

Assessing the Determinants of Women Economic Empowerment: A Case Study of Faulu Kenya Micro-Finance, Machakos County, Kenya.

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Abstract: *Women economic empowerment and gender equality are key to poverty reduction, growth and human development. Women's economic empowerment is the single most important factor in contributing to equality between women and men. The study was aimed at assessing the determinants of women economic empowerment in Machakos County, a Case study of Faulu Kenya microfinance. The specific objectives were to investigate the effect of culture on financial management practices of women; to examine the effect of education on women economic empowerment; to establish how religious values and beliefs affect women economic empowerment and finally to determine how legal framework has affected women economic empowerment. A case study design was used and two sampling methods; stratified and purposive. The study was guided by the Shock Theory of marriage whose premise is that women empowerment is influenced by legal, social and personal changes that occur in women's lives leading to dependence syndrome. Data collection was done using three methods; Focused Group Discussion, personal interviews and Questionnaires. Data was analyzed using Statistical Package for Social Sciences. According to key findings of the study, (46%) of women strongly agreed and (39%) agreed that culture affects women economic empowerment. On education, (87%) said education was key to issues of women economic empowerment; 80% said religion was key to issues of women economic empowerment, while (90%) of women said legal framework was important in women economic empowerment. The study concluded that though women empowerment is a very conscious process in today's development patterns, there is need for stakeholders to factor in the key limitations that affect the process. Women empowerment is not a stand-alone agenda but rather an integrative and a sensitive issue which needs a strategy. This will help achieve the overall goal of women economic empowerment.*

Key Words: *Women empowerment, Micro-finance, Determinants, Faulu Kenya*

I. Introduction

Gender balance has become a world concern in the management of different institutions. Empowerment has also become a global concern over the last two decades in all meetings, symposiums, and workshops concerning human development and socio-economic progress of any country (Mahmood, 2010). Women economic empowerment and gender equality are key to poverty reduction, growth and human development (Mahmood, 2010). Gender imbalance can also be seen in political institutions where low representations of women deprive them to make proper legislation regarding women's protection, gender equality and their better economic status. It is therefore difficult for women to excel in the male dominated power structure of the current world. The Beijing Platform for Action brought a change in the status of Kenyan women. It led to a rise in female consciousness and self-confidence as women began to speak up and 'say no' to continue social scorn and disrespect. Women today refuse to accept injustice and are striving for gender equality (Chege and Sifuna, 2008). Women empowerment in terms of education participation, reproduction health and also economic participation has been low in many countries despite the government efforts to support gender equity. African society portrays a top-down structure of powerful and male dominated interests. Most women believe it is the role of men to provide for the family hence many women are economically dependent on their spouses and parents. As a result empowerment in Kenya has been a gradual process for women since independence (Willis, 2011). After the third world conference on women held in Nairobi in celebration of the end of UN decade for women several women's organization such as International Federation of Women lawyers (FIDA), Federation of African Women Entrepreneurs (FAWE), and Kenya Women Finance Trust (KWFT) were started (Ngunjiri, 2010). The Kenya women Finance Trust (KWFT) was begun with the aim of serving women entrepreneurs, especially those who could not access credit facilities from commercial banking institutions. The Kenyan government institutionalized its commitment to address gender inequalities by creating a National commission on Gender and Development in 2004. Many women organizations such as Kenyan Women Finance

Trust, Maendeleo ya Wanawake (Women Progress) have also been formed through the initiative of the government and donor partners (Ngunjiri, 2010).

The government has also ensured an enabling environment for microfinance institutions. Such institutions have helped women a lot in providing them with loans to startup businesses which have contributed significantly to the economy as well as improved family livelihoods. However, after close examination of the above efforts made by the government and donor agents through microfinance institutions, there seem to be an existing gap on the issues of women empowerment in Machakos County. Kenya Vision 2030 is the country's new development blueprint covering the period 2008 to 2030 as part of implementation of the Millennium Development Goals. It aims to transform Kenya into a newly industrialized middle income country providing a high quality life to all citizens by the year 2030 (GOK, 2007). The government has also aligned the national policy and legal framework with the needs of a market-based economy and national human rights and gender equity commitments (GOK, 2007). Microfinance is often credited with empowering women by encouraging organization in groups. This group lending approach has created social pressure for repayment thus affecting the group solidarity. Due to repayment difficulties many defaulters are increasingly criminalized as they fail to pay their monthly installments. As a result family property has been auctioned and group savings taken. This has created tension within the family set up and also in the self- helps groups (Mayoux, 1997). Study findings have revealed that the current level of interest rates leaves only little space for the economic advancement for the clients. Therefore, the objective of this study was to assess the determinants of women economic empowerment in Machakos County.

II. Methodology

2.1 Introduction

The study was guided by the Shock Theory of marriage by Richmond (1992) and Functionalists view. According to Richmond 1992 the Shock Theory describes some of the legal, social and personal changes that occur in women's lives when they become wives. The changes can be divided into three; changes that create dependence in women; changes that can affect women success or self-esteem and the nature of housewife role. Many of the changes that create dependence in women are legal in nature. Functionalists view women as being disadvantaged only because they are required to play certain roles that ensure the smooth functioning of society. They urge that the primary role of women is to be mothers and housewives. Due to this the position of women in the labor market (outside the home) is weakened compared to that of men who are constant breadwinners. Women tend to be secondary breadwinners compared to men. Therefore they tend to be regarded as less valuable in terms of equal pay (Kombo, 2006).

2.2 Study area

The study was based on a case study design focusing on Faulu Kenya microfinance in Machakos County. In this regard the study tried to assess the real women economic determinants, in Machakos municipality and its environs. Machakos County is bordered by three counties; Nairobi, Makueni and Kajiado. The tools used for data collection were questionnaires, personal interviews and Focus Group Discussions. The population included fifty self-help groups with a total of five hundred (500) members within Machakos County.

2.3 Sampling procedure and data collection

The researcher stratified all the fifty self-help groups into their locations (urban or rural) and levels of income (low or high) in order to have better representation. Purposive method was used to get five self-help groups from the two strata (Table 1). Two of the self-help groups consisted of women with low income and the other three were of high income. The level of income was based on their financial status as per Faulu Kenya records. There was only one rural group (morning star) with ten participants and was used for the Focus Group Discussion because the urban groups had a challenge of convening for a discussion. Structured questionnaires (both closed and open ended) were administered to the remaining four groups and the researcher also interviewed two Faulu officers who were in charge of the groups.

Table 1: Women Groups and Sample size

| Women Group | Sample size |
|--------------------|--------------------|
| Morning Star | 10 |
| Faithful SHG | 12 |
| Gwethi | 10 |
| Harmony | 8 |
| Mama Taraja | 10 |
| Total | 50 |

2.4 Data analysis

Before processing the data, the questionnaires were checked for completeness and consistency. Content and descriptive analysis was used to analyze responses from the research participants. The researcher used SPSS program to analyze the data and results presented in pie charts, bar graphs and tables.

III. Results And Discussion

3.1 Demographic Characteristics

The marital status for the respondents is presented in Figure 1. The results indicated that more than 50% of the respondents were married. Majority of the respondents were Christians (89.7%) while Muslims were 10.3%. The age bracket for the respondents is shown in Figure 2. The findings showed that majority of the women who participated in the research were adults of age ranging between 36 to 45 years. Figure 3 shows the educational level for the respondents. It was revealed that over 60% of the participants had secondary education while 7 % had no formal education.

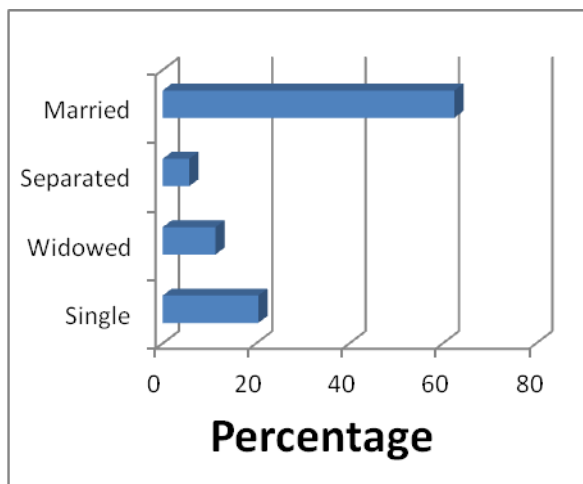


Figure 1: Marital status of the respondents

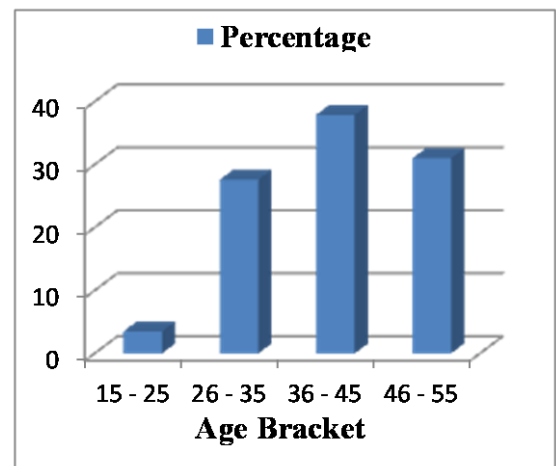


Figure 2: Age distribution

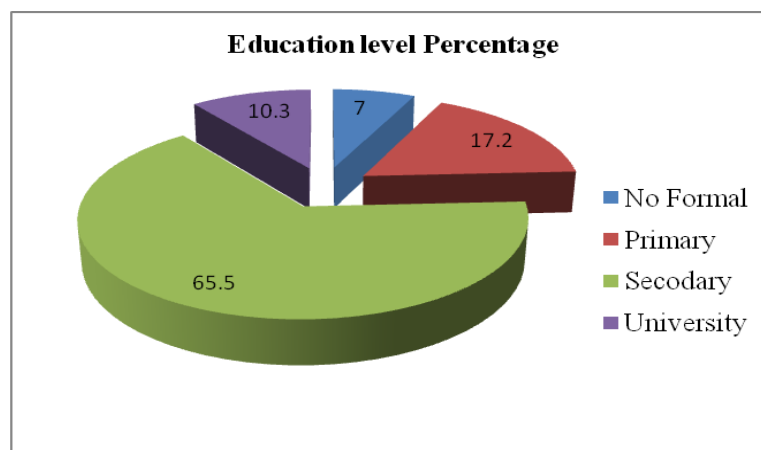


Figure 3: Level of education for the respondents

3.2 Effects of Culture on Financial Management Practices by Women

The study established that 97% of women respondents participated in borrowing loans from micro finance institutions for economic development while 3% did not take loan. Figure 3.4 shows that 41.1% of the respondents had borrowed loan once, 31% had borrowed twice while 27.9% borrowed more than two times. It was established that loans borrowed were for diverse projects with 23.1% of loans borrowed being for educational purposes while 21.8% was for doing business (Figure 4). This means that majority of the women valued education and business. The study found out that less than 10% and 5% of the loans went to house construction and purchase of land respectively (Figure 5) and this could be attributed to cultural beliefs about women on development. Among those who had taken loans, 92.9% said that they had been trained by Faulu Kenya officers while 7.1% were trained by government agents. The training equipped the respondents with information on how to repay the loans and on the projects to invest in.

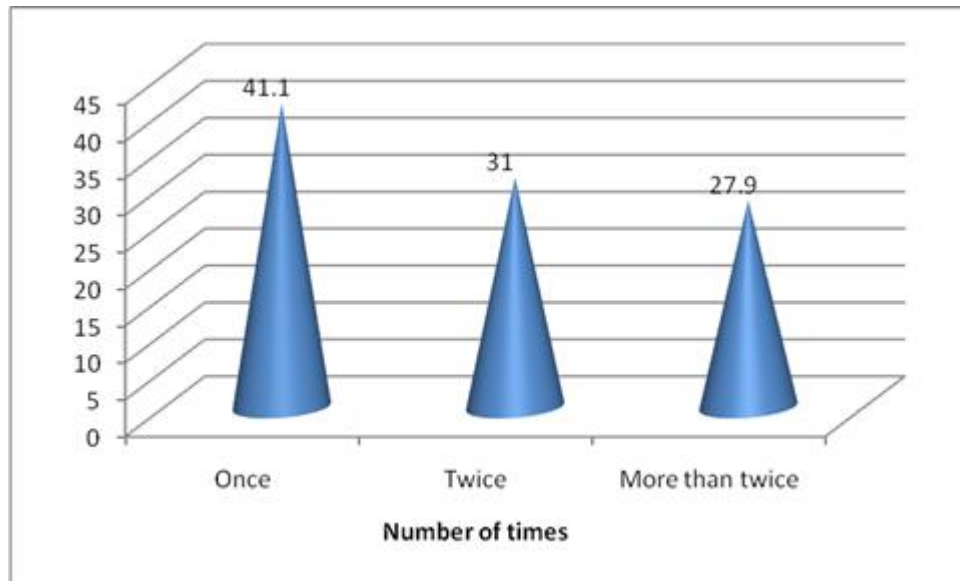


Figure 4: Frequency of borrowing loans

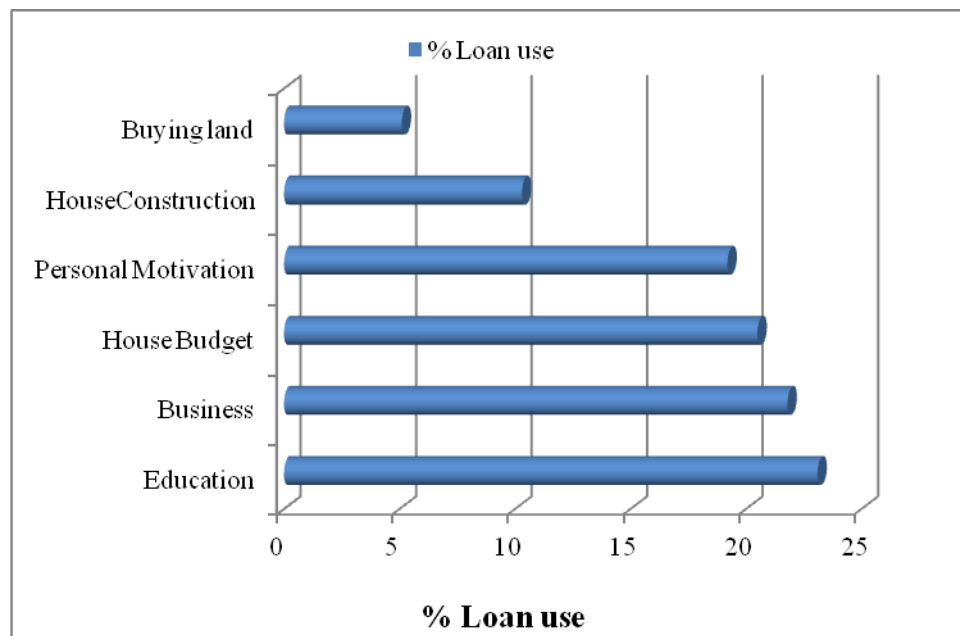


Figure 5: Projects on which loans are channeled.

The study established that, there are several cultural factors that affect women financial management capability. Such factor includes; marriage style, family size, gender stereotype, male dominance, tradition African belief, inheritance practices, one's marital status and family responsibility. Majority of the respondent's strongly agreed (46.4%) that these factors affected women economic empowerment while only 14.3% did not agree (Table 2). The study also showed that some cultural factors such as women's negative attitude, family type, one's religious affiliation, child bearing and clan system do not greatly affect women on management of finances. Through the focused Group discussion, it was found out that women with high income were doing better in business than the ones with low income. This is because they are able to get huge loans and pay them without much struggle. According to Todaro (2009) many women lack resources to borrow huge loans due to cultural practices and women with low income tend to divert loans taken to other uses. The choices that women have are determined by the structures of power and how they are exercised (Mayoux, 2001). However, the study discovered that although culture is a major barrier to women economic empowerment, many women were optimistic to overcome it and excel in economic empowerment.

Table 2: The cultural factors that affect women economic empowerment

| Cultural Factors | Frequency | Percentage |
|-------------------|-----------|------------|
| Strongly agree | 13 | 46.4 |
| Agree | 11 | 39.3 |
| Disagree | 4 | 14.3 |
| Strongly disagree | 0 | 0 |
| Total | 28 | 100 |

3.3 The Effect Of Education On Women Economic Empowerment

The results showed that 87% of the respondents said that education level affects woman’s financial management capabilities. At the same time education level has great influence on decision of borrowing loans as indicated by majority of respondents who said that they borrow loans depending on education level. According to Kabeer (1998) access to education expands women choices and improves income, health and nutrition of the families. This was supported by the findings that higher levels of education provide the highest returns for women economic empowerment and that 90% of women indicated education as the first priority on the projects they value most. Education equips women for job opportunities and access to employment thus expanding their choices (Mehra, 1997). This was evidenced through the focus group discussion where majority of the women expressed the concern on education of girls, arguing that girls should be given equal opportunity in education. The better education a woman has, the more she is willing to compete with men. This leads to increase in their productivity and in turn reduces discrimination against them. (Mehra, 1997). The level of education affects women’s economic participation through determining both the likelihood of women’s labor force participation and their competitiveness on labour market. This was supported by the findings in this study whereby 87% of the women saying that women’s education level determines women financial management capabilities. Education helps women in accessing paid work which is crucial in attaining self-reliance and the well-being of dependent family members and greater access to improving women’s productivity (Digummarti and Digummarti, 1999).

3.4 The Effect Of Religious Values And Beliefs On Women Economic Empowerment

The study showed that leadership position and participation in decision making in church contribute greatly to women economic empowerment. 80% of the respondents said that religion plays a significant role while 20% said that it does not play any role. The role played by religion in enabling women to join women groups in the church is important and helps them to get advice on financial management. According to Bari (2005), active participation of women in religious groups for welfare and fundraising provides them with skills and abilities that bring positive changes in their status. In this study 70% of respondents were of the view that leadership of women in the church was important to issues of development while 60% of them said participation in decision making was also important. The study revealed that the ratio of women to men did not matter (20%) or least affected women economic empowerment. 40% of the respondents said that women in clergy was a factor that greatly contributed towards women economic empowered while 60% were of the view that it contributed very minimal.

3.5 The Effect Of Legal Framework On Women Economic Empowerment

The study revealed that acts of parliament and constitution greatly enhanced women economic empowerment compared to company and bank policies (Table 3). In Kenya, some of the legal frameworks that economically empower women are for example the Finance and Microfinance Bill of 2007. The bill was enacted by parliament to control micro finance institutions and has helped a lot in women economic empowerment. The Kenyan government has tried a lot to address issues of women empowerment through the new constitution by ensuring 1/3 women representation in all sectors. This is evidenced in government appointments in the judiciary, the cabinet and creation of women representatives in all counties in the 11th parliament.

Table 3: Respondent’s opinion on legal framework that enhances women economic empowerment

| Legal framework | Yes (%) | No (%) |
|--------------------|---------|--------|
| Company policies | 60 | 40 |
| Bank policies | 50 | 50 |
| Acts of parliament | 90 | 10 |
| Constitution | 95 | 5 |
| By-laws | 45 | 55 |

The study also sought to establish other legal factors that mostly affect women economic empowerment. These legal factors that affect women economic empowerment include; inheritance, domestic violence, property ownership and lack of participation in decision making (Figure 6). According to Batliwa (1995), for women empowerment to be fully achieved, women must understand and exploit their rights. Many

governments in different countries have formulated national strategies to promote equal participation of women and declared 30% of all decision makers to be women at all levels (Chege and Sifuna, 2008). Based on the research findings, a lot of awareness on the rights of women in the new constitution needs to be done for effective realization of women economic empowerment especially in the rural areas.

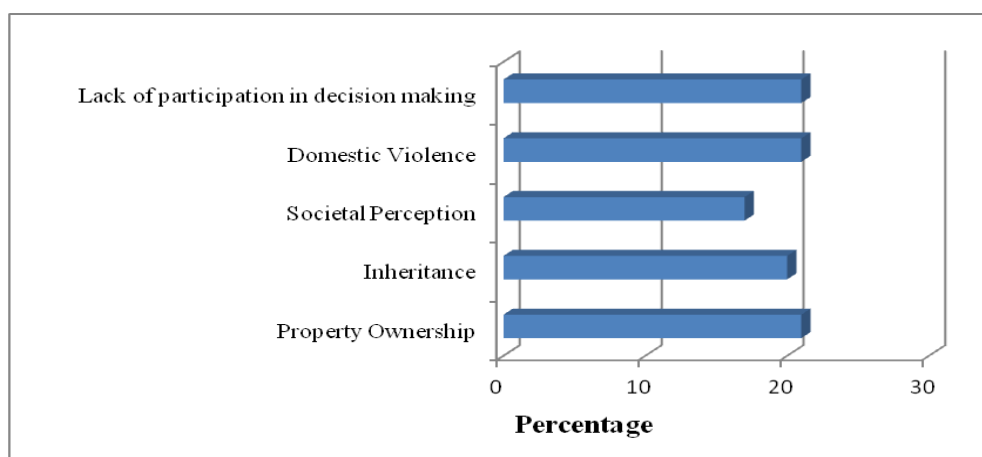


Figure 6: Respondents' opinions on legal factors that affect women economic empowerment.

IV. Conclusion And Recommendations

Though women economic empowerment is a very conscious process in today's development patterns, there is need to factor in the key limitations that affect the process. Women economic empowerment is not a stand-alone agenda but rather an integrative and a sensitive issue which needs a strategy. It is evident that women empowerment is not just providing financial help to women but providing the real determinants of economic empowerment such as education, legal framework as well as dealing with existing cultural and religious factors that hinder women economic empowerment. This will help achieve the overall goal of women economic empowerment. Based on the study findings, this research recommends the following:-

1. More women should also be encouraged to invest on land buying as a long term investment because the study revealed that only a few women invest on land buying.
2. Women should be made aware of their constitutional rights to own property, including acquisition of property through inheritance from the parents.
3. Women should be encouraged to form groups geared towards investment that will enable them get economically empowered by participating more on loan borrowing.
4. The government ought to come up with more policies that empower women economically.
5. Education is a key factor in the empowerment of women and the government should channel more funds to support education for the girl child.

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