start up and running their businesses. For example, Katwalo (2007) established that female entrepreneurs relied more on family funds than male entrepreneurs. In this case it is difficult for female owned enterprises to take advantage of external finance opportunities.

It is from this perspective, the micro credits are considered to be an appropriate solution because the amount of money needed to start a micro or small business is generally quite minimal (Coleman, 2002). Access to credit enables the entrepreneurs to cover some or all of the cost of capital equipment, expansion, or renovation of buildings. It helps existing or would-be entrepreneurs acquire the means for establishing or expanding a business (building premises and working capital) (ILO/UNDP, 2000). Credit also assists the business owner to cover cash flow shortage, to purchase inventories, to invest in new technology, expanding the market and being able to take advantages of suppliers' discount. Without sufficient capital therefore, micro and small firms are unable to develop new products and services or grow to meet demand (Coleman, 2000).

Most of scholars such as Duflo and Udry (2003), Anderson and Eswaran (2005) and Basu (2004) recognizes that the value of power coefficient is increasing in the relative share of women's earned income in the household. Credit is seen as a critical input for increasing the employment of women in home-stead income generating activities or enhancing the productivity of women's enterprises through the adoption of an improved technology. In either case there is a likely increase in the share of female earned income that manifests itself in greater `power' within the decision making process. Thus, it is claimed that access to microcredit through increasing women's income leads to empowerment.

Goetz and Gupta (2007) point to another less developed link in the literature on credit and empowerment. They argue that the ability of women in bringing credit a valuable and productive resource to the household may enhance their position within the family, resulting in economic empowerment. However, they completely ignore this lead in their empirical approach of measuring and quantifying empowerment. Using an index reflecting the degree of control the women have on the loans that they take, they conclude that most women have minimal control over their loans.

On their study, Hashemi et al. (2007) they find significant positive effects of membership in Grameen Bank and BRAC on empowerment. There are two theoretical challenges that a good empirical assessment should aim to address: firstly, the problem of selection bias and secondly, the validity of outcome indicators of empowerment. Hashemi et al. (2007) score well on the second where their indicators of empowerment including female mobility in public domain, ability to make large and small purchases, ownership of productive assets, involvement in decision making and the ability to make choices regarding money and travel decisions are valued outcomes in their own right and are linked to the underlying structures of constraints that give rise to gender inequality in rural Bangladesh (Kabeer, 2001). However, the authors acknowledge the methodological limitation of the study in their failure to address unobserved heterogeneity or simply the fact that the endogenous decision to join the program may be correlated with the unobservable empowerment endowment, which could seriously bias the results.

2.5 Savings and Status of Empowerment

The dynamic nature of the growth of the microfinance sector led policy makers to believe that education, health, water and social services could be enhanced by appropriately designed saving and loan services highlighting the role of microfinance. Tucker (2001) argues that in several countries a steady growth in the number of MFIs increases local competition. MFIs increasingly compete in terms of attracting new clients and in attracting new funds. Hermes et al. (2007) find that local commercial banks have a growing interest in providing microfinance. Also, some governments actively stimulate commercial banks to enter into the field of microfinance. According to the Hermes, local competition leads to lower interest rates, MFIs lowering their costs, MFIs increasing their efficiency, and the introduction of new financial services. Third, the authors mention the growing interest of commercial banks and investors, especially from developed countries, in funding MFIs.

According to Tucker (2001), the ability of foreign investors to compare the performance of MFIs leads MFIs to focus on improving their business practices. Previously, the measurement and benchmarking of the performance of MFIs had been difficult due to the lack of publicly available and reliable financial data. Tucker (2001) expects that "greater transparency would create a more open market for funding allocation, enabling the most efficient MFIs to survive.

Evidence from many microfinance projects implemented in less developed countries indicate that microfinance has improved the access and efficient provision of credit, savings and insurance facilities to the poor to sustain their consumption, manage their risk better, facilitate the building of asset bases through development of microenterprises, enhance their income generating capacity and eventually enjoy quality of life (Robinson, 2006).

Following the success of some major small and medium scale development projects of the major formal organizations such as WB and ADB in the last two decades of the 20th century, a more focused microfinance services emerged attracting the interests of donor agencies including NGOs, credit unions and non-banking financial intermediaries. They not only showed that microfinance services are an effective way to alleviate poverty but also an effective way of integrating access to financial services to the rural communities. This has led to the changes of the traditional view of the commercial banks and the private provision of microfinance services to the rural communities.

2.6 Microfinance Training and Empowerment

Microfinance's achievements in poverty reduction have been celebrated worldwide. During the last decades, these schemes have proved to be a successful adaptation to imperfect credit markets (Counts, 2008). They have relaxed the constraints on the poor's access to productive capital and consequently, contributed to break the vicious circle of poverty caused by low income and subsequent low investments (Marconi & Mosley, 2006). However, in many cases, practitioners have not limited their activities to the financial arena. They have been implementing integrated programs where microcredit is linked to education, health, nutrition and other non-financial services (NFS).

According to Yunus (1999) in his study conducted in Tanzania, after a period of unpopularity of non-financial services among the main stakeholders in the industry, international and local NGOs, such as Freedom from Hunger, as well as governmental social departments have contributed to reformulate the concept and take advantage of the MFIs' economies of scope. Different partnership arrangements involving a variety of actors have given rise to the development and implementation of an increasing number of high-quality demand-led non-financial related services available to microfinance clients. In the early days of microfinance practically all MFIs supplied to their borrowers compulsory training and education programs. However, during the 1990s decade, the increasing pressure from donors such as USAID to specialize in microfinance activities and concentrate on financial sustainability contributed to phase out many of these holistic microfinance projects (Goldmark, 2006). Since then, efforts have increasingly focused on cost effectively integrating microfinance with other types of services and creating links between the borrowers and the service providers in order to enhance microfinance's impact (Sievers & Vandenberg, 2007).

As a consequence, non-financial services have been substantially transformed. Mexican MFIs, in which this process has been stimulated by competition, have succeeded in considerably reducing the main disadvantages of bundled products. On the demand side, attending compulsory time consuming training sessions reduced the clients' time for productive or commercial activities. On the supply side, an organizational transformation has taken place. Strengthening the effect of microfinance on poverty reduction outcomes continues to be the main objective of these additional training and education components. However, different types of non-financial services have been devised for that aim. Smith (2002) analysis on the added impact on borrowers' expenditure of health training in Ecuador and Honduras finds mixed results. Similarly, Karlan and Valdivia (2010) find no significant positive impact of a Peruvian business development program on key outcomes such as business revenues or profits. Both studies do find positive added impact of NFS on specific objectives of the trainings such as breastfeeding or business practices, respectively.

Theoretically, the contributions of business development services (BDS) and preventive health services (PHS) to poverty reduction through an increase in household income use different channels. Business Development Services aim to teach basic skills to achieve a better business performance. Topics such as defining capital and investment, where to buy and sell, how to set prices, investment, credit sales, etc. are reviewed during the modules. Improvements in these areas should increase business related outcomes such as revenues, profits, etc. The direct relationship of training with labour productivity and household income is immediate (Schultz 2008).

Formal banking institutions always demand collateral to act as a security on loans. This is often in the form of houses or deed to some immoveable assets. This precondition plays a major part in the accessibility of loans among the women entrepreneurs since majority of they cannot attain these requirements. The situation may be more complicated for women entrepreneurs, who may not have right of ownership to expensive property including land and houses. According to (Kamau, 2009) collateral is again highlighted as a major constraint to credit accessibility. In a survey conducted at the site 92% of the firms surveyed had applied for loans, and were rejected while others had decided not to apply since they 'knew' they would not be granted for lack of collateral. Therefore, while most of the entrepreneurs, in this study recognized the importance of loans in improving their businesses, they cited collateral as a major impediment to loan accessibility and therefore business growth. Almost all respondents started their businesses from their own savings or loans from relatives since they did not demand security.

Beaver (2002), explains that the historical development and the associated culture, of the banking system underpins the problem of the emphasis on the provision of collateral as a primary condition in lending. Banks have always adopted a risk averse stance towards small firms, with an accompanying inability to focus on the income generating potential of the venture, when analyzing the likelihood of loan repayment. Therefore, although there has been a considerable progress in the lending to the SME's, banks remain cautious because many these businesses have neither, collateral nor, asset registers. Most banking institutions demand collateral as one of the requirements for the access to credit facilities. This becomes a constraint to SME's most of who may not have deeds to capital assets to present as security against the loans. This factor reduces accessibility of these loans. Furthermore, most lending institutions are more inclined to lending to the large scale businesses who have higher success rate, and repayment rate. the small scale businesses are relegated to the micro finance institutions(MFI's) and 'shylocks' whose lending requirements may further discourage them.

Moreover, several MFIs and Youth Service Organizations (YSOs) have noted that because many youth work informally, it is difficult for them to provide acceptable confirmation of their earnings. Therefore, some collateral or collateral substitutes are required to make loans to youth. The type of collateral required, however, can be a potential barrier for youth in accessing micro finance Sauve (2003). 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).

Under asset-based lending, credit decisions are principally based on the quality of the available collateral. This type of lending is very monitoring-intensive and relatively expensive. Generally, the collateral is accounts receivable and inventory, and requires that the bank intensively monitor the turnover of these assets. Asset-based lending is available to small firms of any size, but is expensive and requires that the firm have high-quality receivables and inventory available to pledge. Small business credit scoring is an adaptation to business lending of discriminant analysis and other statistical techniques long used in consumer lending. In addition to using information from the financial statements of the business, heavy weighting is also put on the financial condition and history of the principal owner, given that the creditworthiness of the firm and the owner are closely related for most small businesses (Mester, 1997). In the United States, the use of small business credit scoring is generally limited to small micro-business loans of up to $250,000. Small business credit scoring is still a relatively new phenomenon. It was not widely used prior to the introduction of Fair, Isaac's model in 1995, and as of January 1998, 37% of a sample of the largest banks in the United States still had not adopted small-business credit scoring (Frame et al., 2001).

2.7 Conceptual Framework

Framework refers to the main structure or skeleton that not only gives form and shape to the whole system, but also supports and holds together all the other elements in a logical configuration. According to Mugenda and Mugenda (2003) the conceptual framework was the concise description of the phenomenon under study accompanied by visual depiction of the variables under study. The independent variables include micro credit, training and micro finance deposits while the dependent variable was empowerment of women.

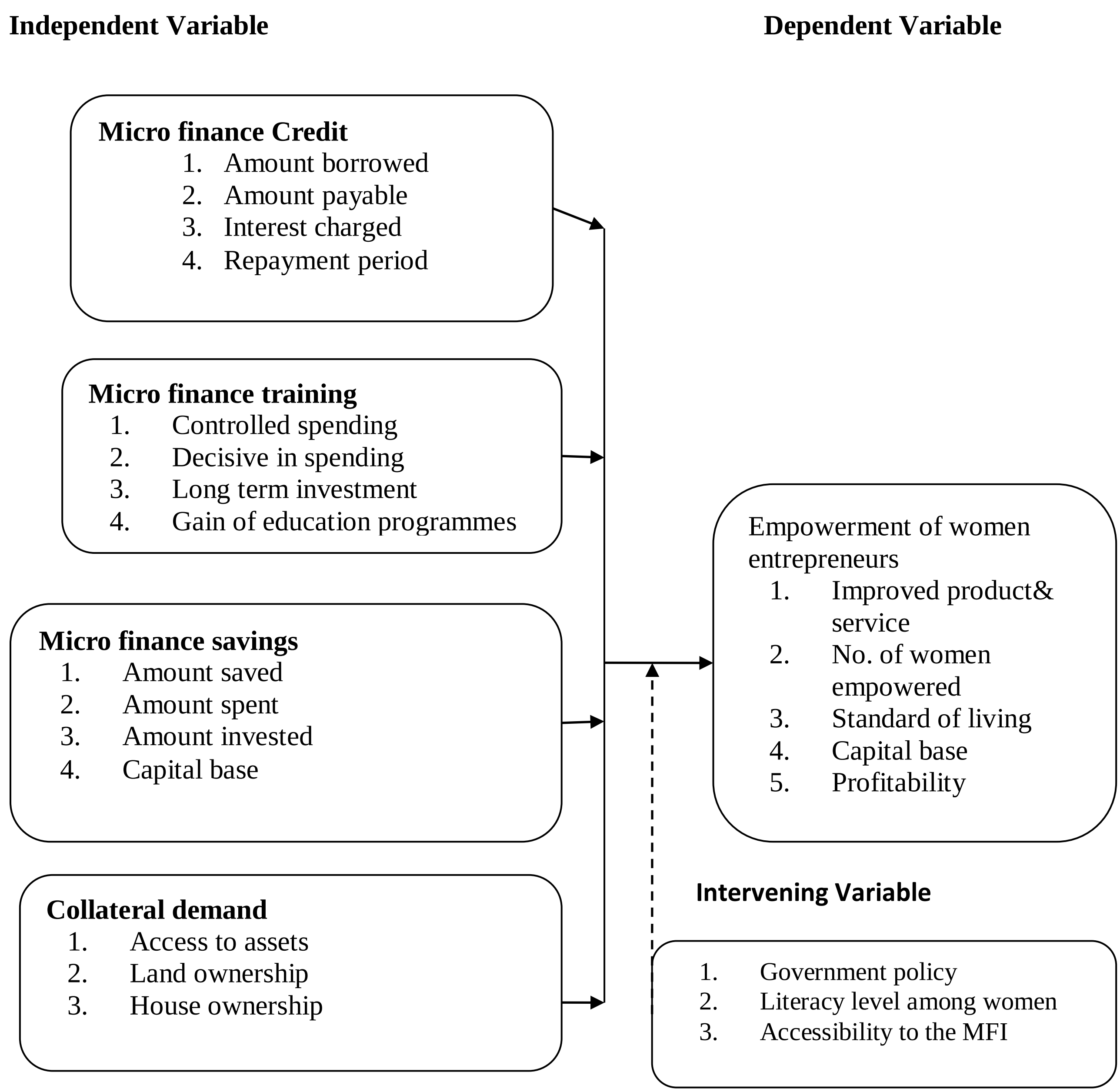

Figure 2. 1: Perceived conceptual framework

Interpretations of the perceived relationship

The conceptual frame explains how the various factors under the study contributes towards influencing women empowerment, access to the credit finance from the bank influence and determine the empowerment of women enterprises, availability of credit facilities to the women entrepreneurs will facilitate expansion of the business enterprises among the women entrepreneurs, micro finance training among the women entrepreneurs will equip women entrepreneurs with business skills to facilitate self-empowerment, similarly micro finance deposits will facilitate the savings among the women micro-finance.

2.8 Summary of the Literature Review and Knowledge gap

This chapter looked at the literature review which included the discussion of previous studies done by other scholars in relation to microfinance and the relationship between women entrepreneur performance. Over the last few decades microfinance has become an integral part of the economic development of the less developed countries with regional governments, the multilateral donor agencies such as the World Bank and the Asian Development Bank and other donor organizations investing in the industry to build its capacity and widen the outreach (Chijoriga, 2000). Further, the World Bank has highlighted the need to help the poor achieve self-sustainability as much more than just a social issue. In fact, in their view, the long-term financial growth of the Developed countries will be largely determined by the expansion of the Third World as their future client base. Those who are interested in economic development in the less developed countries strongly believe that microfinance will be an effective tool of alleviation of poverty and developing prosperity for the poor. For this reason microfinance is considered as one of the effective way of achieving Millennium Development Goals (MDGs).

From the available literature, central to the success of microfinance is the distribution of capital from the wealthy to the poor in a manner which encourages accountability and responsibility from the recipient, while at the same time allowing donors to see appropriate stewardship of their funds. This is measured through the achievement of financial independence of the group being studied. The role of implementing agencies in facilitating this efficient and accountable transfer of capital is seen to be crucial to the ongoing development of microfinance. Specifically, microfinance institutions provide a broad range of services including deposits, loans, payment services, money transfer and insurance to the poor/low-income households and their enterprises (Conford, 2001 and Pilipinas, 2002). In addition, some of microfinance institutions provide non-financial services such as training, business advice, market assistance and counseling to their clients (Hishigsuren, 2004). It is from this standing that microfinance institutions are seen to be a critical element to the poor and low income earners in developing economies because their services target the clients who have been excluded from other formal institutions.

Since the last decade, MFI-effectiveness in empowering people in rural Africa, especially women, to sustainably emerge from extreme poverty and contribute to human development on the continent, in line with the poverty dimension of the MDGs. (Mayoux, 2000). In Kenya, government has tried to mainstream development across gender as a way of achieving MDG such as vision 2030 by allocating finance specifically for supporting women financially to start or boost their business such as women enterprise fund and recently launched fund targeting youth and women "UWEZO" fund. The impact assessment studies in microfinance, which are the measures of programmes' success by considering the changes they brought to their clients and their enterprises (Woller & Parsons, 2007), have become increasingly popular worldwide. Most of these impact assessment studies found that microfinance has very beneficial economic and social impacts (Mosley, 2001). While the results of these studies suggest positive impacts, little has been done about the effect of microfinance interventions in small scale women traders. The objective of this paper is therefore is to investigate the influence micro finance services in empowering women entrepreneurs' in Kibera Constituency.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section of the study presents the overall research design, target population, sample of the study, sample size, sampling techniques that will be used to select respondents and data collection techniques that were used to collect relevant information and data analysis.

3.2 Research Design

According to Creswell (2009) research design is the plan and structure of investigation so conceived as to obtain answers to research questions. On the other hand, Kothari, (2007) defines research design as the arrangement of conditions for collections and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. This research study made use of a descriptive survey design. According to Cooper and Schindler (2003), a descriptive study is concerned with finding out the what, where and how of a phenomenon. This study therefore was able to generalize the findings as the determinants of adoption of modern technology in the whole country. The main focus of this study was quantitative. However some qualitative approach was used in order to gain a better understanding and possibly enable a better and more insightful interpretation of the results from the quantitative study.

3.3 Target Population

According to Ngechu (2004) a population is set of people, services, elements and events, group of things or households that are being investigated. In this study, the population of interest were women entrepreneurs and microfinance offering credit to women at Kibera Constituency. According to National Chamber of Commerce Kibera Constituency (2012), there were 450 women entrepreneurs in Kibera Constituency by year 2012. Mugenda and Mugenda (2003) explain that the target population should have some observable characteristics, to which the researcher intends to generalize the results of the study. Therefore the target population was 450 women entrepreneurs.

3.4 Sample Size and Sampling Procedure

According to Krejcie and Morgan (1970) in their theory of determining sample size, they reported that a population of 450 would require 210 sample size. Therefore the study sought to gain information from 210 respondents from the targeted population of 450 women entrepreneurs in Kibera Constituency. Systematic random sampling was applied; this is a statistical method involving the selection of elements from an ordered sampling frame. The most common form of systematic sampling, the study applied an equal-probability method where, progression through the list was treated circularly, with a return to the top once the end of the list is passed. The sampling was done by selecting an element from the list at random and then every k^{th} element in the frame is selected, where k is the sampling interval (sometimes known as the *skip*) this was calculated as:

$$K = \frac{N}{n}$$

Where n is the sample size and N is the population size.

Therefore k for this case was 2. Therefore every 2nd women entrepreneur in the frame was selected until the 210 are selected.Using this procedure each element in the population has a known and equal probability of selection. This makes systematic sampling functionally similar to simple random sampling. It is however, much more efficient if variance within systematic sample is more than variance of population. Systematic sampling was to be applied only if the given population is logically homogeneous, because systematic sample units are uniformly distributed over the population.

3.5 Data Collection Instruments

This study employed both primary data as well as secondary data. The primary data collection method that used during the study is questionnaires. The secondary data collection method used is documentation.

3.6 Validity of the Instrument

Validity determines whether the research truly measures that which it was intended to measure or how truthful the research results are (Orodho, 2005). According to Saunders, Lewis and Thonhill (1996) before using questionnaires to collect data it should be tested. Prior to carrying out the data collection, the questionnaire was tested by conducting a pilot survey to ascertain its content validity. According to (Mugenda Mugenda, 2003) 10% of the sample size was a good representation to conduct a pilot study; the researcher conducted a pilot study among 21 women entrepreneurs in Kasarani Constituency. The purpose of the pilot survey was to check the appropriateness of the language used in the questionnaire as well as determine the difficulty of the items in the instruments. The researcher made the necessary adjustments on the tools after conducting the pilot study thus improving the level of instruments' validity.

3.7 Reliability of the Instrument

Reliability is the extent to which results are consistent over time and an accurate representation of the total population under study (Mulusa, 1990). According to (Nachmias & Nachmias,1976) spilt-half method measure reliability of a test to be used. The instruments during pilot survey were split into two sub tests, one consisting of odd numbered items/questions and the other made of all odd numbered items/questions. The scores of all the odd numbered and even numbered items of the responses in the pilot survey were computed separately. The odd numbered scores for all items were then correlated with the even numbered scores using the Pearson's Product moment correlation coefficient. The correlation coefficient obtained represent the reliability of only one half (1/2) of the instrument. In order to obtain the reliability of the entire instrument, the Spearman Brown prophecy formula indicated below was used.

$$Re = \frac{2r}{1 + r}$$

Where Re= Reliability of Scores on Total Test and r= reliability for $\frac{1}{2}$ (Half Test)

Therefore the half tests correlation for (16 item test) between the 8 odd- numbered and the 8 even- numbered items on a test is 0.70 which is good for a small number of test items as in this case.

A Pearson product-moment correlation coefficient between the respondent's scores on the even-numbered items and their scores on the odd-numbered items is calculated. The resulting coefficient was an estimate of the half-test reliability of the test (i.e., the reliability of the odd-numbered items, or the even-numbered items, but not both combined.

The Spearman-Brown prophecy formula is justified for adjusting split-half reliability, it can be used for answering what-if questions about test length when you are designing or revising a language test. However, Spearman-Brown formula is limited to estimating differences on one dimension usually the number of items, or raters. For those interested in doing so on more than one dimension, generalizability theory (G-theory) provides the same sort of answers, but for more dimensions (called facets in G-theory).

3.8 Data Analysis and Techniques

Data collected was analyzed using descriptive statistics. The descriptive statistical tools helped in describing the data and determining the respondents' degree of agreement with the various statements under each factor. Data analysis was presented in the form of tabulations, percentages, mean and standard deviations.

3.9 Operational definition of the variables

Objectives	**Type of variable**	**Indicators**	**Measurement scale**	**Research instruments**	**Methods of analysis**
To determine the influence of credit facilities on the empowerment of women entrepreneur	credit facilities	Amount borrowed Amount payable Interest charged Repayment period	nominal/ordinal/interval	Qualitative /Quantitative	Descriptive statistical analysis

Objectives	Type of variable	Indicators	Measurement scale	Research instruments	Methods of analysis
To determine the influence of micro finance savings on the empowerment of the women entrepreneurs	micro finance savings	Amount saved Amount spent Amount invested Capital base	Nominal/ ordinal/interval	Qualitative /Quantitative	Descriptive statistical analysis
To establish the influence of micro finance on the empowerment of the women entrepreneurs	micro finance training	Controlled spending. Decisive in spending. Long term investment. Gain of education programmes.	nominal/ordinal/interval	Qualitative /Quantitative	Descriptive statistical analysis
To establish the influence of demand for collateral on accessibility of credit among women entrepreneurs in Kibera Constituency	Collateral and access of microcredit	Access to assets Land ownership House ownership	nominal/ordinal/interval	Qualitative /Quantitative	Descriptive statistical analysis
(**Dependent variable**)Empowerment of women entrepreneurs	Empowerment	Improved product& service No. of women empowered Standard of living Capital base Profitability	nominal/ordinal/interval	Qualitative /Quantitative	Descriptive statistical analysis

3.10 Ethical Considerations

According to Kombo and Tromp (2006) ethical considerations have to be taken into account during the research process. The researcher considered the following issues: the researcher sought permission of the people to conduct research involving them. The researcher kept research questionnaire subjects anonymous. When reporting the results the researcher ensured that the results are accurately represented. All information provided by Women in Kibera Constituency were considered confidential and used for the academic purposes only.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter discusses the findings, analysis, interpretation and presentation of data collected. The completed questionnaires were inspected for completeness, edited and coded. Descriptive statistics such as percentages, frequency, means, proportions and standard deviation was used in the analysis of the data. Research data was analysed using Statistic Package for Social Sciences (SPSS) and the results presented in form of tables, pie charts and bar charts. Descriptive statistics was preferred because of the data that will be collected and used in analysis are quantitative in nature. The analysis is presented per each objective and the researcher's views provided in accordance with the findings.

4.2 Respondents Background Information

This section presents the profile of the respondents. Out of the targeted 210 respondents, one hundred and seventy nine (179) responded by completing the questionnaires, representing a response rate of 85%. Those respondents that did not respond either declined to participate in the study, or did not fill the questionnaire. The researcher was interested in establishing the respondents' age, marital status, type of business engaged in and the level of income generated by the respondents.

The detailed finding of the respondents background is presented in section 4.2.1 to 4.2.4 is as follows:

4.2.1 Age of the Respondents

The study was guided by the need of inclusivity and targeted respondents in all the age brackets except those below 18 years of age. However, most (44%) of the women who responded were aged between 26 – 35 years, followed by those aged 18 -25 years (29%). Perhaps this can be attributed to the case that most of the older women entrepreneurs declined to participate in the study due to fear of competition and limited information on academic research. The detailed finding of age of the respondents is presented in Figure 4.1 and Table 4.1 in the page over leaf.

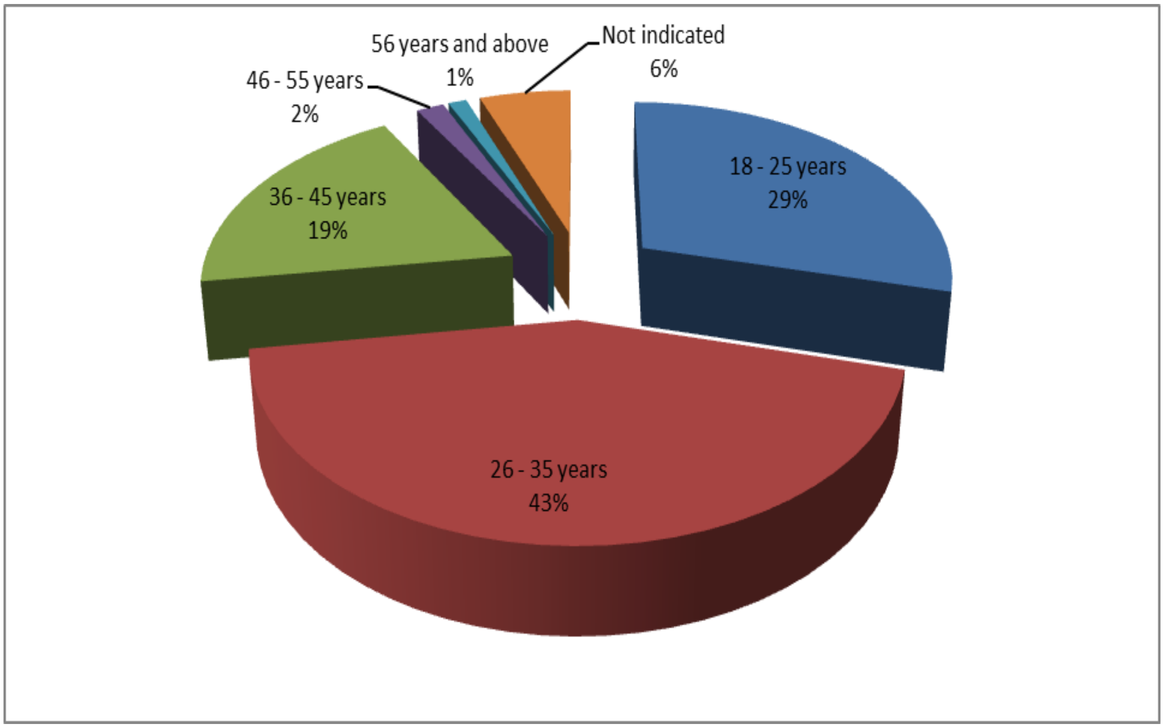

Figure 4. 2: Age profile of the respondents

Table 4.1: Age profile of the respondents

Age bracket	**Frequency**	**Percent (%)**
18 - 25 years	52	29
26 - 35 years	78	44
36 - 45 years	34	19
46 - 55 years	3	2
56 years and above	2	1
Not indicated	10	6
Total	**179**	**100**

4.2.3 Marital status of the Respondents

Out of the 179 respondents who completed the questionnaire, 73% (130) were single women, 11% (19) were married, 7% (13) were divorced while one (1) woman was a widow. Nine women (9) chose not to indicate their marital status as shown in Figure 4.2 and Table 4.2 in the over leaf page.

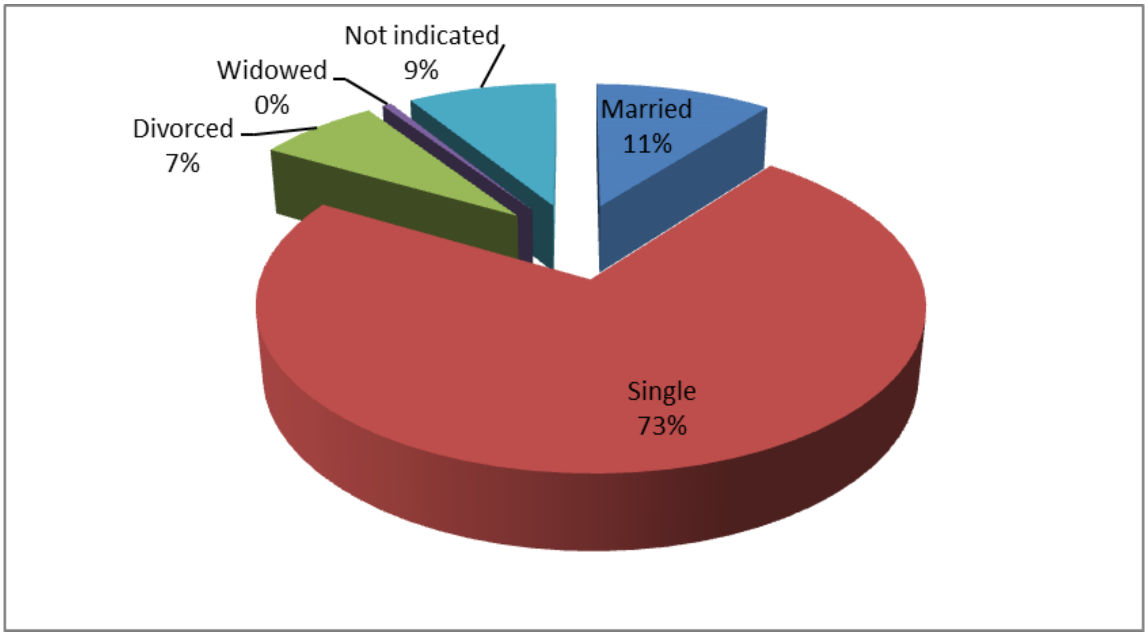

Figure 4. 3: Marital status of the respondents

Table 4.2: Marital status of the respondents

Marital status	Frequency	Percent (%)
Married	19	11
Single	130	73
Divorced	13	7
Widowed	1	1
Not indicated	16	9
Total	**179**	**100**

4.2.2 Type of Business Engaged in

The respondents were requested to indicate the type of business they are engaged in. Most of them did not indicate due to fear of exposure of their business secrets to competition. However, as part of the ethical guidelines of this research, the researcher had informed the respondents that they will remain anonymous. Most of the women entrepreneurs were engaged in small scale income generating activities such as saloons, barber shops, mini-supermarkets, groceries, matatu business.

4.2.4 Monthly Income of the Respondents

Further, respondents were asked to indicate their monthly business income. The results revealed that most women respondents (56) earner between Kshs. 10,001 – 20,000 per month, while 24% (43) earn a monthly income of between Kshs. 20,001- 30,000 as presented in Figure 4.3 and Table 4.3 below. The low monthly income is attributed to the small size of business enterprises being run by the women. This point out to the need to ease financial access to enable women expands their businesses and in turn generates greater monthly income.

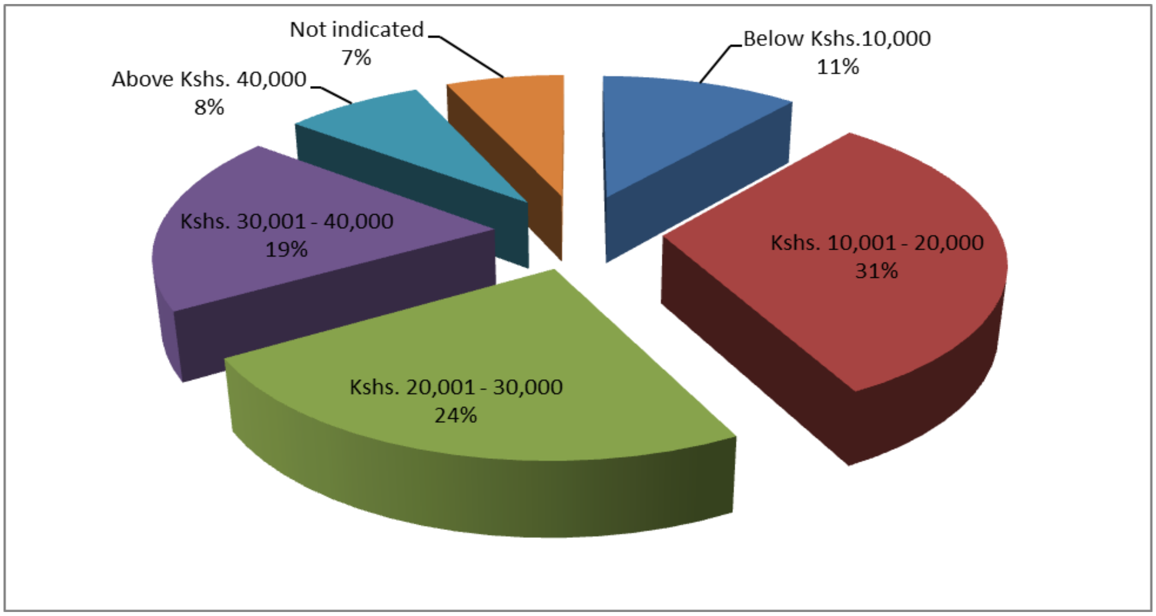

Figure 4. 4: Monthly income of the respondents

Table 4.3: Monthly income of the Respondents

Monthly income range	Frequency	Percent (%)
Below Kshs. 10,000	20	11
Kshs. 10,001 - 20,000	56	31
Kshs. 20,001 - 30,000	43	24
Kshs. 30,001 - 40,000	34	19
Above Kshs. 40,000	14	8
Not indicated	12	7
Total	**179**	**100**

4.3 Microcredit and Women Empowerment

The first objective sought to examine the effects of credit facilities on the empowerment of women entrepreneurs in Kibera Constituency. Analysis on microcredit and women empowerment was done as described below:

4.3.1 Influence of Microcredit Services on Business Performance

The women entrepreneurs were asked to indicate whether micro-credit services offered by the microfinance influence their business performance. The findings indicate that 91% (162) of the respondents agreed that micro-credit services impact their business performance while 9% (17) were of the opinion that microcredit services do not influence their business performance as shown in Table 4.4.

Table 4.4: Influence of micro-credit services on business performance

Option	Frequency	Percent (%)
Yes	162	91
No	17	9
Total	179	100

4.3.2 Microcredit and its influence on women empowerment

A five point likert scale was used, where 1 is agreement to ‘strongly disagree’ and 5 is agreement to a ‘strongly agree. From the results, most the respondents were in agreement that microfinance has enabled them achieve greater access to economic opportunities with a mean score of 4.17 and standard deviation of 0.785, followed by the fact that microfinance has enabled them overcome some challenges such as small size, limited prospects for profitability and failure to provide collateral for obtaining loans with a mean score of 4.14 and standard deviation of 0.778. The statement with the least mean (3.57) was that microfinance provides women entrepreneurs with credit facilities that they may not obtain from other formal financial sources hence empowering them through economic independence. The low mean score can be attributed to challenges of accessing finance from the microfinance institutions.

Table 4.5: Microcredit and its influence on women empowerment

Statement	1	2	3	4	5	N	M	Sd.
Microfinance provide us with credit facilities that we may not obtain from other formal financial sources hence empowering us through economic independence	12	14	44	77	31	178	3.57	1.078
Microfinance has enhanced us through improving our bargaining power	6	9	22	91	47	175	3.94	.954
Increasing access to savings and credit for consumption and production (provision of financially self-sustainable micro-finance services applying the concept of group – lending)	5	9	21	71	72	178	4.10	.986
Through microfinance we have accessed small loans, hence enabling us generate an income and initiating in our own economic empowerment	0	3	38	84	43	168	3.99	.746
Via microfinance we have achieved greater access to economic opportunities	1	0	36	72	70	179	4.17	.785
Microfinance has enables us to overcome some challenges such as small size, limited prospects for profitability and failure to provide collateral for obtaining loans	2	2	24	88	59	175	4.14	.778
We consider micro credits to be an appropriate solution because the amount of money we needed to start a micro or small business is generally quite adequate and available	8	15	20	56	80	179	4.03	1.141
Creating ways for non-financial support and services (complementary services) to pay explicit attention to gender	0	6	27	90	53	176	4.08	.767
Through microcredit we have been able to cover some or all of the cost of capital equipment, expansion, or	2	14	45	80	34	175	3.74	.902

Statement	1	2	3	4	5	N	M	Sd.
renovation of buildings								
Microcredit had enabled me to cover cash flow shortage, to purchase inventories, to invest in new technology, expanding the market and being able to take advantages of suppliers' discount	7	14	22	67	69	179	3.99	1.086
Availability of microcredit had enabled me to develop new products and services or grow to meet demand	9	14	32	84	39	178	3.73	1.050

Key:

1= Strongly disagree

2= Disagree

3= Neutral

4= Agree

5= Strongly agree

N= Frequency

M= Mean

Sd= Standard deviation

Microcredit Summit Campaign (2012) reported that the number of the poorest clients with microcredit has grown from 7.6 million in 1997 to 137.5 million in 2010. It also found that at among of those poorest clients over than 113 million were women (Ebimobowei, Sophia and Wisdom, 2012). Microfinance has gained a universal consensus as an effective tool for alleviating poverty, wellbeing improvement and developing SME's. Microcredit empowers women through allowing them to improve their ability in decision making and gain money as well as enhance their household expenditures. Whereas the Entrepreneurship Theory postulates that business environment provides opportunity for entrepreneurial activities to those entrepreneurs who could identify them, and their decision to exploit such opportunities leads to the demand for micro-finance in terms of resource acquisition. Acquisition of micro-finance could also lead to opportunity for entrepreneurial activity.

4.3.3 Respondents' opinion on the extent to which microcredit influence women empowerment

Most (52%) of the respondents were of the opinion that microcredit greatly influence women empowerment while two percent (2%) of the respondents viewed that microcredit influence women empowerment at a very low extent as shown in Table 4.6.

Table 4.6: Women entrepreneurs' opinion on the extent to which microcredit influence women empowerment

Extent	Frequency	Percent (%)
To a very low extent	3	2
To a low extent	9	5
To a moderate extent	24	13
To a great extent	93	52
To a very extent	49	27
Not indicated	1	1
Total	**179**	**100**

4.4 Microfinance savings and women entrepreneur empowerment

The second objective was to assess the effects of micro finance savings on the empowerment of the women entrepreneurs in Kibera Constituency. Analysis under microfinance savings and its influence on women entrepreneurs' empowerment was done as described presented in sections 4.4.1 to 4.4.3 as follows:

4.4.1 Impact of microfinance savings on enterprise performance

Respondents were asked to indicate whether microfinance savings enhance their enterprise performance. The study revealed that, 78% (139) of the respondents agreed that microfinance savings enhance their enterprise performance while 20% (36) were of the opinion that microfinance savings does not enhance their enterprise performance.

Four (4) women entrepreneurs chose not indicate on whether microfinance savings impact their enterprise performance as shown in Table 4.7.

Table 4.7: Impact of microfinance deposits on enterprise performance

	Frequency	Percent (%)
Yes	139	78
No	36	20
Not indicated	4	2
Total	**179**	**100**

4.4.2 Impact of microfinance savings on local competition among enterprises

Respondents were asked to indicate whether microfinance savings increase local competition among enterprises. The study revealed that, 37% (67) of the respondents agreed that micro saving increase local competition among enterprises while 54% (56) were of the opinion that microfinance savings does not increase local competition among enterprises. Sixteen (16) women entrepreneurs chose not indicate on whether micro saving increase local competition among enterprises as shown in Table 4.8.

Table 4.8: Impact of micro saving on local competition among enterprises

	Frequency	Percent (%)
Yes	67	37
No	96	54
Not indicated	16	9
Total	**179**	**100**

4.4.3 Microfinance savings and its influence on entrepreneurial small scale trader

The respondents were asked to indicate to the extent to which they are in agreement with statements on microfinance savings and its influence on women entrepreneurial activities. The results revealed that, most respondents were in agreement that through microfinance they have realized effective way to alleviate poverty and also to integrate access to financial services with a mean score of 4.12 and standard deviation of 0.880 followed by the statement that microfinance has improved the access and efficient provision of credit, savings and enhance their income generating capacity and eventually enjoy quality of life with a mean score of 4.09 and standard deviation of 0.863. The aspect that respondents were in disagreement was that the ability of foreign investors to compare the performance of MFIs leads MFIs to focus on improving their business practices with a mean score of 2.56 and standard deviation of 0.1.188 as presented in Table 4.9.

Table 4.9.: Microfinance savings and its influence on entrepreneurial small scale trader

Statement	1	2	3	4	5	N	M	Sd.
Microfinance has mobilized saving hence more capital due to the interest accrues	9	22	27	80	36	174	3.64	1.102
Local competition leads to lower interest rates, MFIs lowering their costs, MFIs increasing their efficiency and the introduction of new financial services	16	55	46	31	16	164	2.85	1.136
The ability of foreign investors to compare the performance of MFIs leads MFIs to focus on improving their business practices	36	41	40	29	8	154	2.56	1.188
Microfinance has improved the access and efficient provision of credit, savings and enhance their income generating capacity and eventually enjoy quality of life	1	11	19	85	59	175	4.09	.863
More focused microfinance services emerged attracting the interests of donor agencies including NGOs, credit unions and non-banking financial intermediaries	12	12	34	53	60	171	3.80	1.196
Through microfinance I have realized effective way to alleviate poverty and also to integrate access to financial services	0	10	27	67	68	172	4.12	.880

Microfinance is considered as a very influential tool to assuage the poverty and to empower the women. In Kenya there are numerous Micro finance Institutions (MFI‘s) and other financing options such Saccos and welfare trusts that have begun to gain increased share of the market especially women groups. Saving services are a valuable mechanism to women entrepreneurs for liquidity management through accessibility to cash, and rate of return. In addition, savings are vital and attractive source to microfinance for three reasons: first, important source for microfinance funds which can be easily obtained with lower cost, second, withdrawals small amounts of money from saving account do not lead to liquidity risk compare to large savings, third, small deposits and savings are more steady capital source than re-deducted it from the Central Banks or donor funds and fourth, deposit-taking can create strong market-demand for microfinance institutions and improve their operations. Further, savings products are also important to women entrepreneurs that help them to reduce the financial cost of lending and secure a sustainable fund sources.

4.4.4 Respondents' opinion on the extent to which microfinance saving influence women empowerment

Seventy eight (78) respondents were of the opinion that microfinance savings influence women empowerment to a very great extent followed by 51 respondents who viewed that microfinance savings greatly influence women empowerment as shown in Table 4.10.

Table 4.10: Women entrepreneurs' opinion on the extent to which microfinance saving influence women empowerment

	Frequency	Percent (%)
To a very low extent	5	3
To a low extent	10	6
To a moderate extent	26	15
To a great extent	51	28
To a very great extent	78	44
Not indicated	9	5
Total	**179**	**100**

4.5 Microfinance training and its influence on entrepreneurial small scale trader

The third objective sought to evaluate the effects of micro finance training on the empowerment of the women entrepreneurs in Kibera Constituency. Analysis of microfinance training and its influence on women entrepreneurs is as follows:

4.5.1 Microfinance training relating to enterprise management

Respondents were asked to indicate whether they have received microfinance training relating enterprise management. The study revealed that, 72% (128) of the respondents agreed that microfinance offer training concerning enterprise management while 33% (18) were of the opinion that microfinance does not offer training concerning enterprise management. Ten percent (18 women entrepreneurs) of the respondents chose not indicate on whether they have received training relating to enterprise management as presented in Table 4.11.

Table 4.11: Respondents view on whether microfinance offer training concerning enterprise management

	Frequency	Percent (%)
Yes	128	72
No	33	18
Not indicated	18	10
Total	**179**	**100**

Empowerment of women is crucial for the emancipation of poverty and meaningful participation of entrepreneurship development. Women continue to remain under represented and their success often remains invisible and unacknowledged. It is commonly asserted that increasing women's access to microfinance will enable women to make a greater contribution to household income and this, together with other interventions to increase household well-being, translate into improved well-being for women and ability to bring about wider changes in gender inequality.

4.5.2 Microfinance training and its influence on entrepreneurial small scale trader

Results reveal that most respondents were in agreement that microfinance have increasingly focused on cost effectively integrating microfinance with other types of services thus creating links between them in order to enhance their entrepreneurship with a mean score of 3.63 and standard deviation of 1.108 followed by the statement that microfinance have been introducing programs where microcredit is linked to education, health, nutrition and other non-financial services with a mean score of 3.52 and standard deviation of 1.098 as shown in Table 4.12.

Table 4.12: Microfinance training and its influence on entrepreneurial small scale trader

Statement	1	2	3	4	5	N	M	Sd.
Microfinance have been introducing programs where microcredit is linked to education, health, nutrition and other non-financial services	12	19	36	79	27	173	3.52	1.098
Microfinance have increasingly focused on cost effectively integrating microfinance with other types of services thus creating links between the us in order to enhance our services	11	17	17	84	27	156	3.63	1.108
Training sessions that we attend have reduced the clients' time for productive or commercial activities while organizational transformation has taken place	26	30	33	53	28	170	3.16	1.321
Strengthening the effect of microfinance on poverty reduction outcomes continues to be the main objective of these additional training and education components	21	23	22	72	32	170	3.42	1.281
Training session has helped us to define capital and investment, where to buy and sell, how to set prices, investment, credit sales are reviewed during the modules	23	33	33	59	23	171	3.15	1.265
I have realized increase business related outcomes such as revenues, profits	23	43	15	66	23	170	3.14	1.310

Entrepreneurship training has a potential to enhance the capacity of micro and small enterprises specifically women entrepreneurs for jobs creation and business growth. In addition, entrepreneurial trainings are more effective when combined with microcredit service. As widely mentioned in microfinance literature, access to credit, skill training availability, access to information are important to successfully driving and sustaining women to entrepreneurship globally. It is noteworthy that skill training and tertiary education have positive effect on enterprise performance. Moreover, exploitation of entrepreneurial opportunity depends on the entrepreneur's level of education, skills or knowledge acquired through work experience, social network and credit; hence the need for training as a micro-finance factor.

4.5.3 Respondents' opinion on the extent to which microfinance training influence women empowerment

Twenty nine percent (29%) of the respondents were of the opinion that microfinance training greatly influence women empowerment followed by 26% of the respondents viewed that microfinance training moderately influence women empowerment as shown in Table 4.13.

Table 4.13: Women entrepreneurs' opinion on the extent to which microfinance training influence women empowerment

Extent	Frequency	Percent (%)
To a very low extent	18	10
To a low extent	16	9
To a moderate extent	46	26
To a great extent	52	29
To a very extent	25	14
Not indicated	22	12
Total	**179**	**100**

Empowerment of women is a global challenge since traditionally women have been marginalized and subjected under the control of men. Most women in Kenya have limited access to credit and other financial services as a result of inadequate knowledge and skills on how to manage enterprises. Historically, women in Kenya have been denied entrepreneurship activities due to oppressive social, cultural, legal, economic and political structure which resulted being in the state of disempowered. Women ability to make entrepreneurship choice is very low and at some places women are not in position to make any choices.

4.6 Demand for collateral on accessibility of credit among women entrepreneurs'

The fourth and last objective sought to evaluate the effects of demand for collateral on accessibility of credit among women entrepreneurs' in Kibera Constituency. Analysis under collateral and women empowerment was done as described below:

4.6.1 Collateral requirements by the microfinance institutions before loan disbursement

Respondents were asked to indicate whether there are collateral requirements by the microfinance institutions before loan disbursement. The study revealed that, 85% (152) of the respondents agreed that there are collateral requirements by the microfinance institutions before loan disbursement while 8% (15) were of the opinion that there are no requirements by the microfinance institutions before loan disbursement. Twelve (12) women entrepreneurs chose not indicate on whether there are collateral requirements by the microfinance institutions before loan disbursement as shown in Table 4.14.

Table 4.14: Collateral requirements by the microfinance institutions before loan disbursement

	Frequency	Percent (%)
Yes	152	85
No	15	8
Not indicated	12	7
Total	**179**	**100**

According to Grameen Foundation, microfinance institutions clients are not required to provide collateral to receive loans. Such arrangement, allows people who would not qualify for loans at traditional financial institutions to receive credit. MFIs are also very client-friendly; most usually go to their clients to provide loans and receive payments, rather than requiring their clients to come to them.

4.6.2 Impact of Collateral requirements on accessibility to loan

Further, respondents were asked to indicate whether collateral requirements by the microfinance institutions affect accessibility to loan. The study revealed that, 85% (152) of the respondents agreed that collateral requirements affect accessibility to loan while 4% (8) were of the opinion that collateral requirements do not affect accessibility to loan. Nineteen (19) women entrepreneurs chose not indicate on whether collateral requirements affect accessibility to loan as shown in Table 4.15.

Table 4.15: Impact of collateral requirements on accessibility to loans

	Frequency	Percent (%)
Stiff	152	85
Friendly	8	4
Not indicated	19	11
Total	**179**	**100**

4.6.3 Collateral requirements and its influence on women entrepreneurs' empowerment

The researcher had asked the respondents to indicate their opinion on the level of agreement with statements collateral and its influence on women entrepreneurs' empowerment. Majority of the respondents were in agreement with the statement that most of the women are not capable of accessing the loan in time as the microfinance has actively manage all aspects of the loan and payment process with a mean score of 4.53 and standard deviation of 0.850 followed by the statement that the collateral requirement imposed by microfinance and frequency of loan repayment put women entrepreneurs under intense pressure with a mean score of 4.25 and standard deviation of 0.890. It is noteworthy that 152 respondents strongly disagreed that they have been accessing the loan without collateral requirement as shown in Table 4.16 below.

Table 4.16: Collateral requirements and its influence on women entrepreneurs' empowerment

Statement	1	2	3	4	5	Total	N	M	Sd.
Microfinance loan requirement deny opportunities for poor entrepreneurs to establish themselves and expand their business through the provision of small unsecured loans, which may be cross collateralized	4	10	15	57	88	174	174	4.24	.989
Most of the women are not capable of accessing the loan in time as the microfinance has actively manage all aspects of the loan and payment process	4	1	17	29	124	175	175	4.53	.870

Statement	1	2	3	4	5	Total	N	M	Sd.
Microfinance has improved capacity to efficiently and effectively provide sustainable financial services to the business compared to previous time where we were excluded from the conventional financial systems for lack of collateral	19	57	58	41	1	176	176	2.70	.964
The collateral requirement imposed by microfinance and frequency of loan repayment put us under intense pressure	3	6	14	67	77	167	167	4.25	.890
I have been accessing the loan without collateral requirement	152	15	0	0	0	167	167	1.09	.287
The idea of low borrowing rates, and high drop-out rates recorded among beneficiaries indicates inability of the most of the women to avail the collateral requirement to gain access for the loan.	10	22	27	60	54	173	173	3.73	1.196

Without finance, women entrepreneurs cannot expand their business ventures or even compete effectively in the market. Entrepreneurship has shaped today's global business as evident from the Global entrepreneurship summit held in Kenya. During the summit, access to finance was identified as a key factor for business start-ups, slow business growth and collapse business. Other factors mentioned during the summit are: excessive tax burden, exclusion of women and youth, low literacy levels among women and youth,

4.6.4 Respondents' opinion on the extent to which collateral requirement influence women empowerment

Forty three percent (43%) of the respondents were of the opinion that demands for collateral influence women empowerment to a very great extent followed by 37% of the respondents viewed that demand for collateral greatly influence women empowerment as shown in Table 4.17.

Table 4.17: Women entrepreneurs' opinion on the extent to which collateral requirement influence women empowerment

Extent	Frequency	Percent (%)
To a very low extent	5	3
To a low extent	5	3
To a moderate extent	19	11
To a great extent	67	37
To a very extent	77	43
Not indicated	6	3
Total	**179**	**100**

CHAPTER FIVE
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides the summary of the findings, conclusions and recommendations of the study. Few studies have been conducted to ascertain the influence of the micro finance services in empowering women and consequently the plight of women in accessing microcredit in Kenya. It's against this realization that the study aimed at bridging this knowledgeable gap by investigating the influence of micro finance services in empowering women entrepreneurs in Kibera Constituency, Nairobi City County.

5.2 Summary

Women play a crucial role in the economic development of their families and communities but certain obstacles such as poverty, unemployment, low household income and societal discriminations mostly in developing countries have hindered their effective performance of that role. Therefore, most of them embark on entrepreneurial activities to support their families. Studies have shown that women entrepreneurship could be an effective strategy for poverty reduction in a country; since women are the worst hit in such situation (Ekpe et.al., 2010).

The first objective sought to examine the effects of credit facilities on the empowerment of women entrepreneurs in Kibera Constituency. The design of the micro credit product is appropriate and it has empowered women entrepreneurs who are microfinance client. Majority (162) of the respondents were in agreement that indicate that micro-credit services impact their business performance. In addition, the respondents were in agreement that microcredit has enabled them achieve greater access to economic opportunities. Provision of credit has increasingly been regarded as an important tool for raising the incomes of women and youths, mainly by mobilizing resources to more productive uses. The key concern is to determine the extent to which credit can be offered to the women to facilitate their taking advantage of the developing entrepreneurial activities.

The second objective was to assess the effects of micro finance savings on the empowerment of the women entrepreneurs in Kibera Constituency. Results revealed that majority of the respondents agreed that microfinance savings enhance their enterprise performance. Microfinance savings has enabled the respondents realize effective way to alleviate poverty and also to integrate access to financial services. Savings as a micro-finance factor enable people with few assets to save, since they could make weekly savings as well as contribute to group savings, and such savings are mobilized by the micro-finance institutions for further lending to other clients. Savings in Kenya is generally more community-based and women entrepreneurs' organize themselves in form of groups commonly known as 'chama'. It is noteworthy, women access to microfinance services - that provide them with start-up and working capital, training, insurance and savings, it is expected that women entrepreneurs will engage themselves in income generating activities where they will experience business growth and other forms of women empowerment as indicated in the conceptual framework (see section 2.7, figure 2.1 of this research project).

The third objective sought to evaluate the effects of micro finance training on the empowerment of the women entrepreneurs in Kibera Constituency. A key concern arising from the findings of the study point out that most microfinance institutions do not provide adequate training regarding entrepreneurship. It is important to note that most governments have adopted strategies and initiatives to address poverty and problems among women linked to empowerment. In Kenya, the several organizations have sprung up or established spearheading women empowerment. Such organizations include: Maendeleo ya Wanawake, National Gender and Equality Commission (NGEC), Kenya Women Finance Trust (KWFT), Women Enterprise Fund (WEF), and Savings and Credit Cooperative Organisations (SACCOs) among others.

The fourth and last objective sought to evaluate the effects of demand for collateral on accessibility of credit among women entrepreneurs' in Kibera Constituency. Most microfinance institutions demand collateral requirements before loan disbursement to clients. This collateral requirement negatively impact accessibility to loans by women entrepreneurs. Women have proven to be the best poverty fighters. Many studies have shown that women use the profits from their businesses to send their children to school, improve their families' living conditions and nutrition, and expand their businesses. These sentiments were greatly emphasized by the United States of America (USA) President, Mr. Barack Obama during his visit to Kenya in July 2015.

5.3 Conclusions

Microfinance comprises the provision of financial services and the management of small amount of money through a range of products and a system of intermediary functions that are targeted at low income clients. Majority of microfinance programmes target women with the explicit goal of empowering them. There are varying underlying motivations for pursuing women empowerment. The purpose of this study was to establish the influence of microfinance services on empowerment of women entrepreneurs Nairobi County; Kibera Constituency. The was guided by the following objectives study were to: examine the effects of credit facilities on the empowerment of women entrepreneurs in Kibera Constituency; assess the effects of micro finance savings on the empowerment of the women entrepreneurs in Kibera Constituency; evaluate the effects of micro finance training on the empowerment of the women entrepreneurs in Kibera Constituency; and evaluate the effects of demand for collateral on accessibility of credit among women entrepreneurs' in Kibera Constituency.

This study was a pace setter for similar studies by other scholars in other low income areas and slum dwellings in Kenya. The information gathered is useful in improving empowerment of Kenyan women who form the larger per cent of the total current population of over forty million Kenyans. The study confined to the influence of microfinance access in empowerment of women in Kibera Constituency. The study was limited by a number of factors: the available time may not be enough to gather enough data to investigate the research problem; the research may be limited by finance required to conduct the study. The study was limited by the fact that other people may not be willing to disclose their financial wellbeing. The study focused on the loan services offered, micro finance training and the influence of deposit taking on women empowerment. This study made certain assumptions that: the method of gathering information was sufficient and reliable enough; and the respondents are expected to answer questions correctly without withholding crucial information.

The research study made use of a descriptive survey design. The targeted population was women entrepreneurs and microfinance offering credit to women at Kibera Constituency. The study sought to gain information from 210 respondents from the targeted population of 450 women entrepreneurs in Kibera Constituency. This study employed both primary data as well as secondary data. Primary data was collected through questionnaire administration while secondary data was obtained from relevant journals, books, and websites among others. Reliability of the questionnaires were tested through a pilot survey. Data was analyzed using descriptive statistics and the results presented in form of tables, pie charts and bar charts. The researcher adhered to the ethical guidelines indicated in section 3.10 of this research project.

Women constitute a significant number of entrepreneurs and their main challenge is lack of funds. Kibas (2006) identified lack of opportunities for management training, financial management, marketing and people management, to be limitations faced by most women entrepreneurs. Women entrepreneurs play a very crucial role in the economic development of their families and their countries at large. Despite these, studies have shown that women entrepreneurs have low business performance compared to their male counterparts yet the rate of women participation in the informal sector of the economy is higher than males.

5.4 Recommendations

Sections 5.4.1 to 5.4.4 below provide the researchers recommendations for each objective of the study:

5.4.1 Microcredit and Women Empowerment

The researcher recommends that: the government should provide subsidies to microfinance institutions to cover the operational cost and provide the women borrowers financial services with cheap credit; microfinance institutions should increase credit advances and the loan administration process to be made more user-friendly; and lastly the Central Bank of Kenya in consultation with other relevant agencies should develop have a policy that will regulate the rate of interest charged to women entrepreneurs who feel that the interest rates were too high and hence some were reluctant to take loan.

5.4.2 Microfinance savings and women entrepreneur empowerment

The researcher recommends that: microfinance savings should be redesigned to allow women entrepreneurs meet certain urgent needs, that is, withdrawal procedures should be made more easy and the time period for consequent withdrawals be reduced.

5.4.3 Microfinance training and its influence on entrepreneurial small scale trader

Based on the findings of the study, the researcher recommends that microfinance institutions should: provide entrepreneurial and business skills trainings to women before start operationalizing their microenterprises; build networks with educational institutions, technical colleges, financial institutions, Non - Governmental Organizations, Philanthropists organizations, and reputable Foundations such as Coca-Cola, Chandaria, Safaricom among others to acquire financial, human, and information resources to exploit and initiate new business opportunities from their external environment; intensify training of women entrepreneur on entrepreneurship and related entrepreneurial activities to enable them gain enough significance to these activities for which more often than not they advance the loans, only to redirect elsewhere. Further, Microfinance institutions should provide training as a complementary free service for the women entrepreneurs in order to allow a larger number of them to access training and hence get empowered.

5.4.4 Demand for collateral on accessibility of credit among women entrepreneurs'

The researcher recommends that microfinance institutions should: relax or simply procedures for securing loans; allow women to use collateral assets that are readily available to them.

5.4.5 Recommendation for Further Research

The researcher recommends that similar studies be carried out across the country (other constituencies) to enable comparison of the findings. This study excluded some key stakeholders such as the: Youth and marginalized communities who are classified as vulnerable groups including women. There are several theories on entrepreneurship developed by scolars across the globe. For purposes of this research, the researcher relied on classical feminist theory. The researcher recommends that similar study be carried out in the other constituencies using other theories of entrepreneurship.

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APPENDICES

Appendix 1: Letter of introduction

LYDIAH WANJIRU MWANGI

BDS/00001/1/2013,

School of Management and leadership,

Management University of Africa,

P.O Box 29677-00100,

Nairobi.

1st September, 2015

Dear Sir/Madam,

<u>RE: EFFECTS OF MICROFINANCE SERVICES ON EMPOWERING WOMEN ENTREPRENEURS</u>

I am a student at the Management University of Africa undertaking Bachelors of Arts in Development studies; I am conducting a study titled ‘EFFECTS OF MICROFINANCE SERVICES ON EMPOWERING WOMEN ENTREPRENEURS Kindly assist in my endeavor by filling in the questionnaire attached**.** All the information you provide will be treated as confidential and will be solely for purposes of this research project. Your assistance is highly appreciated.

Yours sincerely,

Lydiah Wanjiru Mwangi

Phone: 0721553623

Email:lmwangi06@gmail.com

Appendix 2: Questionnaire for the Women Entrepreneurs

Kindly respond to all the sections of the Questionnaires appropriately and follow the guidelines

Section A: Background Information (Indicate with a tick (√) in the box)

1. Kindly indicate your age bracket

   Age 18-25years [ ] 26-35years [ ] 36-45years [ ] 46-55years [ ] 56years & above [ ]
2. Kindly indicate your marital status

   Marital status Married [ ] Single [ ] Divorced [ ] Widowed [ ]
3. Indicate the type of business you are doing…………………………(optional)
4. Kindly indicate your Monthly income in Kshs. Below 10,000 [ ] (11,000-20,000) [ ] (20,001-30,000) [ ] (30,001-40,000) [ ] (Above 40,000) [ ]

Section B: micro credit and Women Empowerment

1. Does micro-credit services offered by the microfinance influence your business performance?

   Yes [ ]   No [ ]

2. Indicate your level of agreement to the statement below relating to microcredit and its influence on women empowerment. Use a scale of 1-5, where 1- strongly disagree, 2- disagree, 3- neutral, 4- agree, 5- strongly agree.

Statement	**1**	**2**	**3**	**4**	**5**
Microfinance provide us with credit facilities that we may not obtain from other formal financial sources hence empowering us through economic independence					
Microfinance has enhanced us through improving our bargaining power					
Increasing access to savings and credit for consumption and production (provision of financially self-sustainable micro-finance services applying					

Statement	1	2	3	4	5
the concept of group – lending)					
Through microfinance we have accessed small loans, hence enabling us generate an income and initiating in our own economic empowerment					
Via microfinance we have achieved greater access to economic opportunities					
Microfinance has enables us to overcome some challenges such as small size, limited prospects for profitability and failure to provide collateral for obtaining loans					
We consider micro credits to be an appropriate solution because the amount of money we needed to start a micro or small business is generally quite adequate and available					
Creating ways for non-financial support and services (complementary services) to pay explicit attention to gender					
Through microcredit we have been able to cover some or all of the cost of capital equipment, expansion, or renovation of buildings					
Microcredit had enabled me to cover cash flow shortage, to purchase inventories, to invest in new technology, expanding the market and being able to take advantages of suppliers' discount					
Availability of microcredit had enabled me to develop new products and services or grow to meet demand					

3. In your own opinion, indicate the extent to which microcredit influence women empowerment?

To a very low extent [ ] to a low extent [ ]

To a moderate extent [ ] to a great extent [ ]

To a very great extent [ ]

Section C: Microfinance Training Entrepreneurial Small Scale Trader

1. Does microfinance offer training concerning enterprise management?

   Yes [ ]   No [ ]

2. If yes in 1 above. Mention the type of the training offered?

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3. In your own opinion, indicate your level of agreement with the statement below relating to microfinance training and its influence on entrepreneurial small scale trader. Use a scale of 1-5, where 1- strongly disagree, 2- disagree, 3- neutral, 4- agree, 5- strongly agree.

Statement	**1**	**2**	**3**	**4**	**5**
Microfinance have been introducing programs where microcredit is linked to education, health, nutrition and other non-financial services					
Microfinance have increasingly focused on cost effectively integrating microfinance with other types of services thus creating links between the us in order to enhance our services					
Training sessions that we attend have reduced the clients' time for productive or commercial activities while organizational transformation has taken place					
Strengthening the effect of microfinance on poverty reduction outcomes continues to be the main objective of these additional training and education components					
Training session has helped us to define capital and investment, where to buy and sell, how to set prices, investment, credit sales are reviewed during the modules					

Statement	1	2	3	4	5
I have realized increase business related outcomes such as revenues, profits					

4. In your own opinion, indicate the extent to which microfinance training influence women empowerment?

   To a very low extent [ ] To a low extent [ ]

   To a moderate extent [ ] To a great extent [ ]

   To a very great extent [ ]

Section D: Micro finance Savings

1. Does a microfinance deposits enhance your enterprise performance?

   Yes [ ] No [ ]

2. Does micro saving increase local competition among enterprises?

   Yes [ ] No [ ]

3. Kindly indicate your level of agreement with the statement below relating to microfinance savings and its influence on entrepreneurial small scale trader. Use a scale of 1-5, where 1- strongly disagree, 2- disagree, 3- neutral, 4- agree, 5- strongly agree.

Statement	1	2	3	4	5
Microfinance has mobilized saving hence more capital due to the interest accrues					
Local competition leads to lower interest rates, MFIs lowering their costs, MFIs increasing their efficiency and the introduction of new financial services					
The ability of foreign investors to compare the performance of MFIs leads MFIs to focus on improving their business practices					

Statement	1	2	3	4	5
microfinance has improved the access and efficient provision of credit, savings and enhance their income generating capacity and eventually enjoy quality of life					
More focused microfinance services emerged attracting the interests of donor agencies including NGOs, credit unions and non-banking financial intermediaries					
Through microfinance I have realized effective way to alleviate poverty and also to integrate access to financial services					

4. In your own opinion, indicate the extent to which micro saving influence women empowerment?

   To a very low extent [ ] to a low extent [ ]

   To a moderate extent [ ] to a great extent [ ]

   To a very great extent [ ]

Section E: Collateral and women Empowerment

1. Are there collateral requirements by the microfinance institutions before Loan disbursement?

   Yes [ ] No [ ]

2. If yes how does this affect your accessibility to loan?

   Stiff [ ] friendly [ ]

3. In your own opinion, indicate your level of agreement with the statement below relating to collateral and its influence on women entrepreneurs empowerment. Use a scale of 1-5, where 1- strongly disagree, 2- disagree, 3- neutral, 4- agree, 5- strongly agree.

4.

Statement	1	2	3	4	5
Microfinance loan requirement deny opportunities for poor entrepreneurs to establish themselves and expand their business through the provision of small unsecured loans, which may be cross collateralized					
Most of the women are not capable of accessing the loan in time as the microfinance has actively manage all aspects of the loan and payment process					
Microfinance has improved capacity to efficiently and effectively provide sustainable financial services to the business compared to previous time where we were excluded from the conventional financial systems for lack of collateral					
We are responsible for loan repayment					
The collateral requirement imposed by microfinance and frequency of loan repayment put us under intense pressure					
I have been accessing the loan without collateral requirement					
The idea of low borrowing rates, and high drop-out rates recorded among beneficiaries indicates inability of the most of the women to avail the collateral requirement to gain access for the loan.					

5. In your own opinion, indicate the extent to which collateral requirement influence women empowerment?

To a very low extent [ ]   To a low extent [ ]
To a moderate extent [ ]   To a great extent [ ]
To a very great extent [ ]

6. In your own opinion what would you suggest to be done by the microfinance institutions to reduce the collateral requirements?

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