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WOMEN ECONOMIC EMPOWERMENT IN POVERTY MITIGATION IN MWALA SUB-COUNTY, MACHAKOS COUNTY, KENYA

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Abstract: *Micro-credit serves as a tool for improving rural livelihoods through the creation of entrepreneurship opportunities that encourage the elimination of unemployment by developing potential businesses based on their interest and skills. This study sought to determine the influence of Women Economic Empowerment in Poverty mitigation in Mwala Sub County, Machakos County, Kenya. This was achieved through an investigation into the effects of micro credit access as a poverty mitigation strategy amongst women in Mwala Sub-County, Machakos County, Kenya. The study was guided by the Capability Approach and human development and village banking models. Descriptive survey design and mixed methods approach were used in this study. Two staged cluster sampling technique was adopted by selecting micro-finance women respondents. A sample of 350 respondents was used to gather data from the selected wards. Data was also collected from 6 key informants. From the findings, it was established that (39.8%) of the women acquired microcredit in order to meet necessities, which included food, shelter and clothing. Majority (59.6%) of the respondents involved in the study had acquired microcredit of between 2 and 3 times, by the time this study was being conducted. Similarly, majority 53.01% (176) of the respondents had acquired credit between Ksh. 20,000 - Ksh. 29,000. A sizable group (36.5%) of the respondents owned assets worth between Ksh. 20,000 and Ksh. 29,000. Women perceived the interest rate charged on micro-credit as "moderate". More than half of the respondents (59.9%) had observed a positive change in their monthly income after accessing micro-credit. Evidence from study findings substantiated that, micro credit plays key role in facilitating women provision of basic necessities at household level and even starting income generating activities. Micro finance entities provide the poor and low earning women an opportunity and hope through providing affordable credits. Women's financial situation improved after accessing micro credit hence suggesting that micro credit access among women plays a key role in mitigation poverty among them. Therefore, facilitating women with favorable credit facilities is a step towards mitigating poverty at household level and consequently for development.*

***Key words**: Women economic empowerment, Poverty mitigation, Micro-credits, households, rural*

1.1 Background of the study

Through growth and decent jobs, poverty reduction, well-being, and human development will help Vision 2030 and the Big Four Agenda ambitions (big four agendas: Manufacturing; health;

housing; food and nutrition security). In the economic sphere, Sustainable developments Goals (SDGs) have a number of goals related to gender equality and women's empowerment. Such SDGs include; 1st SDG on 'no poverty'; and 8th SDG on 'decent work and economic growth. According to Klum, Wigenmark, and Asker (2010), Haitian women face disadvantages in the areas of employment, education, and health. In Ghana, microfinance institutions fill a gap created by the refusal of traditional commercial banks to give credit to microenterprises. While traditional commercial banks provide credit based on collateral, microfinance institutions (MFIs) provide credit to the poor who do not provide collaterals. Girls from families that place a low value on education are more likely to marry young and work in the home. In 2015, almost 16 per cent of married girls under the age of 18 had a secondary education in 29 Sub-Saharan African (SSA) countries, compared to 36 per cent of unmarried girls (UNESCO,2015).As stated in the Republic of Kenya Sessional Paper No.3 of 1999 and Kenya Vision 2030, the current Blue-Print that is guiding by the Government Development Agenda up to 2030; poverty manifests itself in Kenya as hunger, malnutrition, illiteracy, lack of housing, and inability to access vital social services such as basic education, health, water, and sanitation. Syomwene and Kindinki (2015), posits that Women make up the majority of Kenya's poor, as few of them have access to educational opportunities due to the low value put on girls compared to boys. Microfinance initiatives involve the provision of financial services to low-income individuals and households, as well as micro, small, and medium enterprises, through specially developed methodologies that ensure lender sustainability while enhancing the quality of living for subscribers (PWC, 2016). Microfinance interventions which have widely been recognized as one of the most important engines of poverty reduction and economic development include micro credit.

1.2 Statement of the study

Poverty subjects an individual to a state of powerlessness, hopelessness, and lack of self-esteem, confidence, and integrity, leading to a situation of multidimensional vulnerability. A number of barriers continue to impede women's full participation in growth. These difficulties put them at a disadvantage compared to their male counterparts (Okello, 2014). The unemployment rate in Mwala Sub County still remains high compared to the national average of 9.31 percent with women enduring the most of the burden (Trading Economics, 2019).Women's income is significant to households' economic stability and there is need for an action to improve women's income levels. This study projects that, failure to take timely action on women poverty mitigation in this locality, they will be unable to access loans due to lack of assets or savings as security. It is against the backdrop of this study therefore, this study set out to fill the existing gap by investigating the influence of Women Economic Empowerment in Poverty mitigation in Mwala Sub County, Machakos County, Kenya.

1.3 Research objective

To establish the effects of access to micro credit in poverty mitigation amongst women in Mwala Sub-County, Machakos County, Kenya.

1.4 Research questions

What are the effects of micro credit access in poverty mitigation amongst women in Mwala Sub-County, Machakos County, Kenya?

1.5 Conceptual frame work

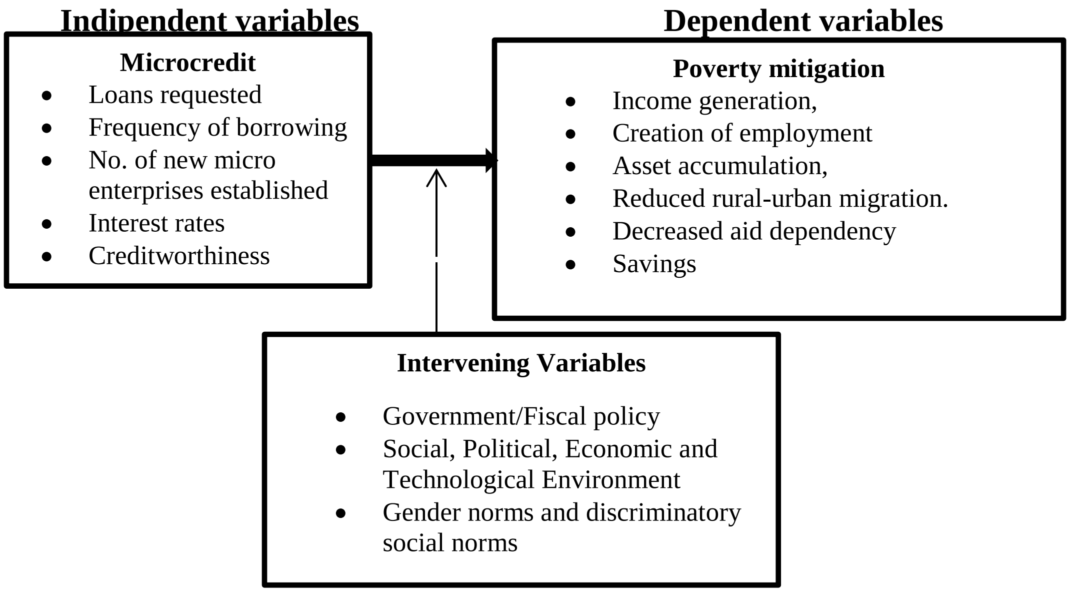

Figure 1: *Conceptual framework displaying the relationship between access to micro credit and poverty mitigation in Mwala Sub-County, Machakos County*
Source: *Own conceptualization, 2022*

1.6 Literature review and theoretical framework

Theoretical frame work

The study was informed by Capability Approach and human development theory; and Village banking model. The capability approach and human development is a widely influential theory that was formulated by Sen and further developed by Nussbaum. Sen (1993) defines the capability of a person as that which reflects the alternative combinations of functioning the person achieves and from which he/she can choose one collection. Human development is achieved when people have greater freedoms (capabilities). These substantive freedoms, according to Sen (2000), are seen in the form of individual capabilities to do things that a person has reason to value. The capability approach is of key essence to the study, as poverty mitigation among women requires women economic empowerment. Women economic empowerment is geared towards improving the capabilities possessed by women and increasing their freedoms, as pointed out by Sen. On the other hand, village banking model was first developed during the 1980s in Bolivia by John Hatch. Village Bank is a microcredit methodology where-by financial services are administered locally rather than centralized in a formal bank. Village Bank relies on system of cross-guarantees, each member ensures loan of other member. By providing very poor families with small loans to invest in their microenterprises, Village Bank empowers them to create their own jobs, raise their incomes, build assets, and increase their families' wellbeing (Grameen Bank, 2015). Village banking model informs the current study as most of the women, especially in the rural Mwala are poor because they do not have access to credit, that would otherwise transform their socioeconomic status. There is therefore need to decentralize credit, say in microfinance institutions, geared towards economic empowerment of women, borrowing from the village banking model.

Microcredit in poverty mitigation among women

Micro-credit serves as a tool for improving rural livelihoods through the creation of entrepreneurship opportunities that encourage the elimination of unemployment by developing potential businesses based on their interest and skills. Increasing productivity, in turn not only increases income, enabling the borrower repays the loans and interest, but also to save. Leikem (2012) established that microfinance loans help the clients to engage and increase economic productivity. Ameer & Jamil (2013) concluded that microfinance institutions loans have significant impact in reducing poverty by increasing income and therefore microfinance could be proved as the more powerful source of poverty mitigation if the programme started on depth (grassroots) and outreach (cover all areas) than the present outreach (coverage areas). Most poor women cannot access formal credit from traditional banks and other monetary organizations (Roodman and Morduch, 2014). A survey of microfinance impacts in Latin America found positive and significant impacts of microcredit on education. Maldonado and Gonzalez-Vega (2008) compared clients who have been engaged in microfinance for some time to new clients in rural Bolivia and found that children of these longer-term clients have about half to a quarter of a year less of a schooling gap than children from new client households. However, it is not clear whether the situation remains up to now since such findings were revealed some years back. In many developing countries like Bangladesh, Pakistan and India, microfinance is now being used as a tool to increase the living standard of poor societies. Adjei, (2011) observed that for most micro and small entrepreneurs in Ghana the lack of access to financial services is a critical constraint to the expansion of viable micro enterprises. In Kenya, Kenya Women Microfinance Bank (KWMB) formally known as Kenya Women Finance Trust (KWFT) is a microfinance institution founded in 1981 by a small group of women and provides loans and savings products to more than 500,000 women in Kenya. Through it micro credit services, women have be able to access affordable credits hence able to increase household income.

1.7 Research methodology

Research design

Descriptive survey design was used to measure the influence of independent variable on dependent variable in the women poverty mitigation projects in Mwala Sub-county. Both quantitative and qualitative research approaches were used to assess the effect of micro-credit in women poverty mitigation under the influence of government policies, social, political, economic, technological environmental, gender norms and discriminatory social norms. Questionnaires and interview guides were used for data collection from women and micro-finance agency staff respectively.

Research site

Mwala Sub County is one of the administrative sub counties in Machakos County. The sub county is made up of 7 wards; Kibauni, Masii, Mbiuni, Makutano Mwala, Muthetheni and Wamunyu wards. Mwala Sub County occupies approximate area of 1020.30 square kilometers with a population of 91,466 women and total population density of 178 per Sq.Km (KPHC, 2019). Mwala sub-county was preferred for this study because of its high presence of micro-finance women groups and active

NGOs rendering micro-finance related services meaning respondents were able to understand the topic under study and give quality data.

Target population

The target population in this study was the micro-finance women members from various voluntary micro finance groups and key informants. Key informants included key staff members from private and public micro-finance institutions, micro-finance NGOs, FBOs and CBOs in Mwala sub-county. Data was gathered from Masii, Mbiuni and Wamunyu wards in Mwala sub-county. The three wards were purposely sampled because they have both town and rural setting in them therefore the researcher will be able to gather quality data from the two diverse environments.

Sampling techniques

Two staged cluster sampling were adopted in selecting respondents (micro-finance women clients).Clients of micro finance institutions were grouped according to the various sub-groups already in existence such as women association, farmers group, micro-small and medium enterprises from the three sampled wards. Simple random sampling was used within each of these groups that formed the cluster. These respondents were preferred because they were perceived to possess adequate knowledge and understanding on the Women economic empowerment in poverty mitigations. In addition, six key informants were successfully interviewed on issues related to topic under investigation.

Sample size

The study adopted Yamane (1967) scientific formula to determine study sample. The formula asserts that:

$$n = \frac{N}{1 + Ne^2}$$

Where:
n = sample size
N = total population
e = margin of error
Given:
N = 2,819 women
e = 0.05
1 is constant.
$n=2,819 /1+2,819 (0.05)^2$
n = 350 respondents

Table 1: Sampling frame

Wards selected	Type of sampling method	Sample proportion %	Sample size
Mbiuni	Two stage cluster sampling and random sampling	33.1%	116
Wamunyu	Two stage cluster sampling and random sampling	33.1%	116
Masii	Two stage cluster sampling and random sampling	33.8%	118
Total Respondents			**350**

Source: Ministry of planning and devolution; department of women enterprise fund, (2015),

Tools of data collection

Semi structured questionnaires were used to collect quantitative data from the women participants while semi-structured interview guides were used to gather qualitative data from the key informants. When properly developed and conducted, a questionnaire becomes an important tool for making statements about specific groups, individuals, or entire communities (Satya, 2012). Questionnaires were preferred because they are the most appropriate when time and research resources are limited. Interview guide was favored since it allowed for the finding of information that was important but was not previously considered relevant by the researcher.

Reliability and validity

Content validity was used to measure the study validity. Content validity deals with evaluation of an instrument's representativeness of the topic to be studied. In order to ensure validity of the instrument, the researcher gave out copies of the questionnaires and interview guides to supervisors and social science lectures in Catholic University of Eastern Africa to read, judge and ascertain whether the instruments measured the constructs that is set out to measure. Further, peer scrutiny was done in order to achieve validity. According to Wadsworth (2006), reliability is the degree to which same instrument gives same results of the same individuals at different times. To determine study reliability, the researcher used internal consistency method. Internal consistency measures consistency within the instrument, that is, among the questions. Among internal consistence methods, the researcher used Cronbach's alpha (*a*) method since it required only one testing session. Gliem and Gliem (2003), states that Cronbach's alpha reliability coefficient normally ranges between 0 and 1. The closer the Cronbach's alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale. George and Mallery (2003) cited in Gliem and Gliem (2003), provide the following rules on Cronbach's alpha: r $\geq$.9 (excellent), r $\geq$.8 (good), r$\geq$.7 (acceptable), r $\geq$.6 (questionable), r $\geq$.5 (poor) and r <5 (unacceptable); (where r stands for reliability coefficient). Nunnaly, (1978) reiterates that if the value of Cronbach's alpha coefficient is greater than or equal to 0.7, the result is reliable since the coefficient is equal to or exceeds the minimum threshold of 0.7. Pilot testing was conducted to women in Miu ward. After pilot testing of the questionnaires, the researcher calculated the reliability coefficient by use of SPSS in order to get the Cronbach's alpha. Pilot testing results showed a reliability coefficient of 0.75 implying the results were reliable since the coefficient exceeded a minimum threshold of 0.7.

Data analysis and presentation

Data analysis started once all the data had been collected. Upon completion, the researcher coded, entered, edited and cleaned quantitative data into statistical packages for Social Sciences (SPSS) version 23. Frequency tables, charts and graphs were used to present analyzed quantitative data showing frequencies and percentiles. Qualitative data from interviews was analyzed through content analysis. It was organized into themes in the form of comprehensive written descriptions.

Ethical consideration

First, the researcher obtained a letter from Catholic University of Eastern Africa to allow her conduct the study. Additionally, a permit was also sought from NACOSTI and County Commissioner, Machakos County. The study ensured confidentiality and security of the gathered data. In this regard, all the data collected was kept in safe custody. Respondents did not write their names on questionnaires to ensure anonymity. A letter of introduction was used to introduce the study to respondents requesting them to participate in the study. This was a show of courtesy to respondents and a way of ensuring informed consent to participate in the study. Integrity of scientific knowledge was insured by refraining from forging data and avoiding plagiarism.

1.8 Data analysis, presentation and discussion of findings

Respondents access to micro-credit

The meagre income among most of the respondents could not allow them to successfully meet their basic necessities as well as engage in sustainability programmes like business. The respondents hence complemented their income with microcredit from microfinance institutions, which in fact was the main reason for their membership. This was evident from the study as 83.1% (276) of the respondents involved in the study affirmed to have acquired microcredits. The respondents further highlighted that they had been denied credit by commercial banks since they didn't have job security as well as adequate fixed assets to act as collateral for the credit facilities. Microcredit was of big relief to their struggles and more sorting out household needs.

Reasons for the uptake of micro-credit

Different people take loans for different reasons. The study sought to establish factors that drove women to take loans. Findings were displayed in table 2 below;

Table 2: Reasons for the uptake of microcredit

Reasons	Frequency	Percent
Business start-up	100	30.1
Business expansion	34	10.2
Cover the basic needs (housing, food, and clothing)	132	39.8
Pay school fees	33	9.9
Others	33	9.9
Total	**332**	**100.0**

***Source**: Field Data (2022)*

Various reasons explained the respondents' uptake of the credit facilities. From the findings presented in table 2 above, most of the women acquired microcredit in order to meet necessities, which included food, shelter and clothing. This had proven a challenge fitting into their small income. This was indicated by 39.8% of the respondents involved in the study. Moreover, 30.1% of the respondents acquired credit facilities to either start-up businesses that could possibly sustain them. Other respondents indicated that microcredit to them was meant to expand their businesses, pay school fees and purchase other essential assets. A keen analysis of this findings showed that majority acquired credit facilities for non-income generating activities. This implied that according to respondents' hierarchy of needs, necessities like food, housing, clothing and paying school fees took higher priority than other activities like business. Ayuub (2013) concurred with the study findings and argued that loan facility collected through microfinance institution has helped the clients to give better education to their children. This is because the income of households increases after taking loans and leads to increase in expenditure on their children education.

Number of times the respondents had acquired credit facilities

The study further sought to understand the number of times the respondents had acquired credit facilities. The findings were as presented in figure 2 below.

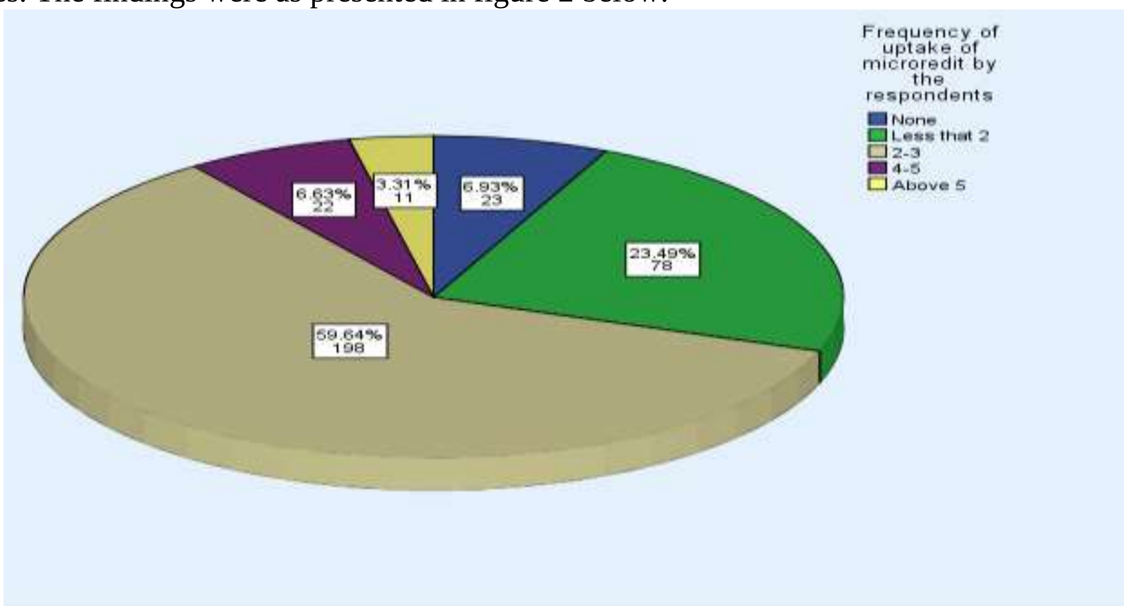

Figure 2: *Number of times the respondents had acquired credit facilities*
Source*: Field Data (2022)*

From the study findings, 59.64% of the respondents involved in the study had acquired microcredit for between 2 and 3 times, by the time this study was being conducted. The respondents indicated that despite the fact that repayment had not been easy for them, they still took more and more credit as they could barely meet their unending list of needs and cope up with increasing cost of life without the credit. Some used their credit for business start-up. However, it was reported that some of the businesses were not performing very well and factors attributed to worsening business performance included inflation, which was at 8.5%, during the time of data collection hence leading to high commodity cost. For example, a 2kgs bag of maize flour, which initially coasted Kes.90, was costing Kes.250 at time of study hence, leading to low product demand from shops. Other factors that supplemented poor business environment were countrywide drought and COVID-19 impacts which immensely led to loss of jobs and inadequate food due to poor rains. They hence applied for credit facilities to add stock to their businesses with the intent of getting more income. Almost 7% of the respondents had hence taken credit facilities for between 4 and 5 times while others (3%) had acquired credit facilities for more than 5 times. Some respondents however had been unable to repay their first credit facility since they used the credit facilities on non-income generating activities. This therefore denied them chances of getting more credit facilities. They hence had just acquired credit facility once, while a further 6.93% (23) had never acquired a credit facility by the time the study was being conducted. Notably, only 10% of the respondents who had taken credit for more than 4 times. Meaning that only few who had the ability to pay their loans on time and take another one. The researcher assumed that those who had taken few loans were majorly due to failure to sort the previous one hence qualifying to take limited loans.

Total amount of credit acquired by the respondents

For further understanding ability of women to access credits, the researcher sought to determine the credit amount each respondent had already accessed at time of the study. Analyzed and summarized data was presented in figure 3 below.

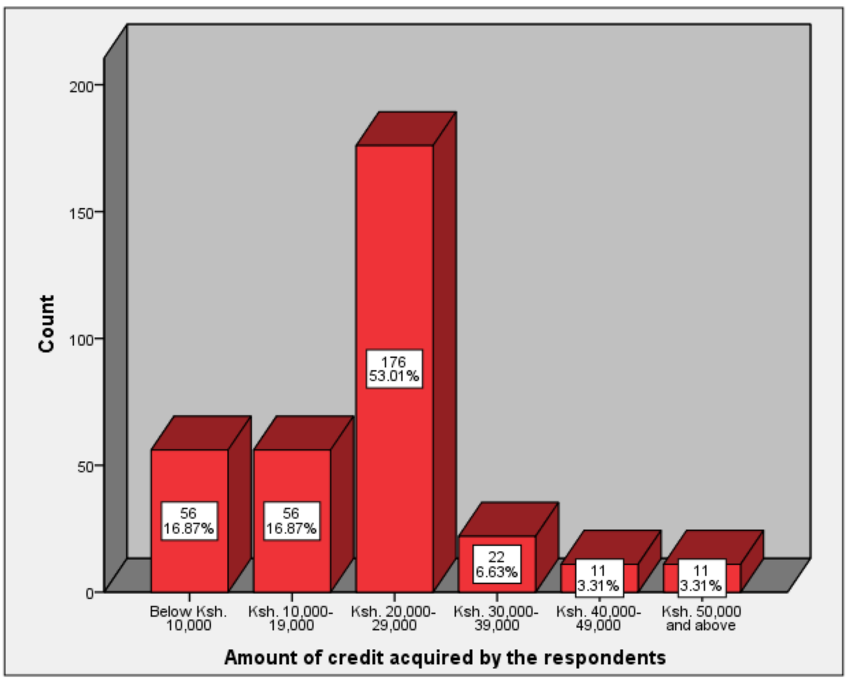

Figure 3: Total amount of credit acquired by the respondents
***Source**: Field Data (2022)*

The value of one's savings determined the value of credit they qualified to get. This was a precautionary measure by microfinance entities in ensuring that despite the socioeconomic conditions of their customers, they did not run at a loss. The study therefore enquired from the respondents on the total value of credit they had acquired. From the findings, majority of the respondents had acquired credit of between Ksh. 20,000 and Ksh. 29,000. This was indicated by 53.01% (176) of the respondents involved in the study, only 3% who had accessed credit more than Kes.50,000. From previous findings in this study, it was established that majority had an average of 2-4 school going children with monthly average income of less than Kes.10,000. From this finding its evident that the household expenses were higher than monthly income. It is researchers view that even though credit of Kes.20,000-29,000 made significance financial impacts to the most vulnerable households, still the credit which majority had already accessed seems not be adequate to fully mitigate poverty appropriately. However, the study fails to establish the interval to which respondents had accessed the credit.

Net-worth of respondents' assets

Assets were in most cases used as security when acquiring credit facilities, especially from commercial banks. These included land, buildings and automobiles among others. The study therefore enquired from the respondents on the net-worth of their fixed assets. This was aimed at determining whether or not; they qualified for credit from other lenders in addition to the microfinance institutions. The study respondents were asked to state their net worth. Gathered and analyzed data was presented in figure 4 below;

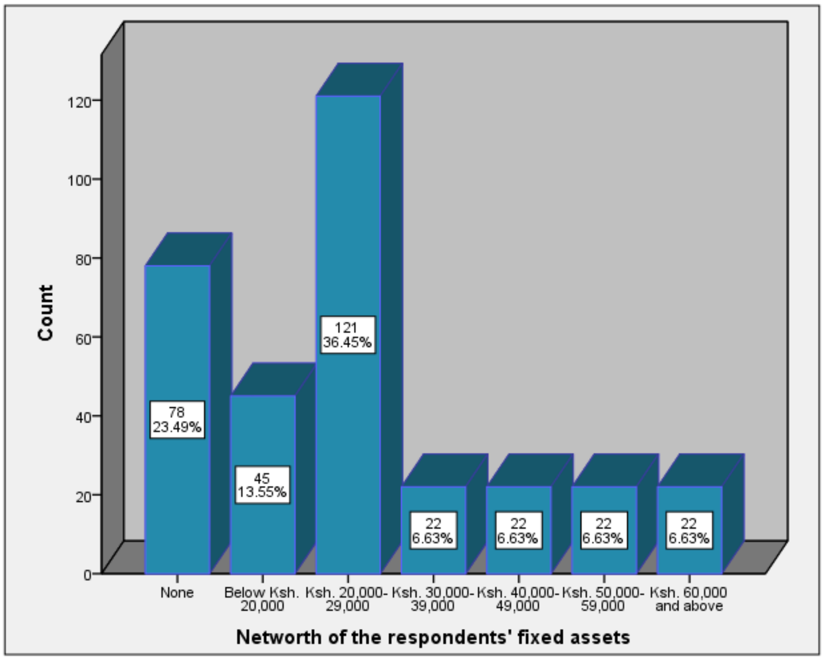

Figure 4: Net-worth of respondents' fixed assets
***Source**: Field Data (2022)*

Study findings depicted in figure 4 above indicated that a sizable group of the respondents owned assets worth Ksh. 20,000 to Ksh. 29,000. This was indicated by 36.5% (121) of the respondents involved in the study. This was attributed to the societal limitations in terms of women ownership and inheritance of property including land from either their parents or spouses. This therefore hampered their qualifications of bigger amount of credit that could better their Quality of Living (QoL), while at the same time ensuring that they sustainably earned a living.

In an interview with a key informant, (respondents R04) he added more weight on these findings and argued that most women are limited in succession and inheritance of family property, hence they could barely access big loans due to lack of big assets to act as loan collateral.

> *"As you know majority of women are limited in terms of succession and inheritance of property as a result they own less. Actually, it is not funny even to get a woman telling you she does not own any even if she is married. Even for the married, majority cannot use their husband's*

property as collateral without their husbands' consent. So, when it comes to loans which require collaterals it is more difficult for women"

Respondent R04 ***Source:*** *Field data, 2022*

Respondents' description of the interest rate of the credit facilities

Interest rates determines credit uptake across all social status. Different financial institutions charge different credit interest rates. Respondents were asked to describe the interest rates of the credit facilities they had accessed.

Table 3: Description of the credit interest rate of the credit facilities by the respondents

Description	Frequency	Percent
Very low	34	10.2
Low	34	10.2
Moderate	209	63.0
High	33	9.9
Very high	22	6.6
Total	332	100.0

***Source**: Field Data (2022)*

An analysis of the description of the interest rates charged by micro-credit facilities revealed that majority of women were pleased by the interest rates charged on micro-credits. From the findings, it was evident that the interest rates of microcredit were "moderate" and hence friendly for the low-income borrowers. This was indicated by 63% (209) of the respondents involved in the study. According to the respondents, they had suffered high interest rates from shylocks and nonbank online mobile lenders. The respondents had however used them out of desperation, save for the intervention of microfinance institutions that literally transformed their credit acquisition. In a conversation with one of the women respondents, she stated that micro finance institutions are far better when it comes to credit accessibility because their demands are very low and easy to fulfil unlike commercial banks, shylocks and online mobile lenders. She argued that commercial banks charged high interest rates and needed collaterals which majority lacked. Shylocks and mobile lenders were accused of charging high rates and very abusive in case the borrower delays payment.

Respondents' monthly income after credit uptake

The purpose of credit was to better women's income. In order to establish whether access to credit had any impact on women's average monthly income, the researcher sought to investigate whether their monthly income had changed after credit uptake. The study findings indicated that most of the respondents had observed a positive change in their monthly income. This was indicated by 59.9% (199) of the respondents involved in the study. According to the respondents, the credit had helped them to venture into different income generating activities; hence, they got some additional income from the ventures. The respondents confessed that before joining micro-finance entities to have had good business ideas but had no access to credit facilitation unlike now. Microcredit from microfinance entities came to their aid. Therefore they are gradually realizing their dreams. The researcher asked the respondents to indicate on whether or not microcredit could reduce poverty. The findings indicated that the respondents were very optimistic about microcredit reducing poverty. According to the respondents, microcredit gave chances to individuals who would otherwise not have acquired capital to venture into business for instance, to explore their potential. Those who utilised the credit facilities well grew to be self-sustainable. This was adopted from the following respondents:

> *"Yes.....microcredit can reduce poverty.....some of us would never have been where we are if not for microcredit…it sets grounds for the sober minded to invest, and those who make good use of the opportunity, excel and can sustainably take care of their households."*

Respondent R321

***Source**: Field Data (2022)*

The study findings concur with Akran & Hussain (2011), who posits that there is a positive impact of micro financing on income level and better services of microfinance institutes on increase in satisfaction level of customer. Microfinance gives the unemployed and the poor some opportunities, hope and self-esteem. Being employed whether self-employed or by an employer gives a person a significant boost to his/her sense of self-respect and dignity. Furthermore, microcredit allows people to signal their creditworthiness. If their success makes banks more willing to lend them larger sums of money and leads to more economic activity, then that should help reduce poverty in the long run. Being successful business ventures, MFIs themselves have also created a large number of good paying jobs.

However, Karlan, Knight, and Udry (2014) conducted a randomized evaluation in urban Ghana, offering micro and small tailoring companies cash grants, consulting services, or both. In their findings, neither treatment was successful, ultimately leading to lower profits and entrepreneurs reverting to prior operation mode. This finding differs with this study as findings show that women in Mwala Sub-County Machakos County appreciate availability of microcredit entities in their locality. However, the researcher suggests that differences between the two studies under comparison might have emerged because this study was done in rural Mwala, which have different dynamics from urban. The study draws conclusion that women access to micro-credit is key in mitigating household poverty. Therefore, the researcher assumed that facilitating women with favorable credit facilities is a step towards development.

Threats facing micro-credit consumers

Through a linkert scale, respondents were asked to rate their level of agreement on threats facing consumers in Micro-credits loan payment obligation. Table 4 below presents the findings.

Table 4: Linkert scale rating on respondents' level of agreement on the threats facing consumers in Micro credits loan payment obligation (strongly disagree-SD, disagree-D, neutral-N, agree-A, strongly agree-SA) (N=332)

Statement	Likert scale				
	Total disagreement			**Total agreement**	
	SD	**D**	**N**	**A**	**SA**
The health status of household members	20(6%)	50(15%)	7(2%)	186(56%)	69(21%)
Poor loan management after borrowing	10(3%)	23(7%)	20(6%)	203(61%)	76(23%)
No source of income to pay	17(5%)	43(13%)	50(15%)	176(53%)	46(14%)
Using the credit for non-income generating activity	70(21%)	123(37%)	30(9%)	86(26%)	20(6%)
Diversion of funds from its intended purpose	20(6%)	30(9%)	50(15%)	169(51%)	63(19%)

***Source**: Field Data (2022)*

As depicted in table 4 above, there was total agreement among respondents that the health status of household members was a threat to consumers in micro-credit loan payment obligation. This was supported by 77% of the study respondents. For example when a woman who had taken credit gets sick, she is not able to work meaning she will not be able to pay the loan back since there no income.

Further, there was a total agreement that micro credits face the threat of Poor loan management after borrowing (84%).It was established that due to limited income and many expenses, sometime the credit loan beneficiaries tend to shift the purpose of the loan to other purposes hence ends up not performing the intended purpose. In addition, 70% of the women participants totally agreed that diversion of funds from its intended purpose leads to threats facing consumers in Micro credits loan payment obligation

Lack of proper income source to pay loan was also rated as a threat to loan payment obligation (67%).In this, if the loan consumer does not have sustainable source of income, she deemed to unlikely to fulfill the loan payment obligation.

However, there was total disagreement that using the credit for non-income generating activity was a threat facing consumers in Micro credits loan payment obligation (58%).It was respondents view that credits can also be for other purposes but not for income generating activities only because they can pay via other means. It was also argued that sometimes even the income-generating project can fail leading to losses so it's not a guarantee that their only income generating activities which can help them fulfill the obligation of loan payment.

Means of increasing the effectiveness of micro-credit

Respondents were asked to state ways that can be used to improve the effectiveness of micro-credit institutions. Responses were as displayed in table 5 below;

Table 5: Increasing the effectiveness of microcredit

Ways of increasing effectiveness	Frequency	Percent
Interest rate should be reduced	45	13.6
Credit installments should be monthly instead of weekly	138	41.4
Exemption of the service charge would decrease negative effect of microloans	112	33.7
Increase of the amount of credit might have a positive impact on poverty alleviation	77	23.2
Other	33	9.9

***Source**: Field Data (2022)*

From the findings, 41% of the respondents felt that micro-credit services would be more effective if credit payment installment would be on monthly basis rather than weekly. The respondents indicated that this would give them a chance to focus on maximizing profit so that by the end of the month, they would settle the installments. Moreover, 34% of the respondents involved in the study indicated that exemption of the service charge would decrease negative effect of microloans. A further 23.2% highlighted the need to increase the amount of credit so that they had enough capital to venture in whatever business opportunity they wished while 13.6% indicated that slightly reducing the interest rates would serve them better by minimizing on their expenditure, hence giving them room to grow.

1.9 Conclusion

Evidence from study findings substantiated that micro credit plays key role in facilitating women provision of basic necessities at household level and even starting small income generating activities. Micro finance entities give the poor and low earning women opportunity and hope through providing affordable credits. Women financial situation improved after accessing micro credit hence suggesting that micro credit access among women plays a role in mitigation poverty among women. Therefore, facilitating women with favorable credit facilities is a step towards mitigating poverty at household level and development.

1.10 Recommendation

The government should actively ensure the property succession and property ownership among women is fully encouraged and enforced among women. Lack or inadequate assets makes majority of rural based women to be limited in accessing loans due to lack of assets that can be used as collateral for the loan. There is a need for Micro finance institutions to consider raising the amount women could access so that the money could help them perform meaningful roles in their house hold given the bloating cost of living in Kenya due to increased food prices among other commodities and services. Likewise, Community Based Organizations offering micro credit services such as loans are recommended to partner with more institutions to raise more grants to serve higher number of poor women. Finally, micro-credit institutions and other related institutions should encourage women to use the credit funds for the only intended purpose. This will help to maximize the credit benefit among women.

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