ISSN 2349-7807

International Journal of Recent Research in Commerce Economics and Management (IJRRCEM)
Vol. 4, Issue 4, pp: (342-363), Month: October - December 2017, Available at: www.paperpublications.org

INFLUENCES OF MICRO FINANCE ON POVERTY REDUCTION AMONG WOMEN IN TRANS NZOIA COUNTY

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Abstract: **The purpose of the study was to analyze the influences of micro finance on poverty reduction strategies among women in Trans Nzoia County. The objectives of the study were; to determine the effects of women empowerment on poverty reduction among women in Trans Nzoia County, to evaluate the influences of training on poverty reduction among women in Trans Nzoia County, to examine the effects of financial management on poverty reduction among women in Trans Nzoia county and to identify the outcomes of standard of living on poverty reduction among women in Trans Nzoia county. The theories that were employed in this study include women empowerment theory, training theory and contingency theory. In research methodology a descriptive research design was employed, the study employed both quantitative and qualitative in order to acquire the best results. The study employed stratified sampling design to put the population into different categories. The study also used survey research design because it gave in depth information of the study area and wanted information of which the researcher is looking on. The target population includes banks customers and credit officers of microfinance institutions in Trans Nzoia County. Questionnaires were used to collect data, after data collection, the data was analyzed using qualitative and quantitative data analysis and it was be coded, organized and presented using frequency tables and percentages. This study was of significance to the society as a whole and microfinance institutions to find out the best measures and methods by micro finances in their effort to reduce poverty among women and how these institutions can make their services better. The research findings confirmed that microfinance provisions play a significant role in reducing poverty among women in Trans Nzoia County.**

Keywords: **Women Empowerment, Improved living standards, management of finance and training of women.**

1. INTRODUCTION

Background:

According to (Ghalib, Asad K. (2007), Poverty is a condition in which a person of community is deprived of the basic essentials and necessities for a minimum standard of living. Poverty at its broadest level can be conceived as a state of deprivation prohibitive of decent human life. This is caused by lack of resources and capabilities to acquire basic human needs as seen in many, but often mutually reinforcing parameters which include malnutrition, ignorance, prevalence of diseases, neglected surroundings, high infant, child and maternal mortality, low life expectancy, low per capita income, poor quality housing, inadequate clothing, low technological utilization, environmental degradation, unemployment, rural-urban migration and poor communication. In 1995 the United Nations adopted two definitions of poverty. In the past, there has been much debate on absolute and overall poverty. Absolute poverty was defined as a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. It depends not only on income but also on access to services. Overall poverty takes

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various forms, including: lack of income and productive resources to ensure sustainable livelihoods; hunger and malnutrition; ill health; limited or lack of access to education and other basic services; increased morbidity and mortality from illness; homelessness and inadequate housing; unsafe environments and social discrimination and exclusion.

It is also characterized by lack of participation in decision making and in civil, social and cultural life. It occurs in all countries: as mass poverty in many developing countries, pockets of poverty amid wealth in developed countries, loss of livelihoods as a result of economic recession, sudden poverty as a result of disaster or conflict, the poverty of low-wage workers, and the utter destitution of people who fall outside family support systems, social institutions and safety nets. Others viewed poverty as a function of education and/or health using the measurement of life expectancy, child mortality among others. Level of expenditure and consumption are other criterions used to identify the poor (Meagher, 2002).Most official definitions of poverty use relative income to measure who is in poverty; an income threshold is set and those who fall below it are seen to be 'in poverty'. Poverty is a multidimensional social phenomenon and the definitions of poverty and its causes vary by gender, age, culture, and other social and economic contexts. One of the major development problems facing the world today is growing phenomenon of poverty. In 2013, the year of the latest comprehensive data on global poverty, 767 million people are estimated to have been living below the international poverty line of US$1.90 per person per day. Almost 11 people in every 100 in the world, or 10.7 percent of the global population, were poor by this standard, about 1.7 percentage points down from the global poverty headcount ratio in 2012 (World Bank, 2016).

Poverty reduction was institutionalized, with the establishment of the World Bank at the birth of the Bretton Woods 2 system. With the IMF and GATT assigned the tasks of stabilizing the world's economy and promoting free trade in the post WW II world, the problem of poverty was delegated to the World Bank. The industrial nations felt some responsibility for the world's poor; after all since Africa and parts of Asia, including India, had been colonies in European empires and they would need some help once they gained their independence. Poverty is a complex problem and reducing it depends up on many interconnected factors, that is, why poverty cannot be attributed to one main cause nor its reduction based on one main strategy. Economic growth is just one strategic element among many others related to poverty reduction (Narasaiad, 2007).

The government of Kenya has undertaken a number of development interventions to reduce poverty in the nation since independence. The sessional paper No.1 of 1965 detailed the government commitment to alleviate poverty together with ignorance and diseases. This policy has been propagated in policy through long-term strategic plans, sessional papers development plans and other policy documents. The early efforts geared towards poverty reduction included land resettlement among other strategies. The government of Kenya came up with vision 2030 which was designed to guide the country in the millennium development goals. Todaro and others (2006) confirms that the first goal of the Millennium Development Goals (MDGs) is to eradicate poverty and hunger by year 2015.

The MDGs seeks to reduce by half the proportion of people whose income is less than $1.22 a day and those who suffer from hunger. Nearly half of the world's population that is more than 3 billion people still live on less than $2.50 a day. According to International Fund for Agricultural Development (IFAD2009), about seventy nine percent of Kenya's population live in rural areas and relies on agriculture for most of its income. Nearly half the country's population of more than 40 million people is poor.Indeed, it is recognized that women are affected more by poverty than men (Tadria, 1997). The PRSP (2000-2003) also recognizes that women are worse off in terms of vulnerability to effects of poverty than men. Factors explaining higher poverty incidences among the women are manifold and include, but not limited to, the discrimination that women face before the law or lack of legal protection, particularly in their rights and control over productive resources, personal security and even leisure (Tadria, 1997). Even urban migration is a predominantly male phenomenon and affects the sex ratio in the rural areas where women, remaining the majority, bear a disproportional burden in having to fend for families, often larger than in the urban areas.In Africa, women and girls are disproportionately affected by poverty and discrimination. Women often end up in insecure, low-wage jobs, and have limited access to the educational resources and financial tools they need to succeed. Women leadership and participation in politics, civil society, and the private sector is limited on local, national, and global levels. Adolescent girls face particular challenges, including lower educational outcomes and traditional harmful practices. However, it has become widely accepted that promoting gender equality and women empowerment (GEWE) is essential to achieving sustainable human development, poverty eradication, and economic growth on the African continent. Despite many international agreements set to promote GEWE, women still lag behind men in education, employment, politics, health, and access to public services. According to the UNFPA (2014). Gender equality implies a society in which women and men enjoy the same opportunities, outcomes, rights and obligations in all spheres of life.

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Equality between men and women exists when both sexes are able to share equally in the distribution of power and influence; have equal opportunities for financial independence through work or through setting up businesses; enjoy equal access to education and the opportunity to develop personal ambitions. Micro finance is seen as a tool that can help women in improving their quality of life and those of their families. The concept of micro-financing arose out of the need to provide to the low-income earners who were left out by formal financial institutions. The practice of micro-credit dates back to as early as 1700 and can be traced to Irish Loan Fund System which provided small loans to rural poor with no collateral. It has been estimated that formal microfinance institutions only service less than one million clients, in a country where over 70% of the country's population live below the poverty line (Dahiru and Zubair, 2008). Over the years, the concept of micro-finance spread to Latin America, then to Asia and later to Africa. In the present day use of the expression micro-financing has its roots in the 1970s when organizations, such as Grameen Bank of Bangladesh with the micro-finance pioneer Mohammad Yunus, were starting and shaping the modern industry of micro-financing. Absent access to formal financial services, the poor have developed a wide variety of informal community based financial arrangement to meet their financial needs.

In Africa and other developing regions, microfinance institutions (MFIs) are regarded as the main source of funding micro enterprises (Anyanwu, 2004). Micro-finance emerged with the aim of filling the gap left by banks in providing credit to individuals, micro, small and medium enterprises which were on the rise during this period. In the early 1990s with the opening up of political space and ensuing economic disturbances, the need for credit by individuals, micro, small and medium enterprises increased and this led to the recognition of micro-finance institutions in Kenya. Among the pioneer micro finance institutions in Kenya are Equity Building Society (currently Equity Bank), Kenya women finance trust, Family Building Society (currently Family Bank), Faulu Kenya and K-Rep. These microfinance institutions came up with the main aim of providing loans to the poor people who had no acces to banking services. Microfinance is created to fill this gap (Irobi, 2008).

Statement of the problem:

Poverty is a multifaceted reality. It is not simply a lack of adequate income; it is a cruel mix of human deprivation in knowledge, health, dignity and rights, obstacles to participation and lack of voice. (UNDP, 2015) Despite progress achieved since the endorsement of the Millennium Development Goals (MDGs) by world leaders at the UN in September 2000, human poverty still remains widespread in certain parts of the world Nalunkuuma (2006) argues that poverty reduction is a process of increasing income and economic stability, which will lead to improved fulfilment of basic needs and services and developing a range of assets that will reduce household vulnerability to physical, social and economic shock.

Microfinance is considered to be a solution for overcoming poverty. Providing credit seems to be a way to generate self employment opportunities for women, but because they lack physical collateral, they have almost no access to institutional credit. Microfinance intervention has been said to register substantive results in view of making participatory development activity realizable (Wolday, 2000. Microfinance provided to the vulnerable has to be synonymous with empowerment of the beneficiary groups in order to sustain their income flow and make them economically independent. However there has been some complaints of inequality, nepotism, corruption, discrimination, incompetency, misappropriation of funds, delivery breakdown, high interest rates, lack of basic needs and poor sanitation.

Objectives:

General objective:

The main objective of this study was to analyze the influences of micro finance on poverty reduction among women in Trans Nzoia County.

Specific objectives:

This study was guided by four main objectives

i. To determine the effects of women empowerment on poverty reduction among women in Trans Nzoia county.
ii. To evaluate the influences of training on poverty reduction among women in Trans Nzoia county
iii. To examine the effects of financial management on poverty reduction among women in Trans Nzoia county
iv. To identify the outcomes of standard of living on poverty reduction among women in Trans Nzoia county.

Research questions:

i. What are the effects of women empowerment on poverty reduction among women in Trans Nzoia County?

ii. What are the influences of micro finance training on poverty reduction among women in Trans Nzoia County?

iii. What are the outcomes of financial management on poverty reduction among women in Trans Nzoia County?

iv. What are the effects of the standard of living on poverty reduction among women in Trans Nzoia County?

Hypotheses:

Ho_1: Women empowerment does not have a significant effect on poverty reduction among women in Trans Nzoia County.

Ho_2: Financial management does not have a significant effect on poverty reduction among women in Trans Nzoia County.

Ho_3: Training does not have a significant effect on poverty reduction among women in Trans Nzoia County.

Ho_4: Improved standards of living does not have a significant effect on poverty reduction among women in Trans Nzoia County.

Scope of the Study:

The focus of the study was the women of Trans Nzoia County and how micro finance is helping these women in reduction of poverty. In analyzing the influences of microfinance on poverty reduction among women, focus was given to women who have access to and are using microfinance services in Trans Nzoia County.

Justification of the Study:

Poverty is a worldwide problem affecting especially women and girls hence the need to reduce its impact toward these people. The government had in its vision 2030, the social pillar, which one of its guiding principle is equity and poverty elimination, since there is big difference on how poverty affects women and the availability of funds to these women. To effectively move the country into this direction it's imperative to ensure that women have access to funds and the best and easy way of acquiring these funds is through Micro finance institutions.

Limitations of the Study:

The study was limited since some respondents were not willing to share out information that would have been useful for the study; however the aim of the study was explained to them that the study is only carried out for educational purpose and thus the information collected will be confidential. There was the potential for the data collecting instrument to not be totally valid and reliable. However, all considerations and precautions were taken in to account to provide the most valid and reliable data collection for this study. Funds for undertaking the study were also a limitation to ensuring a good research is done on this topic.

2. LITERATURE REVIEW

Introduction:

The chapter presents a review of literature in relation to the study. The literature helped in establishing the gaps in knowledge which the study tried and addressed in relation to the study topic. The researcher empirically reviewed the literature published by other scholars, by doing this the researcher stood on the shoulders of scholarly giants in order to form a solid background for this study. A conceptual framework explaining the relationship between the dependent and independent variables is also presented. The theoretical framework is presented, covering the individual theory of poverty and culture of poverty theory, and a review of the variables. A critique of the reviewed literature is also presented.

Theoretical Framework:

Training Theory:

According to DeSario et. al. (1994), training "refers to learning experiences designed to enhance the short-term and/or long-term job performance of individual employees". In this respect, training is viewed as part of an on-going developmental process. Training needs to be linked with the organizational mission (Eurich, 1985; Fischer, 1989; Latham, 1988; Miller, 1989). So, when local governments plan their training activities, they need provide the link with the organizational mission and local budget and implementation.Some authors suggest considering training as investment decisions (Eurich, 1985), and they should be made after careful consideration. It is usually advised that training activities should be examined from the perspective of their ability to influence individual job performance, rather than isolated experiences that may or may not contribute to the organization's success.

McGehee and Thayer (1961) are usually regarded as the authors of the first textbook on training in organizations. They suggested a three-fold approach to determine the types of training and development experiences that should be implemented, including organizational analyses, task analyses, and person analyses. Accordingly, organizational analyses focus on the organization's ability to support training. Task analyses focus on the knowledge, skills, abilities, and other personal characteristics required to perform the agency's task. Person analyses focus on the needs of the individual, identifying personal characteristics possessed by the particular individual.

Empowerment Theory:

Cheston and Kuhn (2002) talk about the theory of empowerment. The theory indicates that women account for nearly 74% of the 19.3 million of the world's poorest people now being served by microfinance institutions. Most of these women have access to credit to invest in businesses that they own and operate themselves. The huge majority have excellent payment records in spite of the daily hardships they face. Contrary to conventional wisdom, they have shown that it is a very good idea to lend to the poor and to women. Power play is ubiquitous in daily household relationships but power is most of the time concealed making it quite difficult to isolate for exploration (Kabeer 2004). Hence, a person may be dispossessed of power without being conscious of it. (Mosedale 2005) noted that some "women have been led to participate in their own oppression and therefore see external change agents as necessary for empowerment". External agents are pre-requisites for empowerment because women need a new body of ideas, knowledge and information to change their mindset, and a self-concept that will encourage them the act against discriminating "gender orders" in their household and communities (Batliwala 2005). According to Kabeer (2005), "empowerment refers to the processes by which those who have been denied the ability to make choices acquire such ability". While (Mosedale 2005) defines women empowerment as, the process by which women redefine gender roles in ways which extend their possibilities for being and doing. From the above definitions, empowerment can be said to be an ongoing change process that involves self- determination through the making of choices that can improve person's wellbeing. UNIFEM on the other hand suggests that women‟s economic empowerment should be defined as having access to and control over the means to make a living on sustainable and long term basis and receiving the material benefits of this access and contro (Carr 2005).

It has been argued that for a development intervention like microfinance to engender change, it should contribute to women sense of independence, rather than simply meeting survival needs (Kabeer, 2005). This may enable women to make choices that act against structures or individuals that draw back the pursuit of their interests and potentials. (Kabeer 2005) argued that for an individual to make meaningful choices there must be alternatives [and these] alternatives must be seen to exist. Eventually, women should be free to make their choices and be responsible for the choice they made. Further, (Kabeer 2005) suggested that empowerment could be examined through three interrelated dimensions: agency, resources, and achievement. Resources may entail all material and non-material things that are necessary for the maintenance and development of the person or wellbeing of a group (for example capital, knowledge, labour, etc.), which are the medium through which agency is exercised (Kabeer 2005). According to (Kabeer 2005) agency entails a person's ability to make choices and being able to put them into action even in the face of others opposition". For a person to exercise his/her agency, the person must be conscious of the immediate circumstances, have the desire for change and the resources to effect the change. In other words, resources plus agency makes achievement (otherwise called capabilities) possible. Achievement is defined as the potential for a person to live a life the person wants (Kabeer 2005). In sum, the three dimensions: resources, agency and achievements are interdependent. Thus changes in anyone dimension can lead to changes in others.

In practical terms, achievement involves the exercise of agency that is facilitated by access to resources (for example microfinance schemes) and the outcome thereof. These resources may not only strengthen women socio-economic

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position but also make the women conscious of their conditions. The women may then be motivated to take actions (agency) to determine the use of their labour and credit. If they succeed through their action to take control of use of their labour and credit; then we say that there is achievement. From this backdrop, what achievement will women make through their exercise of agency, a question of concern to many empowerment scholars and practitioners . In the light of this, feminist literature has grouped the needs of women into two categories: practical interests or effective agency and strategic interest/transformative agency (Kabeer 2005). Practical gender interest or effective agency relates to women ascribed roles in the sexual division of labour that responds to their immediate practical needs and formulated by women themselves (Corcoran &Nantes 2013).

It is argued that when women's practical interests are met, it only helps them to carry out their gender assigned roles more easily. When this happens, women's effective agency may be activated (Kabeer 2005). The second category, strategic gender interest/transformative agency directly concerns women subordination or restrictions in a given society and demands around which women‟s struggles are based on a strategy to overcome all forms of gender inequality (Corcoran-Nantes 2003). In this second category, social transformation is the goal. According to feminist thinking, the strategic gender needs/transformative agency should be the focus of any development intervention that seeks to empower women and challenge institutional constraints that limit their potential for self-realization.This can be achieved through individualized agency and/or solidarity group action. Notwithstanding the feminist view of the potential collective action through solidarity groups, (Cornwall 2008) questions this solidarity thinking, a premise on which many microfinance program are built. Based on her own studies from Ado-Odo in South-western Nigeria she claims that relationships among women especially in groups are characterized by more tension and mutual suspicion than are their relationship with men. To this end, Cornwall concludes that "gendered relations" should be examined not based on only men/husband-women/wife relations but also within each gendered category. For my study, the theory of empowerment will provide the analytical tools for me to examine how women's access to microfinance programmes and their participation in income generating activities have served as enabling "resources". expenditures and programs are therefore kept at the minimum (Stone, 2002).

Contingency theory:

The contingency theory of organizational structure presently provides a major framework for the study of organizational design (Donaldson, 2001). It holds that the most effective organizational structural design is where the structure fits the contingencies. There are, however, several major challenges to it. Some of these are theoretical, while some are empirical. This paper will assess some of these challenges and show that they are overstated. However, some challenges lead to innovations in theory. Other challenges are accompanied by innovations in method. Both these theoretical and methodological innovations constitute opportunities for the contingency theory of organizational structure. In turn, they can feed into the study of organizational design. This paper will discuss first some theoretical challenges to, and opportunities for, the contingency theory of organizational structure. It will then discuss the empirical and methodological challenges to, and opportunities for, the contingency theory of organizational structure.

It helps in understanding the complex organizations as it focuses on multivariate nature of organizations. It helps an organization to operate under different environmental conditions. Rather than having a specific solution to solve problems, it provides a framework where every solution depends upon the environmental conditions. Same problem can have different solutions at different points of time and different problems can have same solution at the same point of time. Structural contingency theory, like sociological functionalism more generally, is often considered as being an equilibrium theory, in that organizations are depicted as attaining fit and then being in equilibrium and so remaining static.

Conceptual framework:

This conceptual framework (Figure 2.1) shows the relationship between dependent and independent variables for the study .The dependent variable being poverty reduction while the independent variable is influences of microfinance. This is the conceptual framework:

ISSN 2349-7807

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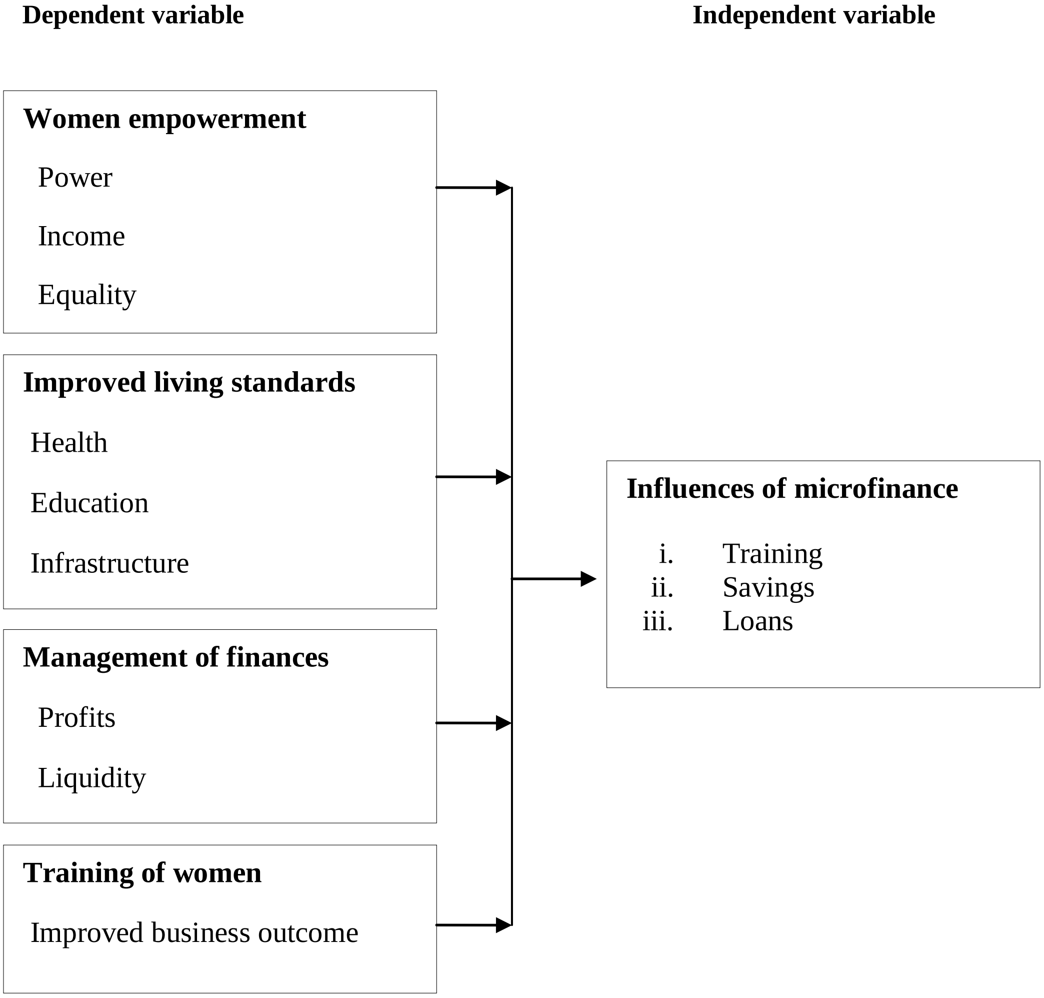

Figure 2.1 Conceptual Framework

Review of Variables:

Women Empowerment:

Empowerment is multi-dimensional social process that helps people gain control over their own lives. It is a process that fosters power (that is, the capacity to implement) in people, for use in their own lives, their communities, and in their society, by acting on issues that they define as important (Erikson 2016) Women's empowerment means women gaining more power and control over their own lives. This entails the idea of women's continued disadvantage compared to men which is apparent in different economic, socio-cultural and political spheres. Therefore, women's empowerment can also be seen as an important process in reaching gender equality, which is understood to mean that the "rights, responsibilities and opportunities of individuals will not depend on whether they are born male or female".

According to the UN Population Fund, an empowered woman has a sense of self-worth. She can determine her own choices, and has access to opportunities and resources providing her with an array of options she can pursue. She has control over her own life, both within and outside the home and she has the ability to influence the direction of social change to create a more just social and economic order, both nationally and internationally. Gender role expectations are institutionalized through legislative, educational, political and economic systems. Women need to be "empowered" in order to narrow the "gender gap" and to create an equal playing field between women and men before gender equality can be reached and maintained.

Feminist writings on empowerment from the 1990s offer three important insights. First, empowerment is about changing power relations, not just about people gaining more confidence to be able to act on the world with more impact, but about recognizing that the inequalities of everyday lives are neither natural nor acceptable. Second, empowerment is relational:

it is about the relations of power in which people are located, within which they may experience disempowerment or come to acquire the 'ability to make strategic life choices' (Kabeer 1999). This becomes important when we look at contemporary discourses of women's empowerment in which social and gender relations come to be curiously absent. Third, empowerment is a process. It is not a fixed state nor an end-point, let alone a measurable outcome to which targets can be attached. It is a process that can be captured in the metaphor of a journey along pathways that can be travelled individually or together with others, in which the nature of the terrain comes to be as significant in determining progress.

The work of external actors is not 'empowering women' but clearing some of the obstacles from this path, providing sign-posts, stiles, bridges and sustenance for those making these journeys.

Gender equality and women's empowerment is the third of eight MDGs. It is an intrinsic rather than an instrumental goal, explicitly valued as an end in it rather than as an instrument for achieving other goals. Important as education is, the translation of this goal into the target of eliminating gender disparities at all levels of education within a given time period is disappointingly narrow. However, the indicators to monitor progress in achieving the goal are somewhat more wide ranging: closing the gender gap in education at all levels; increasing women's share of wage employment in the non-agricultural sector; and increasing the proportion of seats held by women in national parliaments(kabeer 2015).

Women's standing in society has major implications for its economic, social and political functioning. For example, the failure of social institutions to support women's autonomy, bargaining power in households and private returns of investments in girls, is linked with lower female education, higher fertility and higher child mortality rates. Klasen and Lamanna (2009) link higher gender gaps in education and employment to considerable reductions in economic growth in the Middle East, North Africa and South Asia.Women's location at the intersection between production and reproduction, between making a living and caring for the family, makes the organization of gender relations central to the nexus between economic growth and human development, and hence central to the development agenda (Kabeer 2015). Economic empowerment is one of three intertwined and essential components of empowerment – the other two being social and political empowerment, which often (but not always) go hand in hand with economic empowerment. Further, even when economic empowerment is considered as a key strategy in addressing gender inequality, the focus has been mostly on the individual women, with provision of loans, job quotas and government schemes. However, we know that by itself economic empowerment, especially of the individual woman, is not the sole solution to overcome traditional patriarchal gender norms and values.

Policies aimed at achieving gender equitable development outcomes need to take into account and promote ways to reduce gender inequalities in social institutions (Branisa, Klasen and Ziegler 2013). Empowering of women basically points to the significance of recognition of women gaining an identity associated with their work, one for which they come to be valued as workers in women's empowerment. Recognition also emerges as an important theme in the Pathways work theme project that brought together activists mobilizing women in the informal economy to reflect on what worked to strengthen women's collective agency (Kabeer, Sudarshan and Milward 2013).

Financial Management:

Financial management behavior is considered one of the key concepts on the financial discipline. Many definitions are given with regarding to this concept, for example, Horne and Wachowicz (2002) propose financial management behavior as the determination, acquisition, allocation, and utilization of financial resources, usually with an overall goal in mind while Weston and Brigham (1981) describe financial management behavior as an area of financial decision-making, harmonizing individual motives and enterprise goals. Joo (2008) indicates that effective financial management behavior should improve financial well-being positively and failure to manage personal finances can lead to serious long term, negative social and societal consequences. Thus, financial management is mainly concerned with the effective funds management. Failure in managing an individual's finance can lead serious long-term consequences not only for that person but also for enterprise, society (Ismail et al., 2011). Hence, personal financial management behavior has received an increasing concern of researchers in recent years. In the study by Deacon and Firebaugh (1988), personal financial management is defined as the set of behaviors performed regarding the planning, implementing, and evaluating involved in the areas of cash, credit, investments, insurance and retirement and estate planning. Xiao and Dew (2011) take into account the personal financial management with regard to cash flow, credit, saving and investing management. However, measuring many different domains of financial management behavior is important because each domain has a serious role (Xiao and Dew, 2011).

Financial literacy rates differ in important ways when it comes to characteristics such as gender, education level, income, and age. Worldwide, 35 percent of men are financially literate, compared with 30 percent of women. While women are less likely to provide correct answers to the financial literacy questions, they are also more likely to indicate that they "don't know" the answer, a finding consistently observed in other studies as well (Lusardi and Mitchell, 2014). The average gender gap in financial literacy in emerging economies is 5 percentage points, not different from the worldwide gap, though it is absent in China and South Africa (where financial literacy is equally low for women and men).Women's lack of financial literacy is found even among respondents with high levels of education (Mahdavi and Horton 2012) analyze the financial knowledge of alumnae from an elite female college in the United States. They report that financial literacy is low, even in this group of women. In other words, even very well-educated women who are likely to have well educated peers are not particularly financially literate, which could imply that women acquire financial literacy differently than do men or have different opportunities for learning than men. Married women exhibit lower levels of financial literacy than married men, a result that holds true across countries. However, gender differences are large even for respondents who have experienced a marital breakup (those who are divorced or widowed).18 Moreover, widows show very low levels of financial literacy across all countries. There is a gender gap in financial literacy even between single men and single women (Fonseca et al., 2012).

The ultimate goal of financial management is to maximize the financial wealth of the business owner(s) (McMahon, 1995). This general goal can be viewed in terms of more specific objectives: profitability and liquidity. Profitability management is concerned with maintaining or increasing a business's earnings through attention to cost control, pricing policy, sales volume, inventory management and capital expenditures. When the relationship between financial management practices and financial performance is analyzed, it should be noted that there are other factors which account for potential influences on the relationship. Although these other variables are not directly related to the relationship between financial management practices and performance, it is important to take them into account in order to isolate their effect on performance. These variables include firm size, degree of risk, capital intensity, and leverage and industry factors such as growth, firm advertising, market share, research and development. This study will hold these variables as control variables (Moore & Reichert, 1989).

The Standard of Living:

In the past, the notion of welfare was synonymous with material level of living (or wealth) and rates of economic growth as measured by GDP or GNP per capita. The idea of wealth as the primary goal of societal development was eventually broadened to include qualitative aspects of welfare development, and quality of life became the leading welfare paradigm and societal goal (Berger-Schmitt & Noll, 2000). Quality of life is "the most widely recognized and the most frequently used framework for analysing the welfare development of a society" (Berger 2002) states that: It is a multidimensional concept which encompasses both material and immaterial, objective conditions and subjective, individual and collective aspects of welfare . Quality of life is conceptualized mainly as individual welfare or welfare of households (Zapf, 2002). "Components of this individual welfare are not only good objective living conditions, but also subjective wellbeing" (Zapf, 2002).The living standard of a society can be measured by several indicators which include the quality of health. The analysis of health as human capital also offers a rich framework for linking health to education and other types of human capital (Becker, 2007). In the development literature, improved health appears as a key development outcome, but also as an instrument, with poor health contributing to capability deprivation (Sen, 1999), and good health enhancing positive liberties and welfare (Dasgupta, 1990). This means women assessing micro finance services are likely to have better health and health services. In the empirical growth literature of the 1990s, life expectancy or similar variables were typically included in growth regressions, motivated as a proxy for human capital. However, Temple (1999) observes that the "role [of these variables] is never justified by 3 a well-articulated theory." Moreover, life expectancy is likely endogenous and correlated with the error term in these regressions (as, for example, implied by the findings of Cutler, Deaton, and Lleras-Muney (2006)), and attempts to adopt instrumental-variable techniques to overcome the endogeneity problem have not been fully successful (Weil, 2010).

There are several significant factors associated with escaping poverty and improving the living standard of women in Trans Nzoia County, some of which are related to overall market development, others to public investment and other programs. The most notable correlate is income diversification, both on and off farm, which in practice are mainly additional crops being grown and/or informal business opportunities. In terms of changes in observed household variables, the changes in education and distances to markets and infrastructure matter, in particular distance to the closest fertilizer seller and the distance to piped water. Distance to the nearest fertilizer seller can be seen as a proxy for market access (Suri 2007), though it matters more for agricultural households.Education has been envisioned as the great equalizer, able to mitigate the effects of poverty on children by equipping them with the knowledge and skills they need to lead successful and productive lives. Unfortunately, this promise has been more myth than reality. Despite some periods of progress, (Barton & Coley, 2010). Yet today, income has surpassed race/ethnicity as the great divider. Income-related achievement gaps have continued to grow as the gap between the richest and poorest American families has surged. As researcher Sean Reardon of Stanford University explained recently in The New York Times: “We have moved from a society in the 1950s and 1960s, in which race was more consequential than family income, to one today in which family income appears more determinative of educational success than race” (Tavernise, 2012).

Chavan and Kumar (2002) examine the role of microcredit in reducing poverty in a number of developing economies, and compare their status with poverty reducing schemes in India. The study shows that microfinance schemes marginally improve the income of the borrowers. Ali and Alam (2010) conclude that microfinance is an important tool in order to increase the provision of loans, other basic facilities, and services. Microfinance affects positively people’s life, increases living standard such as health, education, food, and other social benefits; and alleviates the poverty. Their study also shows that high interest rates on microcredit are one of the problems faced by the microfinance sectors. But people still like microcredit because they have no access to the collateralized commercial loans. These poor people are very hardworking and very enthusiastic about business; that’s why they take the microcredit loans; and often repay their loans because of the success in business.

Income is one of the important elements of living standard of the poor people as well as saving. Mohammed and Mohammed (2007) The Microfinance Banks are to provide loans to the poor not only the increase their income but also to mobilize their savings CBN, (2005). Mohammad and Mohammed (2007) opined that Microfinance Bank interventions promote living condition of poor people by offering supportive service. These supportive services are important indicators of the human development. Mohindra et al (2005), cited in Mohammad and Mohammed (2007) said Microfinance Banks micro credit helps to empower in society, especially among the women clients. Traditionally, development initiatives are synonymous with raising people’s incomes, employment opportunities, consumption, building of assets and accumulating savings. Impact assessment studies look for indicators and variables that measure prosperity no terms of material and tangible assets that can be awarded numeric values such as increased income, greater employment ownership of physical assets (Ghalid 2009).

Microfinance Training:

The aim of most microfinance institutions was to lend credit to its clients, but with the changing times most of them are encouraging and training their clients to open a savings account and the benefits of doing so. Only 22 % of adults’ worldwide report having saved at a formal financial institution in the past 12 months, and 77 % of adults living on less than $2 a day report not having an account at a formal financial institution (Demirguc-Kunt and Klapper, 2012). The clients are also trained in various way they can grow their businesses, service multiple loans, various products that are available to them and how they can use these products to enhance their livelihood.Klinger and Schündeln (2007) use the results from a business-plan competition to measure the impact of a business-training program offered to mature 4 entrepreneurs in Central America. Out of a total sample of 655 entrepreneurs, 377 were accepted into the programme and received business training. To evaluate how the program participants would have performed in the absence of the programme, the authors utilise a control group consisting of 278 rejected applicants. In the absence of randomization and to avoid a bias from unobservable characteristics, the authors utilise a discontinuously estimation model where they control for the individual score assigned in the application process.

(Klinger & Schündeln 2007) find that participation in the business-training programme significantly increases the probability of establishing new enterprises and expansion of existing businesses. They do not find impacts from business training on business outcomes, such as sales and profits. Further, by restricting the sample to mature enterprises, they partly ignore the role of financial constraints in entrepreneurial activity: (Klinger& Schündeln 2007) find a positive relationship between age and the probability of launching a new business. One possible explanation is that younger entrepreneurs have relatively severe capital constraints compared to their older counterparts; another is that younger entrepreneurs have lower levels of business knowledge and skills, indicating that they in the absence of capital constraints would have benefited the most from business training.

(Karlan & Valdivia 2006) also conducted a study in Peru, where they implemented a business-training programme to micro entrepreneurs in two different cities, Lima and Ayacucho. Their study differs from the one by Klinger and Schündeln in several dimensions: Firs of all, Karlan and Valdivia examine the impact of providing business training to entrepreneurs with lower operation scale than in the case of Klinger and Schündeln. In addition, by restricting their sample to female microcredit clients, they investigate how injections of both human and financial capital affect the enterprise performance of a group with relatively severe financial and human capital constraints. Finally, the methodology differs in that Karlan and Valdivia conduct a randomised control trial to measure the average treatment effect of their programme.(Karlan &Valdivia 2006) find that microfinance clients subject to their training programme are more likely to maintain a clean repayment record compared to untreated clients. They argue that this results from the improved business outcome, which on average is 16 percent higher for treated clients in terms of sales. The results are however not robust to other outcome variables, such as profit margins and change in labour. Nor are there significant changes in loan size and cumulative savings due to training.

(Giné & Mansuri 2011) find no improvements in business sales and profits when microfinance clients obtain access to more credit. Business training leads to an increase in business knowledge, improvements in business practices, operations and sales, as well as income and assets for male microfinance clients. In their study business failure is lower for males who receive business training. Although business knowledge of women increases either, women do not put their knowledge into practice. As a result, training does not increase income and assets of female microfinance clients. Thus, (Giné and Mansuri 2011) show that the impact of business training is gender dependent. According to (De Mel et al2014), business training improves business practices of (potential) female entrepreneurs, but the improvement does not result in more business profits, sales or capital stock. In addition, they show that training for women in combination with a cash grant improves short-term profitability, but profitability returns to pre-training levels after two years.Most studies including males and females conclude that the effect of training on women is less pronounced than the effect on men. However, studies focusing on female entrepreneurs do find positive effects of training on business outcomes (Calderon, Cunha and de Giorgi, 2012; Field, Jayachandran and Pande, 2010; Valdivia, 2013). According to Calderon et al. (2012) business training increases profits, revenues and the amount of clients served due to improvements in business knowledge and practices, i.e., formal accounting techniques and tax payments. Valdivia (2013) concludes that women with general business training are more likely to stop losing business activities. Women receiving personal assistance plan and execute more innovations, which result in a more than eighteen percent increase in sales.

Poverty reduction:

The problem of poverty is more deep-rooted with several interlocked characteristics in developing countries. Poverty alleviation has remained a very complex and critical concern among third world countries for a long time. It has been at the top of the agenda for policy makers and development workers. Thus, a large number of governmental and non-governmental organizations and international funding agencies all over the world have been engaged in attacking poverty using several strategies and instruments (Rao and Bavaiah, 2005). The approach to reduce poverty has evolved over the past 50 years in response to understanding of the complexity of development. In the 1950's and 1960's, many scholars considered large investments in physical capital and infrastructure as the primary means of development. In the 1970"s the shift of emphasis grew that physical capital was not enough for development but also health and education were important, not only in their own right but also to promote growth in the incomes of poor people. In 1980's another shift of emphasis was developed on improving economic management and allowing greater role for market forces, promoting labor-intensive growth through economic openness and investment in infrastructure, and providing basic services to poor people in health and education. In 1990's the paradigm shift moved towards improving governance and institutions to address poverty with consisting of three ways to attack poverty, promoting opportunity, facilitating empowerment and enhancing security (WB, 2001).

The multidimensional nature of poverty leads to greater complexity in poverty reduction. Thus, there is no universal blue print instrument in poverty reduction. Developing countries need to prepare their own policies to reduce poverty on the basis of national priorities and local realties. Their choice may depend on the economic, political, social, structural and cultural context of the countries. But action at national and local levels may not be enough for rapid poverty reduction. International cooperation is required to ensure gains to poor countries and to poor people within developing world through debt relief, material as well as technical assistance, loan and providing market opportunities (UNDP, 2009).

Critiques of the existing literature:

While men are given much freedom and get to exercise their power and privilege, women are traditionally isolated to reproductive roles within the household and community and thus restricted from such opportunities (Elias, 2010).It has become widely accepted that promoting gender equality and women's empowerment (GEWE) is essential to achieving sustainable human development, poverty eradication, and economic growth on the African continent. Despite many international agreements 1 set to promote GEWE, women still lag behind men in education, employment, politics, health, and access to public services (UNFPA2014).

Empowering women is not a one-stop solution.

There is a long list of reasons why women are marginalized and lack the leadership skills to make positive social change. Addressing one area, such as the economic sphere or a lack of education, is a step forward for gender equality, but without a holistic approach to gender, women will still be held back. Education builds strong societies, is a "widely accepted humanitarian obligation" and an internationally mandated human right (Cohen, Bloom, & Malin, 2006). Receiving a quality education is more than a human rights issue; an uneducated population has a direct effect on the labor market and country's ability to shift from an agrarian to industrial economy. However, a stagnant labor market, particularly for women, directly impacts a child and family's choice to enroll and/or remain in school. Similarly, people lacking in literacy and numeracy skills face a higher risk of poverty, poor employment options, and poor health. Poverty and ill health, in turn, contribute to social and economic inequality and marginalization in education (UNESCO, 2010).

In the development discourse, the theoretical conceptualization of empowerment has been strongly informed by the popular education philosophy of Brazilian educator Paulo Freire and the feminist movement (Luttrell et al., 2009). The popular education methodology looks to bring about more equitable social, political and economic relations by creating an environment in which people who historically lacked power can acquire and expand their knowledge to remove social inequalities. During and beyond Freire's lifetime, popular education has been associated with numerous revolutionary movements in influencing adult literacy, health education and a means of raising consciousness and organizing people to reclaim their rights (Wiggins, 2011).

The effectiveness of micro finance in reducing poverty is increasingly being questioned with growing advocacy for evidence of positive impact. Not surprisingly Mehdi and Schwank (2011) observed "the honeymoon with micro finance is over". They also stated: "time to reassess the limits and strengths of small-scale lending has come". Even whilst a number of researches have proven that micro finance programmes have little to no impact on poverty reduction (Harper & Arora, 2005), expectation still persists that, a well-designed micro finance programme can substantially change the lives of the poor at the individual, household, enterprise and community levels and help raise the poor out of poverty (Vanroose & D'espallier, 2009).

Although micro finance has been acclaimed to reduce poverty and vulnerability to it in some regions of the world, it is estimated that there are still three billion people in the world currently who do not have access to any form of financial services (Helmes, 2006). It is also estimated that there are six hundred and ninety million people in Asia, fifty million people in Bangladesh, ninety million in China, three hundred million people in India, ninety million in Indonesia, fifty two million in Pakistan, twenty seven million in the Philippines and many others in Africa of poor people who do not have access to any form of financial services (Latifee, 2000). Perhaps the harshest criticism of the value of microcredit found in the literature whilst undertaking our study comes from Bateman and Chang (2009) who wrote in their work titled the micro finance illusion: "In both developing and transition economies, micro finance has increasingly been positioned as one of the most important poverty reduction and local economic and social development policies. Its appeal is based on the widespread assumption that simply 'reaching the poor' with microcredit will automatically establish a sustainable economic and social development trajectory animated by the poor themselves.

Poverty has a multidimensional nature that consist of vulnerability, powerlessness and social exclusion in addition to the matter of not having enough on the tables to eat (Chowdhury, 2001). Poverty is the state of being very poor (Ogundele et al., 2012). However, the incidence of poverty in the third world is higher among women than among men (Nkpoyen & Bassey, 2012). Thus, women have consistently lost out in the development process in these countries. 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

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funds than male entrepreneurs. In this case it is difficult for female owned enterprises to take advantage of external finance opportunities. The insufficient internally generated liquidity is therefore one of the factors which are frequently cited as the causes of women's micro and small business failure in developing countries (Chijoriga and Cassimon, 1999).

The aim of microfinance according to Otero (1999) is not just about providing capital to the poor to combat poverty on an individual level, it also has a role at an institutional level. It seeks to create institutions that deliver financial services to the poor, who are continuously ignored by the formal banking sector. Littlefield and Rosenberg (2004) state that, the poor are generally excluded from the financial services sector of the, economy so MFIs have emerged to address this market failure. By addressing this gap in the market in a financially sustainable manner, an MFI can become part of the formal financial system of a country and so can access capital markets to fund their lending portfolios, allowing them to dramatically increase the number of poor people they can reach (Otero, 1999)

Summary:

Micro finance organizations provide financial services to their clients such as savings and credit services to finance the informal sector in developing countries. They provide access to capital on smaller scale and enable poor people to engage in productive economic activities and thus contribute to the development in low income population strata. Micro finance organizations also provide social intermediation services such as formation of groups, development of self confidence and the training of members in that group on financial literacy and management.

Microfinance services have made it possible for women to start small and medium enterprises. Micro insurance too has enabled women to afford business related insurance payments as well as health micro insurance. Nilsson, (2010) concluded that microfinance is an important asset to developing countries since it is able to cater for the financial needs of the very poor. From the above literature review, it was evident no research had been conducted on the effects of microfinance services on poverty reduction among women. This study intended to fill this gap and investigate on the effects of microfinance services on poverty reduction among women in Trans Nzoia County.

Research Gaps:

There is evidence from the review of both the theoretical and the analytical literature that research gaps exist. There are various studies which confirm that microfinance programme has a significant positive impact in increasing employment and reducing poverty among women. However poverty is still a very big problem that is affecting many nations in the world and the majority of the people affected are women. Further studies can also examine factors limiting women entrepreneurs' access to micro-credit. More so, a replication of this study in other counties in Kenya is advocated so as to validate and generalize the results obtained.

3. RESEARCH METHODOLOGY

Introduction:

This chapter presents the methodology that was used for the study. It describes the appropriate research method that was employed. The chapter contains the research design adapted, the study location, the target population, research instruments, data collection procedures, pilot study and data analysis methods.

Research Design:

Burns and Grove (2003) define a research design as "a blueprint for conducting a study with maximum control over factors that may interfere with the validity of the findings. The study employed a descriptive research design. This method aims at casting light on current issues or problems through a process of data collection that enables them to describe the situation more completely than was possible without employing this method, hence find it the most appropriate method to use. Descriptive research designs are used when the objectives are descriptive of facts of a given sample of the population or area of interest is factual and accurate (Kothari, 2007).

Target Population:

Population refers to the set of people or entities to which findings are to be generalized (Crooks, 2003). In analyzing the influences of microfinance on poverty reduction among women, focus was given to women who have access to and are using microfinance services in Trans Nzoia County. This population is given priority due to the need of getting empirical evidence. The study targeted customers who visit microfinance institution in Trans Nzoia County who are estimated to be 215.

ISSN 2349-7807

International Journal of Recent Research in Commerce Economics and Management (IJRRCEM)
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Sampling Techniques and Sample Size:

The study employed stratified sampling design to put the population into different categories. Then the study adopted convenience sampling to select customers. Simple random was employed to select 4 credit officers from the bank. Convenience sampling was employed to select 100 customers since the customers arrive at the bank at different times i.e. their arrival for services is irregular

Table 3.1: Target Population

Category	**Target population**	**Sample size**
Customers	200	100
Credit officers	15	4
Totals	**215**	**104**

Data Collection Instruments:

In order to acquire the best results, the researcher used the way of triangulation. A **c**ombination of both qualitative as well as quantitative method was employed in this research. The researcher believed that using these two methods simultaneously would enable her to tackle the research problem under study. According to Tashakkori and Teddlier (1998) (cited in Degefa, 2005), the use of multiple methods can abandon some of the drawback of certain methods; since both qualitative and quantitative methods have their own innate weakness. Mixing different methods can strengthen a study; it will be a great advantage when the findings of one are corroborated by the other (Creswell et al. 2003). Complex social phenomena are best understood through different methods; some phenomena have multi-dimensions and have linkage with a range of variables, the understanding of which should be based on a mix of divers method (Degefa 2005). This shows that the blending of the two techniques is more effective data collecting method than independent.

Data Collection Procedure:

A letter of introduction to carry out research was obtained from JKUAT. A questionnaire was emailed to microfinance managers. The researcher constantly followed up by sending emails to ensure the questionnaires were filled and returned back. For the interviews, the researcher booked an appointment with 4 field officers for the various micro finance institutions. There was total of 4 interviews conducted. All the interviews were conducted during the monthly meetings, attended by all group members in the presence of the field officer. The researcher personally interviewed the respondents. The interviews were guided by a list of questions to be explored and the researcher neither used the exact wording nor order of question for the four interviews. The interview pattern depended on the flow of the responses however the researcher asked all the questions in the interview guide.

Pilot Test:

For credibility of research, Patton (2002) states that validity and reliability are two factors that a researcher must consider while designing a study, analyzing results and judging the quality of the study. Reliability is defined as the extent to which results are consistent over time; it looks at possibilities of reproducing the study results when conducted under a similar methodology (Sekaran, 2003). Validity on the other hand has been defined by Creswell (2014) as the ability of the researcher to draw meaningful and justifiable inferences from scores about the sample or population. For reliability of the study, a pilot test was conducted where 20 questionnaires were piloted. The pilot study was conducted in Trans Nzoia County, there were various micro finance such as Kenya Women Micro Finance Bank, Faulu Bank and Primear microfinance, but the researcher focused on KWFT since it serves only women. The researcher visited these micro finances and pre test the questionnaire. The pretested questionnaires were then to be subjected to a reliability analysis where the researcher tested all the items of the questionnaire dividing them per the four objectives of the study, with the aid of Cronbach Alpha test, resulting in high reliability coefficients.

Reliability:

(Joppe 2000) defines reliability as the extent to which results are consistent over time and an accurate representation of the total population under study is referred to as reliability and if the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable. The test-retest technique was used. Charles (1995)

ISSN 2349-7807
International Journal of Recent Research in Commerce Economics and Management (IJRRCEM)
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adheres to the notions that consistency with which questionnaire [test] items are answered or individual's scores remain relatively the same can be determined through test-retest method at two different times. This attribute of the instrument is actually referred to as stability. To test the reliability of the research instruments the test involves administering the same instrument twice to the same group of subjects with time interval of one to two weeks. The research obtained will assists the researcher in revising the questionnaire to make sure that it covers the objectives of the study, therefore the researcher proceeded to conduct a regression analysis in order to find out the direction and extend of the relationship.

The cronbach alfa test was used .Coefficient alpha is an estimate of reliability, or more precisely, an estimate of internal consistency, but perhaps it is best explained as an index of internal consistency of the scale. Consistency here means inter-relatedness among the items of the test (Cortina, 1993) or in other words, whether the items are consistent between themselves to a sufficient degree for them to be combined with one another. A common reference for the acceptability level is Nunnally and Bernstein's (1994) postulated value of .70 mentioned as a low acceptability value for "exploratory purposes". To put it simply, in terms of variance, this means that 70 % of the variance in the scores is reliable and 30 % of variance in the scores belongs to error variance. The value of coefficient alpha usually ranges from 0 to 1, but the value could also be negative when the covariance of the items is very low.

Validity:

Validity determines whether the research truly measures that which it was intended to measure or how truthful the research results are. In other words, does the research instrument allow you to hit "the bull's eye" of your research object? Researchers generally determine validity by asking a series of questions, and will often look for the answers in the research of others (Joppe 2000). The study applied content validity as a measure of the degree to which data obtained from the research instruments meaningfully and accurately reflect or represent a theoretical concept. For research instrument to be considered valid and included in questionnaire must be relevant to the variable being investigated. During this study each participant privacy and anonymity was guaranteed. All data collection was treated as confidential and all personal information was coded. According to Mugenda O.M Mugenda A.G (1999), researchers have the ethical obligation to inform research participants that they are requested to participate.

Data Analysis:

The study applied qualitative and quantitative data analysis techniques to analyze data. This ensured that the data is analyzed in a systematic way in order to come to some useful conclusions and recommendations. . Quantitative data is analyzed by using frequencies, percentage (by using tables, graphs and chart) and regression analysis with the help of Strata Software. Qualitative data is analyzed by using document analysis, case stories and synthesis of FGD and interview result.

4. RESEARCH FINDINGS AND DISCUSSIONS

Introduction:

This chapter presents the findings of the data collected to analyze the influences of micro finance on poverty reduction among women in Trans Nzoia County. The study used questionnaire to interview the respondents. Frequency tables are used to present the results. Data was first organized, reduced, tabulated and further analyzed using various statistical tools to find answers to the research questions. The statistical software used is the statistical package for social sciences (SPSS 17). A discussion of the findings was also been done after the analysis.

Response Rate:

The targeted population of the study was 100 respondents but only 90 who filled in the questionnaire. This means the response rate was 90 percent. According to Best & Khan (2007) a response rate of 50percent is considered adequate, 60percent good and above 70percent very good. Therefore, in view of this, the response rate was considered very good and exceeded the threshold as postulated by Best and Khan (2007). On the basis of this, data was analyzed and presented in the following sections.

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Results of the Pilot Study:

A pilot study was conducted to 20 women in Trans Nzoia County running micro finance. The pilot study aimed at ensuring reliability through pretesting and subsequently predetermining whether the instruments could provide reliable data during the main study, as well as check clarity of the instruments to the respondents. Mugenda&Mugenda (2003) stipulates that reliability is the degree to which a research tool produces stable and consistent results. During the pilot study the number of respondents was 20 which was about 10percent of the main population (Connelly, 2008).

The test-rest approach of proofing reliability was applied in which the instruments' consistency was examined by comparing responses and calculating Cronbach Alpha after the administration of questionnaires done to the respondents. The study attained a reliability test (Cronbach Alpha) value of 0.73 and above. This was above the threshold of 0.70 and thus was considered acceptable. An alpha coefficient higher than 0.75 indicates that the gathered data have a relatively high internal consistency and could be generalized to reflect opinions of all respondents in the target population (Joppe, 2000). Data reliability played an important role towards generalization of the gathered data to reflect the true characteristics of the study problem (Zinbarg, 2005). The result are presented in the following table 4.1.

Table 4.1: Reliability Analysis

Reliability Statistics	**Cronbach's Alpha Value**
Women empowerment	0.76
Training	0.780
Financial management	0.80
Standard of living	0.73

Background Information of Respondents:

Age:

The respondent age in years was sought by the first item. Table 4.2 below summarizes this information indicating a majority (40 percent) of respondents were aged between 18-35 years old. The group was followed by those in age group (36-45) representing 31.3%, 46-60 years (24.3%), 4.4% and 61 and above being the lowest. The result showed that the majority of the respondents were between the age of 18-35 years of age.

Table 4.2: Age of the Respondent

Age	**Frequency**	**Percent**	**Cumulative Percent**
60 or over years	4	4.4	4.4
46-60 years	17	24.3	29.1
36-45years	29	31.3	60.4
18-35 years	40	40	96.2
Total	**90**	**100**	

Gender:

On the question of how the respondents were distributed in terms of gender, the table 4.3 below shows that 67.6% of the 90 respondents were female while 32.4% male representing. The distribution of respondents by gender was slightly skewed in favour of female members of the Microfinance in Trans Nzoia County.

Table 4.3: Respondents Gender

Gender	Frequency	Percent	Cumulative percent
Male	30	32.4	32.4
Female	60	67.6	67.6
Total	**90**	**100**	**100**

ISSN 2349-7807
International Journal of Recent Research in Commerce Economics and Management (IJRRCEM)
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Respondents academic qualification:

The study sought to find out the respondents academic qualifications and the findings are presented in Table 4:4

Table 4.4: Respondent academic qualifications

Academic qualification	Frequency	Percentage
Certificate	3	4.28
Diploma	57	81.43
Degree	10	14.29
Total	70	100

The study established that majority 81.43percent of respondents had diploma level of education. In addition 14.29percent had degree level while 4.28percent had certificate level of education. This implies that majority of the respondents were well educated and thus the responses obtained were from a knowledgeable point of view which contributed to consideration that the findings were reliable. The results are also shown in figure below.

Marital status:

The study sought to establish the length of time the respondents had worked in the SACCO. The results obtained are presented in the Table 4:5.

Table 4.5: Years that respondent have worked in the organization

Years worked	Frequency	Percentage
Less than 4 years	33	47.15
5-10 years	13	18.57
11-14 years	11	15.71
Above 14 years	13	18.57
Total	70	100

The study revealed that majority 52.85percent of the respondent had more than 4 years working in the organization. This means that the information given by the respondents was based on experience and thus could be counted on as reliable. It also suggests a relatively stable workforce with low labour turnover rate.

Analysis of the specific objectives:

Effects of Women Empowerment on Poverty Reduction among Women in *Trans Nzoia County.*

The first objective of the study aimed at effects of women empowerment on poverty reduction among women in Trans Nzoia County. The objective was assessed by use of statements in the questionnaire in which the respondents were required to state their position on the basis of a likert scale that was provided. The findings showed that majority 44.3 percent of the respondents agreed while 35.7percent strongly agreed that the there is provision of women training by the microfinance institutions which is geared towards preventing poverty among women in Trans Nzoia county. 18.6percent were neutral and 1.4percent disagreed that there is provision of women training by the microfinance institutions which is geared towards preventing poverty among women in Trans Nzoia County. This means that in majority 80percent of respondents agreed that there is provision of women training by the microfinance institutions which is geared towards preventing poverty among women in Trans Nzoia County.

The findings obtained data on whether there is provision of financial security through insurance to in risk taking on loans. The results of data analysis results shows that majority 41.4percent of respondents agreed while 35.7percent strongly agreed that there is provision of financial security through insurance to in risk taking, totaling 77.1percent. But 5.7percent were neutral, 11.4percent disagreed while 5.8percent strongly disagreed. This implies that majority of there is provision of financial security through insurance to in risk taking on loans. The results of the study also showed that majority 45.75percent of the respondents agreed while 31.5percent strongly agreed that there is provision of loans accessibility. But 5.7percent were neutral, 7.2percent disagreed and 10percent strongly disagreed. This shows that majority

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77.1percentagreed that there is provision of loans accessibility.The findings further showed majority 47.1percent of respondents agreed while 11.4percent strongly agreed that microfinance institutions help significantly in reducing the level of poverty among women. While 7.2 percent were neutral, 28.6percent disagreed and 5.7percent strongly disagreed. This shows that majority 58.5percent agreed that microfinance institutions help significantly in reducing the level of poverty among women.

Alam (2010) conclude that microfinance is an important tool in order to increase the provision of loans, other basic facilities, and services. Microfinance affects positively people's life, increases living standard such as health, education, food, and other social benefits; and alleviates the poverty. Their study also shows that high interest rates on microcredit are one of the problems faced by the microfinance sectors. But people still like microcredit because they have no access to the collateralized commercial loans. These poor people are very hardworking and very enthusiastic about business; that's why they take the microcredit loans; and often repay their loans because of the success in business.

Inferential Statistics:

The researcher did inferential statistics on the quantitative data. The statistics done included correlation, regression and ANOVA. The results are presented in the section below.

Influence of Women Empowerment on Poverty Reduction:

Correlation:

The study analyzed data on the influence of training to obtain the Pearson correlation and presented the results in Table 4:6

Table 4.6: Pearson Correlation of Influence of women empowerment on poverty reduction

Variable	**Test**	poverty reduction
women empowerment	Pearson Correlation	.653**
	Sig. (2-tailed)	.000
	N	90
**. Correlation is significant at the 0.01 level (2-tailed).		

The study shows that Women empowerment has positive relationship on poverty reduction. The r value is 0.653 which is relative strong at 2 tailed significance of 0.000 which is below 0.01 significant level.

Regression:
The study did regression on quantitative data between Women empowerment And Poverty reduction and presented the findings in the Table 4:7.

Table 4.7: Coefficients Determination of Influence of Women Empowerment and Poverty Reduction

Model 1	**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
	B	Std. Error	Beta		
(Constant)	1.918	.182		10.525	.000
Influence of women empowerment	.307	.353	.307	.869	.388
a. Dependent Variable: poverty reduction					

Table 4:7 provides the information needed to poverty reduction from influence of women empowerment. Both the constant and women empowerment contribute significantly to the model. The regression equation is presented as follows; poverty reduction = 1.918 +0.307 (Influence of women empowerment).

Model Summary:

The model summary of the relationship of women empowerment against poverty reduction is presented in Table 4:8.

Table 4.8: Model Summary of women empowerment against poverty reduction

Model 1	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.360[a]	.129	.076	.483
	a. Predictors: (Constant), women empowerment			

Table 4:8 provides the R and R2 value. The R value is 0.36, which represents the simple correlation. It indicates an average degree of correlation. The R2 value indicates how much of the dependent variable, "poverty reduction", can be explained by the independent variable, "women empowerment". In this case, 12.9 percent can be explained, which is relatively significant.

Influence of Training on Poverty Reduction:

Correlation:

The study analyzed data on the influence of training on poverty reduction and obtained the Pearson correlation and presented the results in Table 4:9 below.

Table 4.9: Pearson Correlation of Training against Poverty Reduction

Variable	Test	Poverty reduction
Influence of training	Pearson Correlation	.691**
	Sig. (2-tailed)	.000
	N	90
**. Correlation is significant at the 0.01 level (2-tailed).		

Table 4:9 shows that Training has positive relationship on poverty reduction. The r value is 0.691 which is relatively strong at 2 tailed significance of 0.000 which is below 0.01 level of significance.

Table 4.10: Coefficients Determination of Influence of Training on Poverty Reduction

Model 1	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.980	.182		10.856	.000
Training	.097	.067	.278	1.462	.148
a. Dependent Variable: poverty reduction					

Table 4:10 provides the information needed to predict poverty reduction from influence of training. Both the constant and training contributes significantly to the model. The regression equation is presented as follows; poverty reduction = 1.90+0.097 (Training)

5. SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Introductions:

This chapter dealt with the summary, conclusions and recommendations of the study. A summary of the findings, conclusions, recommendations and suggested areas for further research were also contained in this chapter.

Summary:

The first objective of the study aimed at effects of women empowerment on poverty reduction among women in Trans Nzoia County, where majority 80percent of respondents agreed that there is provision of women training by the microfinance institutions which is geared towards preventing poverty among women in Trans Nzoia County. The findings obtained data on whether there is provision of financial security through insurance to in risk taking on loans and majority of the population agreed there is provision of financial security through insurance to in risk taking on loans. The results of the study also showed that majority 45.75percent of the respondents agreed while 31.5percent strongly agreed that there is provision of loans accessibility. The findings further showed majority 77.1percent agreed that there is provision of loans accessibility and also majority 58.5percent agreed that microfinance institutions help significantly in reducing the level of poverty among women

Conclusion:

There exists a positive relationship between microfinance provision and poverty reduction among women and improved the socioeconomic status of the women in Trans Nzoia County. MFIs like KWFT are the most preferred source of capital for small scale women entrepreneurs in Trans Nzoia County compared to other financial institutions. Microfinance institutions therefore play a key role in providing loans for starting business particularly to the poor people through market based enterprises. KWFT has managed to sensitize people in this Trans Nzoia County to take these loans in order to set up businesses. KWFT customers acknowledge the importance of entrepreneurial training and empowerment programs for better performance. It is therefore safe to conclude that women empowerment, training, the living standard and financial management have a significant influence on poverty reduction in Trans Nzoia county.

Recommendation:

The study recommends that clear financial management strategies should be set aside to address key critical financial difficulties facing women particularly developing good financial management technique to provide adequate responses to challenges and problems by focusing on women business processes to minimize claims and enable women growth and women empowerment.

Micro finance should in addition have clear framework to advice women on how financial management decisions are made and the procedure to be followed to make sure the right decisions are made to meet the benefit of the customers and maintain their visibility. This will enable to minimize any conflict of interest which might ruin their image and reputation.

Women should focus on planning issues to improve their effectiveness and efficiency. Operating activities which involves receivables, payments and savings should be well management to ensure efficiency and effectiveness to maintain steady cash flows to finance groups operating long term projects and goals.

The study further recommends that MFIs operating within Transnzoia County to be empowered through provision of finances which can be advanced to the locals as loan to facilitate rapid economic growth. Again the MFIs should undertake regular trainings especially on financial management courses so that the customers can learn the best financial management skills and thus improve their business which will lead to higher income thus alleviation of poverty

Areas for Further Research:

For this kind of research, more time need to be spent to be able to collect individual data and analyze it to provide more variables which influence micro financing on poverty reduction among women. In addition, a comparative study is suggested to be carried out with microfinance from other counties.

A case study can be conducted based on one of the largest county. Upon undertaking a case study, the researcher should evaluate the results to test whether there is consistency and uniformity from the past researches and this research as well. Finally the researcher should either replicate the results achieved regarding the influences of micro finance on poverty reduction among women in Kenya.

This study also suggest that further study especially a comparative study can be conducted by comparing the factors affecting participation of women in micro finance groups from different counties and provide suggestion for the same and more advanced multiple analysis model employed to show the exact relationship and differences on the empowerment.

ACKNOWLEDGEMENT

I would like to give my full acknowledgement to the Almighty God who gave me the breathe, strength, time and ability to write this project. I also thank my family members who provided finance that I used in photocopying, binding and typing this project.

Lastly, I acknowledge the effort of my supervisors Dr.Elizabeth Nambuswa(PhD) and Prof. Gregory Namusonge(PhD) for her full support towards my study providing me with full guidance towards writing this research project whom with this work would not be successful. May God bless her abundantly.

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ISSN 2349-7807

International Journal of Recent Research in Commerce Economics and Management (IJRRCEM)
Vol. 4, Issue 4, pp: (342-363), Month: October - December 2017, Available at: www.paperpublications.org

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