



Effects of Microcredit Initiatives on Women Empowerment: A Case of Catholic Women Association in Laikipia County, Kenya

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Abstract: Poverty and dependency rate have remained high in developing nations, despite the governments promoting gender. The study sought to investigate the effect of microcredit initiatives on women empowerment, a case of Catholic Women Association in Laikipia county, Kenya. The study adopted a descriptive research design. A sample size of 219 subjects was obtained using stratified random sampling and simple random sampling procedures. Both descriptive and inferential statistics were computed. The study found that the majority (72.6%) of the study participants felt that most women relied on women groups' savings entitled table banking as a small fund source. A vast majority (96.4%) of the study participants confirmed that the poor have been able to access credit through women saving groups. 11.2% of the variance in the women empowerment in Laikipia County was explained by the set predictor (CWA Microcredit initiatives) variable. There was a statistically significant association between CWA Microcredit initiatives and women empowerment in Laikipia County, $F(1, 197) = 6.221, p = 0.001$. The study concluded that access to Microcredit through women saving groups promotes growth and development of women's income generation activities. The study recommends that there is need for all stakeholders, including religious organizations, non-governmental organizations and private entities to liaise with the government of Kenya in the efforts to attain sustainable development goal 1 (to end poverty in all its forms everywhere) through the promotion of Microcredit programs in rural and urban non-formal settlements.

Keywords: Catholic Women Association, Microcredit, Microcredit initiatives, Microcredit programs, Small business funds, Women empowerment, Women groups, Women saving groups.

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1. Introduction

Microcredit facilities have bloomed all over in the world in the last two decades. In Kenya, microcredit facilities have also increased over the years (Abdirashid & Jagongo, 2019). Although the government of Kenya is at the forefront to promote gender equality as a tool for economic development, cases of discrimination among women in the society are still high. For example, Laikipia County, Kenya has frequently been experiencing tribal conflicts and clashes as a result of negative ethnicity, conflicting cultural beliefs and practices and competition of scarce natural resources. This has increased the poverty levels in the area leaving women and children at risk of poor health, hunger, displacement, sexual abuse, and exploitation among other challenges. It is against these challenges that stakeholders, including the government, non-governmental agencies and religious institutions have come together to promote indigenous women socio-economically through micro-credit activities. For instance, Catholic Women Association (CWA) group in the Catholic Diocese of Nyahururu has come up with various women empowerment programs to support upcoming groups of women in the nearby communities. However, there is no concrete study on the socio-economic role of women evangelists in the empowerment of women in Laikipia County. Therefore, this study aimed at establishing the effect of microcredit initiatives on women empowerment in Laikipia County, Kenya.

2. Literature Review

Globally, Mayoux (2000) found out that 70% of the world poor comprise of women. In the United States of America, Warner (2013) revealed that the role of women in the country had changed dramatically over the past few decades. For one, more and more women had taken on new responsibilities outside the home by joining the paid workforce. For example, while women made up only about one-third of the workforce in 1969, women today make up almost half of all workers in the United States. Barna Group (2017) indicated that the women's population in the labour force in the USA had increased from 27% in 1948 to 47% in 2015. However, there is a clear indication that despite a higher proportion of women being empowered economically in the developed economy, the number of women taking part in the state's economic growth is still low compared to men.

In low-income countries worldwide, microcredit for women is increasingly used as a strategy for poverty alleviation and women empowerment. The World Bank Group (2018) pointed out that over 2.69 billion women in the world were restricted from securing similar choice of jobs as men and gender parity caused 15% average loss of

income in the developing economies. Similarly, UN Women Report (2016) indicated that in Africa, women working in the informal sectors underwent gender exploitation, which has deepened at the time of economic crisis, ultimately leading to increased poverty. A study conducted by Ganle et al. (2015) in Ghana showed that World Vision Ghana's microcredit program helped many women to acquire small loans for business where no collateral was required, and a flat interest rate of 20% per loan cycle (of 6 months) was charged on loans. In Liberia, the National Human Development Report (2006) showed that 70% of the total population living under 1 dollar a day were women. Additionally, women have progressively been powerless but there has been an expanding desire on microcredit to emphatically influence women's strengthening with the plan to diminish gender inequalities in the country. According to Islam et al. (2014) most (80%) of the Microcredit borrowers of the world live in Bangladesh which happens to be the home of famous "Grameen Microcredit model" Microcredit programs of the Government, microfinance institution and banks that were making a positive contribution towards poverty reduction and community development in the country. In Pakistan, Ferdoos (2005) found out that gender inequality practices were very common and that workforce of paid women received less pay and was treated as the second sex at home.

As established by Martin (2015), Pope Francis beckons on the promotion of empowerment of women on all spheres of society, including the Catholic Church, without diminishing the relevant position they play in family life. Kabeer (2002) stated that many constraints discouraged women in development and for this reason, women could not contribute to their effect in the economic sector. The existence of the patriarchal system has existed in a few societies which do not allow women to participate in the economic development as men, such as cultural boundaries and spiritual interpretations that create hurdles for women's social mobility. However, Lemmon (2016) analysis of a report released by Overseas Development Institute (ODI) exposed that the big concern was not just with increase in women access to income and assets, but also with control over them and how they use that control in other aspects of life. Thus, there is need to further focus on how participation of women in economic programs impacts their lives.

A report by Kenya UNDP (n.d.) indicated that women were the backbone of the rural economies and played a vital role to ensure the welfare of their families. According to Gakuo (1985), in Kenya like in other developing societies outside the western world, rapid financial, political and social change gave the heritage against which women were suffering to discover their new roles. Similarly, Mbilinyi (1972) asserted that the effect of

western values and institutions was regularly uncertain and lots of authors endorsed that under the vintage pre-colonial ways, women had greater strength and effect than they do nowadays. Microcredit empowers women through the creation of entrepreneurship, making them breadwinners, and creation of employment (FINCA, 2017). In another study by (Kapila et al., 2016) on the impact of microcredit facility on women from Punjab State in India, the results revealed that microcredit had significantly improved women income which in turn led to increased participation in decisions making in their households. The impact was found to be more among the women who borrowed high amounts than small borrowers. This was also evident in a recent study by Tabassum and Singh (2018), where family income and decision making capacity were found to have a significant impact on women empowerment. They recommended that suitable policies and legislation be implemented, and microcredit lending be continued to ensure women were well empowered.

3. Methodology

According to Kothari & Garg (2004), a research design is a plan, a roadmap and blueprint strategy of investigation conceived to obtain answers to research questions. This study adopted a descriptive research design. The design was useful in describing the characteristics of the study population, to address a large study sample and also allowed the use of a questionnaire that was the main tool the researcher used in data collection. Further, the researcher was able to generalize the findings of the study (Ishtiaq, 2019).

The target population was Catholic Women Association (CWA) members of Nyahururu Catholic Diocese which lies in Laikipia County. The diocese has five deaneries with a total population of eight thousand and fifty-four (8,054) CWA members. A sample size of 219 subjects was determined using test estimate assurance formula for a limited population. Stratified random sampling and simple random sampling procedures were used to obtain study participants from the different groups of members of the CWA in Laikipia County. Schmidt and Hunter (1998) posit that Stratified random sampling is a better method where there are different subgroups in the population.

The reliability of the instrument was estimated using Spearman's Correlation Coefficient which is a measure of an internal coefficient. According to Mugenda and Mugenda (2009), a coefficient of 0.80 or more implies a high degree of reliability of the data. For this study, a coefficient of 0.85 was achieved. To guarantee that the instruments were valid, content validity was utilized. By the help of a Statistical Package for Social Sciences

(SPSS) version 23, the research coded, entered and analyzed quantitative data. Both descriptive and inferential statistics were computed. Demographic data of the study participants and all the study findings were presented using frequencies and percentages.

The study also observed legal and ethical issues throughout the research process. These included seeking all research permits, giving a consent form to all participants, adhering to the principle of voluntary participation by the participants, ensuring the confidentiality of participants information, ensuring the participants remained anonymous during data collection, and the researchers acknowledged other people's ideas to avoid plagiarism and fraud. The researchers also disclosed the real purpose of the research to all the participants.

4. Results and Discussion

4.1 Demographic Data

The study assessed the demographic characteristics of the participants. These included: number of years served in CWA; the number of years worked in community empowerment programs and their highest level of education. The study established that a vast majority (82%) of the participants had served in the CWA for 10 years and above. Another 14% of them had served for at least between 5-9 years while only 4% of them had less than 5 years' experience in the CWA. On the numbers of years that the participants had worked in community empowerment initiatives, more than two thirds (68.6%) of them had done it for more than 10 years while the remaining proportion (31.4%) had an experience of below 10 years working in community women empowerment programs. On the participants' highest education level, while 12.4% of them had attained postgraduate education, 25.8% of them had a basic degree, 40.7% of them had a diploma and the remaining 21.1% had a certificate as their highest attainment. These results imply that the more women stayed in CWA, the more they got to understand the importance of joining and working with community empowerment programs.

4.2 Effect of Microcredit Activities on Women Empowerment

The objective of the study was to establish the effect of microcredit activities on women empowerment. The study investigated to what extent do women socio-economic role by CWA affect community empowerment, the sources of small business funds for women in the study area and the benefits of women empowerment through CWA Microcredit initiatives.

4.2.1 Women Socio-Economic Role

The respondents were asked to rate the extent to which CWA in Laikipia County had empowered women and the community socio-economically. They were asked to select one of the three categories each: to a great extent, to some extent and not at all. More than half (54.2%) of them felt that their socio-economic role had impacted the community to some extent. Another 43.3% of them affirmed that women microcredit activities in the County were embraced to a great extent as a result of their continuous support. Only 2.5% of the participants indicated that the community did not support the empowerment programs promoted by the CWA in Laikipia County.

4.2.2 Sources of Small Business Funds for Women

The study sought to establish the sources of small funds to boost the income-generating activities for women in Laikipia County. The participants were asked to select from the following categories: women enterprise fund, youth enterprise fund, table banking, non-governmental organizations, and others. A majority (72.6%) of the study participants pointed out that most women in Laikipia County rely on women groups' savings entitled table banking. Another 12.4% of them indicated that women in rely on women enterprise fund. A few (8%) of respondents stated that women benefited from non-governmental organizations (NGOs) as a source of their small business boost funds. Only 7% of the study participants felt that women relied on youth enterprise funds to sustain their income-generating activities.

The findings of the current study that majority (72.6%) of the study participants felt that most women in Laikipia County rely on women groups' savings entitled table banking. This implies that indigenous women in the County have been taken through Microcredit programs and they understand the importance of women savings and lending groups. The women groups can be a source of small funds/loans to boost or sustain women's income-generating activities. These findings concurred with a study carried out by Kodamarty and Srinivasan (2016) which found out that the fisherwomen Women groups in India were acting admirably in benefiting women microcredit programs, by offering small loans to women who were refunding it in time. Their study further maintained that microcredit programs actualized through Women groups added to the financial welfare and strengthening of the fisherwomen. The current study also revealed, women in Laikipia County also obtained small funds to boost their businesses from non-governmental organizations (NGOs), women enterprise funds and youth

enterprise funds. Similarly, a study conducted by Wilson (2006) on the working of Self-Help Groups and microcredit in India found out non-governmental organizations gave some preparation to the women groups for capacity building, business and aptitude preparing and some assistance in masterminding information sources, and promoting, presented sparing and inner loaning, helped in the support of records and connected them with the banks for credit provisions.

4.2.3 Benefits of Women Empowerment through CWA Microcredit Initiatives

The participants were required to indicate their level of agreement with the various items on the impact of Microcredit initiative carried out by CWA in Laikipia County.

On whether there have been reduced transaction charges for lenders and borrowers due to Microcredit initiative introduced by CWA, 43.8% and 16.9% of the study participants disagreed and strongly disagreed respectively. Another 19.9% of them agreed while only 10.4% of them strongly agreed with the statement. Concerning whether the poor have been able to access credit through women saving groups created by CWA in Laikipia County, nearly all the participants agreed, since 50.7% of them strongly agreed and 45.7% of them agreed with the statement.

The results showed that a vast majority (96.4%) of the study participants confirmed that the poor have been able to access credit through women saving groups created by CWA in Laikipia County. This is an indication that the efforts put by religious bodies or organizations to empower indigenous women socio-economically in the rural setups are bearing fruits. In the same vein, Basu (2006) revealed that in Pakistan, group organization enables individual members to empower themselves and to increase mutual benefits from the activities they are involved in. In a report prepared by (Njenga et al., 2013) in countries like Ethiopia, where neither the private sector nor the government provides a proper safety net or socio-economic security to its citizens against risks, getting together with one another enables poor individuals to better cope with their challenges. This supportive mechanism is a vital strategy for sustainably fighting against poverty.

On a statement that recovery of credit is made easier and has improved the lifestyle of women in Laikipia County as a result of CWA Microcredit initiative, more than half (55.7%) of the study participants supported this by strongly agreeing. Another 39.3% of them further agreed with the statement. However, only 2% of the study participants either disagreed or strongly disagreed with the

statement. On whether women use savings and credit to increase their incomes, assets and improve livelihood, nearly all (53.7% of the participants strongly agreed and 38.8% Of them agreed) of the study participants agreed with the statement. Only a small percentage (7.5%) of them were not sure about the statement.

An overwhelming majority (92.5%) of the study participants stated that women use savings and credit to increase their incomes, assets and improve household livelihood. This implies that the CWA Microcredit initiatives have greatly helped women to grow economically. The study finding was in line with Kabeer (2002) who found out that Microcredit projects enable women to play a more prominent role in family basic leadership and to have more prominent access to money related and financial assets. Also, Tabassum and Singh (2018) in their study on how microcredit influenced women empowerment in Chittagong, Bangladesh found that family income and decision making capacity had a significant impact on women empowerment.

When the study participants were asked if Microcredit initiatives lessen the probability of vulnerability to poverty, 25.4% of them disagreed with the statement. However, nearly two thirds (66.1%) of them were in agreement with the statement. A vast majority (94.4%) of the study participants were also affirmative that women have increased their role in decision making as a result of the CWA Microcredit initiatives. The issue of gender equality has been an area of concern constitutionally and this has promoted equal opportunities to women as men. Sarah (2008) reported that women empowering itself comprises monetary empowerment whereby women' entrance to reserve funds and credit gives them a more noteworthy financial job in basic leadership through their choice about investment funds and loans. At the point when women control choices concerning credit and reserve funds, they improve their very own and the family's welfare. According to Sarumathi and Mohan (2011), Microcredit influences permitting women the chance to make what has portrayed as a legitimate monetary commitment to the family unit. In the same vein, Estapé-Dubreuil and Torreguitart-Mirada (2010) noted that through the provision of economic resources, a woman may gain a greater voice in expenditure decisions. Further, Kabeer (2002) illustrates that empowering women helps them to settle on vital life decisions, and to get the capacity and an opportunity to extend their potential outcomes to live the sorts of lives they need. In a recent study, Kapila et al. (2016) revealed that mobilization of women towards Self Help Groups should be encouraged. They found assarted that empowerment of women was very essential as it uplifted the overall economic development of the country.

Concerning whether women groups created through CWA Microcredit initiatives provide women with easy access to saving and loaning services, nearly all of the study participants (60.2% of them strongly agreed and 35.8% of them agreed) agreed with the statement. Only 4% of them were not decided.

It was observed that nearly two thirds (66.1%) of the study participants supported that Microcredit initiatives lessen the probability of vulnerability to poverty in Laikipia County. This shows that when indigenous women get introduced to Microcredit programs, they can start up income-generating activities which raise their household income thus reducing poverty levels. The study finding concurred with a study carried out by Chatterjee et al. (2006) that found out that that micro-credit is a way of conveying advances to poor people and is frequently recommended to be an exit from poverty. In the same line, Muhammad et al. (2012) established that Microcredit not only opens up the chance of independent work, yet besides adds to the improvement of the circumstance for the whole family unit. According to Sarumathi and Mohan (2011), the empowerment of women is closely linked with Microcredit programs. Thus, Microcredit initiatives could be a solution to the poverty experienced in non-formal settlements of Kenya.

Linear Regression Analysis

Linear regression was conducted to establish the effect of microcredit activities on women empowerment.

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Where:

Y - (Women empowerment) is the Dependent Variable

β_0 -is the constant

β_1 -It is the regression coefficient or change induced in the Y by X_1

X_1 - Microcredit activities

ε - Is the error term

To determine how well the independent variable (CWA Microcredit initiative) explained the dependent variable (women empowerment) a model summary was computed.

Table 1: Model summary on the effect of CWA Microcredit initiatives on women empowerment

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate	Durbin-Watson
1	0.335 ^a	0.112	0.091	0.73531	1.730

a. Predictors: (Constant), Microcredit activities
b. Dependent Variable: Women empowerment

Source: Study Findings, 2020

As shown in Table 1, the correlation coefficients R was 0.335. This means that there was a weak positive correlation between the predicted and observed values. The coefficient of determination, R square, which is the proportion of variance in the dependent variable that can be explained by the independent variable was found to be 0.112 implying that 11.2 % of the variance in the women empowerment in Laikipia County was explained by the microcredit activities. Thus, 88.8% of the variation in the outcome variable could be explained by other predictors which were not included in the study. The adjusted R square value of 0.091 means that 9.1 % of the variance in the women empowerment in Laikipia County could be accounted for by the set predictor if the model was derived from the total population from which the sample was taken. Further, a standard error estimate (SE est.) of 0.73531 is small, meaning many of the observed data points lay closer to the regression line, this indicates it is possible to ascertain the goodness and representativeness of the regression line as a description of the average relationship between the two series.

Durbin-Watson (DW) statistic informs whether the assumption of independent errors is acceptable. Durbin-Watson tests for autocorrelation in residuals from a regression analysis. the Durbin-Watson statistic varies from 0 to 4: Values closer to 0 indicate positive autocorrelation; values close to 2 indicate no autocorrelation, and values closer to 4 indicate negative autocorrelation. Thus, since the Durbin Watson statistic value of the data is 1.730, there is a positive autocorrelation between the predictors and the outcome variable; a unit increase in CWA Microcredit model leads to a proportionate increase in women empowerment in Laikipia County, Kenya.

ANOVA was performed to establish whether there is a significant association between CWA Microcredit initiative and women empowerment in Laikipia County. Table 3 shows the analysis of variance as computed.

Table 2: Analysis of variance of Women Empowerment

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.398	1	2.849	6.221	0.001 ^b
	Residual	90.294	197	0.458		
	Total	101.692	171			

a. Dependent Variable: Women empowerment

b. Predictors: (Constant), Microcredit activities

Source: Study Findings, 2020

In ANOVA Table 3, the *F* statistic is equal to 6.221. The distribution is *F* (1, 197), and the probability of observing a value greater than or equal to 6.221 is less than 0.05 (*P*=0.001). Thus, there was a statistically significant association between CWA Microcredit initiatives and women empowerment in Laikipia County.

The study concludes that the Catholic Women Association's Microcredit initiatives have a significant impact on women socio-economic empowerment through the creation of women saving groups. Access to Microcredit through women saving groups promotes growth and development of women's income generation activities. This improves household income and alleviates poverty levels in rural and non-formal settlements.

5. Conclusion and Recommendations

5.1 Conclusion

5.2 Recommendations

There is need for all stakeholders, including religious organizations, non-governmental organizations and

private entities to liaise with the government of Kenya in the efforts to attain sustainable development goal 1 (to end poverty in all its forms everywhere) through the promotion of Microcredit programs in rural and urban non-formal settlements. The government through the responsible Ministry should also ensure that women and youth trust funds are easily accessed to encourage many women and youths to either come up with income-generating activities or sustain ongoing business ventures.

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