

Contribution of Microfinance Credit on Poverty Reduction among the Agricultural Rural Women in Keiyo North District, Elgeyo-Marakwet County, Kenya

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Abstract

Microfinance institutions provide small loans to rural women to improve their living standards. The main purpose of microfinance credit programme is to break the vicious cycle of poverty among the rural women by providing them with capital. Poverty is a global problem; more than 1.3 billion people worldwide live below the poverty line, 70% of them being women. In Keiyo North district, 48% of the population lives below the poverty line with women constituting 65% of those living below the poverty line. However, less rural women in Keiyo North district participate in the microfinance credit programme despite the fact that Kenya Women Finance Trust (KWFT) operates in all the 13 sub-locations in the district. This study sought to investigate the contribution of microfinance credit on poverty reduction among the rural women in Keiyo North district. The study used a descriptive survey design to collect data. The target population was 220 of the rural women participating in groups in microfinance credit programme from which a sample of 130 rural women was drawn. An open and close-ended questionnaire was used. A pilot study was conducted among the 30 KWFT rural women participants and a Cronbach's Alpha coefficient reliability of 0.71 was attained. The validity of the instrument was ascertained by experts from Agricultural Education and Extension in the Faculty of Education and Community studies and supervisors of Egerton University. Data was analyzed using chi-square $\alpha=0.05$ significance level. Results indicated that microfinance credit programme has improved household level of income and acquisition of assets among the rural women in Keiyo North district. In addition, the rural women can also afford health care services for their families as a result of participating in microfinance credit programme. The study recommends that microfinance institutions (MFIs) should encourage more rural women to participate in microfinance credit programme to increase their levels of income and raise their household assets ownership. The county government should sensitize more rural women on the need to join the microfinance credit programme in order to boost their ability to afford health care services for their families.

Keywords: Microfinance credit, poverty, Income, Asset acquisition, Health care, Agricultural rural women.

Introduction

Microfinance credit programme provides small loans to poor people for them to improve their living standards. It is not charity, but investment. The main purpose of microfinance credit is to break the vicious circle of low income, low investment and low profit by inserting capital from outside into the economic life of poor people (Yunus, 2010). According to Adam (2007) "money, says the proverb, makes money. When you have got a little, it is often easy to get more and the great difficulty is to get the little". Microfinance credit programme provide "the little" money where there is total absence of capital or profit, where living is based on subsistence only (Microcredit Summit, 2005).

Poverty is a global issue. Despite changes in development paradigms in the last few years, the promise to bring wellbeing to all people remained unfulfilled (World Bank, 2008). As it stands, about 29000 children die each day from largely preventable malnutrition and disease and more than 1.3 billion people in the world are struggling to survive at the margin of human existence "on under a dollar a day" (World Bank, 2008). Moreover, 70% of the 1.3 billion living on less than a dollar day are women (UNECA, 2010). In Kenya, 46% of the country's population of 40 million lives below the poverty line (Odieki, 2011). Keiyo North District with a population of 73,715 people, 48% of the people live below the poverty line, 65% of the poor are the rural women (Keiyo North District Strategic Plan, 2010).

Women, especially, rural women suffer not only from abject poverty but also from socio-economic inequality in the society (Grameen Bank, 2009). They are the most deprived section of the society and majority of them are extremely poor, moreover, providing women with access to credit can turn around an entire economy because of two reasons. First, there is significant evidence that when a woman's business succeeds and she makes a profit, it all goes to her family, secondly, studies show that children are better educated and cared for when women contribute income to the family (Grasmuck & Espinal, 2000). In this situation microfinance credit programme has emerged as an important financial instrument to reduce poverty among the rural women (Ahsan, 2005). This emergence was re-enforced in October 2005 by the United Nations, when they declared 2005 as the international year of microcredit. The United Nations, during the microcredit summit of 2005, also recognized microfinance credit as a tool for achieving the Millennium Development Goals (MDGs) (Microcredit Summit,

2005).

Kenya has the second best business environment for microfinance institutions in all of Africa and is one of the top ten in the world (EIU, 2010). It is also the second largest borrower base in the continent with over 100 organizations, including about 50 Non-governmental organizations (NGOs) engaging in some form of microfinance business in Kenya. The major players in the sector include Faulu Kenya, Kenya Women Finance Trust (KWFT), Kenya Agency to Development of Enterprise and Technology (KADET), (MIX & CGAP, 2010)

Objectives of the Study

The objectives of the study were to investigate:

- i. The contribution of microfinance credit on household income among the rural women in Keiyo North District.
- ii. The contribution of microfinance credit on acquisition of assets among the rural women in Keiyo North District.
- iii. The contribution of microfinance credit on affordability of health care among the rural women in Keiyo North District.

Hypotheses

The following hypotheses were derived from objectives ii, iii, iv and v respectively.

Ho1: There is no statistically significant contribution of microfinance credit on household income among the rural women in Keiyo North District.

Ho2: There is no statistically significant contribution of microfinance credit on acquisition of assets among the rural women in Keiyo North District.

Ho3: There is no statistically significant contribution of microfinance credit on affordability of health care among the rural women in Keiyo North District.

Methodology

This study used a descriptive survey design. The design was chosen because it looks at phenomena, events and issues the way things are (Mugenda and Mugenda, 2003). The study covered Keiyo North District because of the presence of Kenya Women Finance Trust (KWFT) in every location within the district. The study examined the rural women participating in KWFT within the district. Geographically, Keiyo North district is bordered by Marakwet East District to the North, Uasin Gishu district to the West, Baringo north district to the East, and Keiyo South District to the South-East. It occupies an area of 557.40 Km² with a Population densities range from 54 to 179 people per Sq. Km. The district has a population growth rate of 2.8% per year, far above the national growth rate of 2.4% per year with 48% of the population living in poverty (Revenue allocation commission, 2011). The age structure exhibits a youthful population. About 58% of the population is aged below 20 years while about 75% are aged below 30 years (Keiyo North, Districts Statistics Plan, 2010). The study targeted rural women participating in KWFT microfinance credit programme in groups. The rural women had been in the programme for over one year. The District has a population of approximately 20,700 rural women. The number of rural women participating in KWFT microfinance credit programme is 220 in 17 groups (KWFT, 2011).

A list of all the rural women participating in microfinance credit programme was obtained from KWFT offices in Keiyo North District. In total there were 220 rural women participating in the microfinance credit programme, this constituted the sampling frame. A sample size of 130 rural women was arrived at using the table for determining sample size (Krejcie & Morgan, 1970). Simple random sampling was used to obtain participants from each group to arrive at 130 sample population. The 130 rural women were appropriate for the study because the minimum recommended sample size in a survey is 100 (Borg & Gall, 1983). The extra 30 rural women were used to compensate for attrition or respondents refusal to participate.

Data from the rural women in Keiyo North district was collected using a self-administered structured questionnaire. Questionnaires are commonly used to obtain important information about a population (Mugenda & Mugenda, 2003). A structured questionnaire was developed by the researcher, containing both open and close ended items for rural women. The items were related to the objectives of the study. The questionnaire contained information on the personal characteristics of the rural women and indicators measuring poverty reduction. The responses from the questionnaire were analyzed to show the contribution of microfinance credit on affordability of education of the children of the rural women. The data collected were both quantitative and qualitative; however descriptive statistics were used to analyze the data with the help of Statistical Package for Social Science (SPSS) programme. The specific descriptive statistics used to present data were frequencies and percentages, where the data were compiled first in frequencies, and then converted into percentages. This information was presented into tabular form where appropriate in order to facilitate interpretation. Inferences were made from the tabulated data and were used as a basis for establishing the contribution of microfinance credit on affordability of education of the children of the rural women.

Results and Discussion

Profile of the Respondents

The respondents were asked to provide information about their personal characteristics which included age, marital status, level of education and when they joined the microfinance institution and the findings were as follows.

Respondents' Marital Status

Majority of the rural women (73.8%) were married, 10.8% were widowed, 10% were single and 5.4% were either divorced or separated as indicated in Table 2.

Table 2

Marital Status of the Respondents

Marital status	Frequency	Percentage
Single	13	10
Married	96	73.8
Widowed	14	10.8
Divorced or separated	7	5.4
Total	130	100

The results suggest that the married rural women had many obligations to fulfill such as educating their children, providing healthcare for their family members. This makes it necessary for them to engage in income-generating activities to meet these needs. MFI's came to their rescue by providing them with capital (loans) to begin these businesses.

Age Distribution of the Respondents

The minimum age bracket for the rural women in the study area was 18-24 years and the maximum age was 70 years with a mean of 42 years. Majority of the rural women (30%) were in the 35-39 year age category followed by the 30-34 years category (28.5%), 40-49 years with 18.5%, then 18-24 years with 4.6% and finally 50-70 years with 1.5%, (Table 3). The results indicate that most of the women were in the productive age; making it possible to make the most of the loans they take from MFIs.

Table 3

Age Distribution of the Respondents

Age categories	Frequency	Percentage
18-24 years	6	4.6
25-29 years	22	16.9
30-34 years	37	28.5
35-39 years	39	30.0
40-49 years	24	18.5
50-70 years	2	1.5
Total	130	100.0

Mean 42.6 years, median 45.5, mode 43, standard deviation 12.6, minimum 18 and maximum 70.

Respondents' Level of Education

The respondents who had attained primary level education were 45 %, 16% had no formal education, 40% had attained secondary education, 8.5% had attained college education as indicated in Table 4.

Table 4

Respondents' Level of Education

Level of education	Frequency	Percentage
No formal education	8	6.2
Primary	59	45.4
Secondary	52	40.0
College	11	8.5
Total	130	100

The results indicate that majority of the rural women had at least basic education which would enable them identify profitable enterprises using the loans received from MFIs.

Respondents' Membership to MFI

The respondents were asked to indicate when they joined the microfinance institution (MFI). This was to establish the duration of the rural women membership to MFI. Majority of the rural women (50%) joined the MFI below 5 years, followed by 39% who joined between 5- 10 years and those who joined the MFI over 10 years where 12%. This was an indication that more rural women are currently joining the MFI because of the successes realized by the rural women who had joined the microfinance institution early than them as shown in Figure 3.

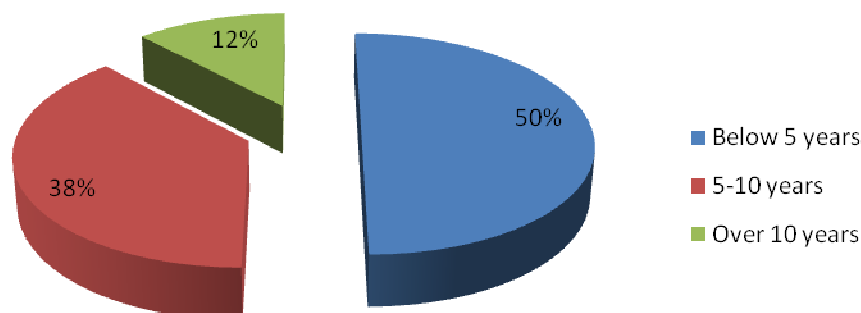


Figure 3: Respondents' Membership to MFI

4.3.1 Amount of Loan Borrowed by each Respondents

The total amount of loan borrowed by each rural woman since joining the microfinance credit programme is summarized in the Table 5 below.

Table 5
Amount of Loan Borrowed by each Respondent

Total amount of loan	Frequency	Percentage
Below Kshs. 20000	23	17.7
Kshs. 20001-40000	48	36.9
Kshs. 40001-60000	39	30
Kshs. 60001-80000	11	8.5
Above Kshs. 80000	9	6.9
Total	130	100

This indicates that majority of the rural women had borrowed an amount ranging from Kshs 20001-40000 (48%) since joining the microfinance credit programme, followed by those who had borrowed Kshs. 40001-60000 (39%). This indicated that the rural women had made significant progress towards escaping poverty. The initial amount of loan that a member could borrow was less than Kshs. 5000/=, therefore it showed that the rural women were able to repay their initial loan for them to borrow more loan (Ghatak, 2004).

4.3.1.3 Number of Times Respondents' Took Loans

The group members who had borrowed and received the loans 1-5 times formed the majority (64.6%), whereas those who had borrowed between 10-15 times were 26.2% as shown in Table 8 below.

Table 8
Number of Times Respondents' Took loans

Number of times received the loan	Frequency	Percentage
1-5 times	84	64.6
5-10 times	34	26.2
10-15 times	12	9.2
Total	130	100

The above results indicate that the rural women had been borrowing several times an indication that they invested the loan properly. This has enabled them to borrow several times from the microfinance institution. In group lending, if one member of the group failed to pay her weekly installment of the loan, the entire group was denied subsequent loans until the outstanding loan is cleared (Murdoch, 2008)

4.3.2 Investigating the contribution of microfinance credit to household income

The rural women were asked whether the income from microfinance related enterprises had increased since joining the microfinance institution. All the respondents (100%) indicated that their income had increased as shown in Table 14.

Table 14
Respondents' Income from Microfinance related Enterprises

Has your income increased	Frequency	Percentage
Yes	130	100
No	0	0
Total	130	100

This was a good indication that the loan had helped the rural women to escape the poverty trap. These results support the study of sultana and Hassan (2010) who found out that the rural women who had access to microfinance credit experienced an increase in their household income. Similarly, Mayoux (2005), Priya (2006), Walter (2002), Gopalan (2007) and Ghalib (2011) in all their studies found out that microfinance credit contributed to an increase in household income among the rural women.

4.3.2.1 Respondents' Expansion of the Enterprises

When the respondents were asked whether they had expanded the size of their enterprise in the last twelve months, 92.3% answered in the affirmative whereas only 7.7% responded in the negative as shown in Table 15.

Table 15
Respondents' Expansion of the Enterprises

Increased size of the enterprises	Frequency	Percentage
Yes	120	92.8
No	10	7.7
Total	130	100

4.3.2.2 Addition of New Enterprises by Respondents

The respondents who had added new enterprises in the last twelve months were 60.8% while those who had not were 39.2% (Table 16)

Table 16
Addition of New Enterprises by Respondents

Did you add new enterprise	Frequency	Percentage
Yes	79	60.8
No	51	39.2
Total	130	100

This was a clear indication that the rural women were successful in increasing the income, therefore, were able to diversify their enterprise by adding new ones.

4.3.2.3 Hiring of more Staff by Respondents

The rural women who had hired more workers in the last twelve months were 52.3% whereas those who had not were 47.7% (Table 17) this showed that the rural women are moving towards prosperity and they can now create employment. According to MIX and CGAP (2010), microfinance credit programme has positive impact on the wider society by providing employment to non-clients, therefore the whole society are lifted out of poverty.

Table 17
Hiring of more Staff by Respondents

Hire more women	Frequency	Percentage
Yes	68	52.3
No	62	47.7
Total	130	100

According to Khandker (2009), microfinance credit programme has spillover effects on the local economy. Khandker (2009) argued that microfinance credit programme accounts for more than half of the observed annual reduction in poverty among participants and that there was growth in local income. Copestake *et al.* (2005) in their study found out that injection of loan capital into the communities helped to sustain the circular flow of income within the village by creating employment among the non-participant of microfinance credit programme.

4.3.2.4 Respondents Personal Savings

When the respondents were asked whether they had personal savings in their accounts, their responses showed that 99.2% had savings while only 0.8% did not (Table 18)

Table 18
Respondents' Personal savings

Do you have personal savings	Frequency	Percentage
Yes	129	99.2
No	1	0.8
Total	130	100

On whether their savings had increased in the last twelve months, 86.2% responded in the affirmative, while 8.5% indicated that their savings had decreased and the reason they gave was that they had used the savings to expand their enterprises while only 5.4% responded that their savings had remained the same (Figure 3).

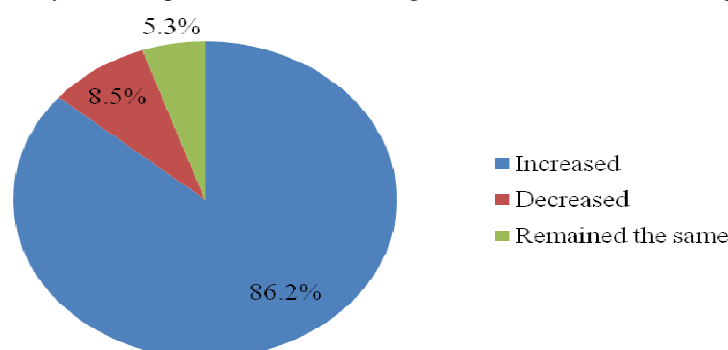


Figure 4: Changes in Respondents personal savings

Majority of the rural women (86.2%) indicated that their savings had increased in the last twelve months. These results agreed with a study by Dupas and Robinson (2008) which asserted that in Kenya the savings of rural women participating in microfinance credit programme increased significantly by a minimum of 40%, with significant increases in personal expenditure such as assets, food, health care and education.

4.3.3 Contribution of microfinance credit on acquisition of assets

Acquisition of assets was a sign that the rural women were using their loans well. When the respondents were asked whether they had acquired any assets using the income from microfinance related enterprises, 97.7% of them responded that they had but only 2.3% indicated that they had not acquired any assets.

Table 19

Acquisition of assets by Respondents

Acquired any assets	Frequency	Percentage
Yes	127	97.7
No	3	2.3
Total	130	100

Some of the assets they had acquired included livestock, furniture, sewing machines, solar panels, television sets, radios and water tanks. When asked about the total value of the assets in Kenya shillings, 41.5% of the respondents responded that the value of their assets was above Kshs. 35001 while 23.8% indicated that it was between Kshs.25001 - 35000 and 16.2% bought assets worth between Kshs.15001 - 25000. Whereas 16.2% quoted the value of their assets as between Kshs.5001- 15000, a few rural women (3.8%) had acquired assets worth below Kshs.5000 as shown in Table 20.

Table 20

Total value of the assets acquired by Respondents

Value of the assets	Frequency	Percentage
Below Kshs. 5000	5	3.8
Kshs. 5001-15000	19	14.6
Kshs. 15001-25000	21	16.2
Kshs. 25001-35000	31	23.8
AboveKshs. 35001	54	41.5
Total	130	100

According to Ghalib (2006), microfinance credit is a means of building assets and a permanent way of reducing poverty. Ghalib (2006) noted that these assets acquired through income from microfinance related enterprise helped the rural women to generate more income which assisted them to afford other services such as healthcare services, education, housing, water supply and adequate nutrition. The above results also agreed with Sultana and Hassan (2010) studies which found out that rural women who participated in microfinance credit programme experience increase in productive assets (cattle, goats, poultry) and non productive assets (television, radio, solar and other household goods) because they could afford them through profit generated from microfinance enterprise. Likewise, the results agreed with Mawa (2008) study that microfinance credit helps rural women to build assets.

Contribution of microfinance credit on affordability of healthcare among the agricultural rural women in Keiyo North District

Affordability of healthcare by the respondents was an indication that joining microfinance credit programme had enabled the rural women to do so. When the respondents were asked whether they could afford medical expenses

after joining the microfinance credit programme, 99.2% of the rural women responded positively that they were able to meet their medical expenses: whereas 0.8% responded that even after joining the microfinance credit programme they still could not afford medical fee (Figure 5).

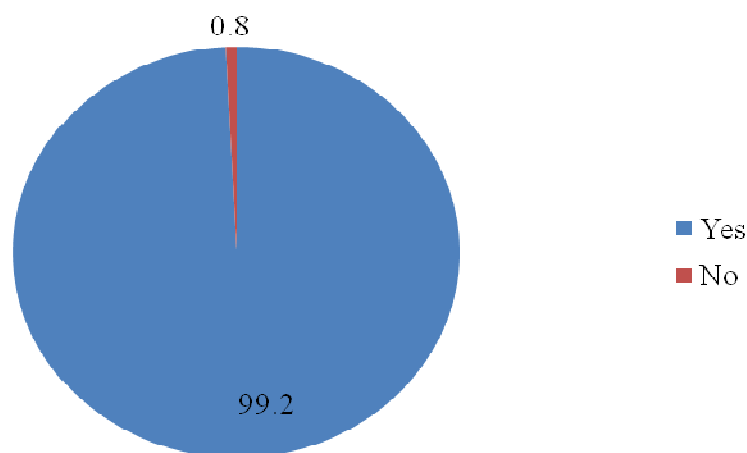


Figure 5: Affordability of Health care by Respondents

The results above agreed with the study conducted by Pitt (2008) which found out that access to microfinance credit made rural women to afford better medical care for themselves and their family members. The respondents were further asked where they used to get treatment before joining the microfinance credit programme. Majority of the rural women (65.4%) said that they would visit public health facilities for medical care followed by those who used to visit herbalists (30%). A small number 2.4% and 2.2% would visit private health facilities and prayer houses respectively as indicated in Table 23.

Table 23

Medical Facility Visited by Respondents' before joining Microfinance credit Programme

Medical facility	Frequency	Percentage
Public health facility	85	65.4
Private health facility	3	2.4
Herbalist	39	30.0
Prayer house	3	2.2
Total	130	100.0

The large number of the rural women (30%) would visit the herbalist because they considered it cheap compared to other medical facilities. This was an indication that economic well being was still low.

The respondents were then asked to indicate where they got treatment, that is, after joining microfinance credit programme.

Majority of the rural women (58.5%) indicated that they went to private health facilities. This is a large number compared to the number which frequented the private health facilities before joining the microfinance credit programme. Those who went for treatment in public health facilities were 40.8% and only 0.8% visited herbalists for treatment. This is a small number compared to 30% of the rural women who visited the herbalist for treatment before joining the microfinance credit programme. This is an indication that their living standards had improved after joining the microfinance credit programme as shown in Table 24.

Table 24

Medical Facility attended currently by Respondents

Medical facility attended currently	Frequency	Percentage
Public health facility	53	40.8
Private health facility	76	58.5
Herbalist	1	0.8
Prayer house	0	0
Total	130	100

When the rural women were asked on the average amount of money contributed by microfinance credit related enterprise towards their healthcare per month in Kenyan shillings, 44.6% responded that they spent between Kshs.100-500, while 32.3% spent between Kshs.501-1000. A small percentage (13.1%) spent between Kshs.1001-1500, whereas 6.2% spent above Kshs.1501 as shown in Table 25.

Table 25
Amount of money contributed by microfinance credit towards health care per month

Amount of money	Frequency	Percentage
Below Kshs. 100	5	3.8
Kshs. 100-500	58	44.6
Kshs. 501-1000	42	32.3
Kshs. 1001-1500	17	13.1
Above Kshs. 1501	8	6.2
Total	130	100

Test of hypothesis 1

There is no statistically significant contribution of microfinance credit on household income among the agricultural rural women in Keiyo North District.

This hypothesis was tested using chi-square. The aim was to determine if a relationship existed between the contribution of microfinance credit and household income. The tests as indicated in table 28 shows chi-square value of 65.292 and the probability of the computed chi-square value (p value) as 0.001. Since the probability of the computed chi-square value is less than 0.05 the level of significance set $\alpha=0.05$ ($p<0.05$), we reject the null hypothesis and concede that there was a statistically significant relationship between the contribution of microfinance credit and household income in the study area. This was due to the fact that all the rural women (100%) had an income increase after taking the first loan from the microfinance institutions.

Cross-Tabulation of Total Loan Borrowed by the Rural Women per year and the Level of Income per month in Ksh.

	Total loan borrowed per year					total
	Below Kshs 20,000	Kshs 20,001-40,000	Kshs.40,001-60,000	Kshs 60,001-80,000	Above 80,001	
Increase in income per month						
Below Kshs.1000	6.7%	53.3%	26.7%	13.3%	0.00%	100%
Kshs. 1001-5000	23.9%	38.0%	29.6%	5.6%	2.8%	100%
Kshs. 5001-10000	14.7%	29.4%	35.3%	11.8%	8.8%	100%
Kshs. 10001-15000	0.00%	50.0%	33.3%	16.7%	0.00%	100%
Over Kshs. 15001	0.00%	0.0%	0.00%	0.00%	100.0%	100%
Total	17.7%	36.9%	30.0%	8.5%	6.9%	100%

Chi-square 65.292 df=16 p= 0.002

This implied that microfinance credit contributed to an increase in household income. Priya (2006) found out that there was a significant positive relationship between microfinance credit and income: the findings suggested that programme participants benefited by a 10% increase in income. Priya (2006) study concluded that the microfinance credit projects had a positive impact on the status of rural women by generating more income to the household. Also, Goldberg (2005) in his study concluded that microfinance credit was effective in raising household income thus enabling the rural women escape poverty. The results also concur with Jegede et al (2011) in their study which indicated that there was a significant relationship between the contribution of microfinance credit and household income.

Test of hypothesis 2

There is no statistically significant contribution of microfinance credit on acquisition of assets among the agricultural rural women in Keiyo North District.

This hypothesis was tested to investigate if a relationship existed between the contribution of microfinance credit and acquisition of assets among the rural women in Keiyo District. The tests as indicated in table 27 below shows chi-square value of 19.472 and the probability of the computed chi-square value is less than 0.05 the level of significance set $\alpha=0.05$ therefore, we reject the null hypothesis and conclude that there was a statistically significant relationship between the contribution of microfinance credit and acquisition of assets among the rural women in Keiyo North District.

Table 27
Cross-Tabulation of Number of times the Agricultural Rural Women Borrowed the Loan and the Value of Assets Acquired.

	Number of time borrowed the loan			Total
	1-5 times	5-10times	10-15 times	
Value of assets in Kshs				
Below Ksh.5000	80.0%	20.0%	0.00%	100%
Ksh. 5001-15000	94.7%	5.3%	0.00%	100%
Kshs. 15001-25000	85.7%	14.3%	0.00%	100%
Ksh. 25001-35000	54.8%	32.3%	12.9%	100%
Above kshs. 35001	50.0%	35.2%	14.8%	100%
Total	64.6%	26.2	9.2%	100%

Chi-square 19.472 df 8 p= 0.013

This implied that all the rural women were able to acquire assets using profit generated from microfinance related enterprises. The findings of this study were in line with Sultana and Hassan (2010) who indicated that women who participated in microfinance credit experienced increase in their ownership of productive assets (cattle, goats, poultry etc) and non productive assets (TV, radio, solar and other household goods) because they could afford such assets through profit generation from their microenterprises. The findings of the study also concurred with Ghalib (2011), that the contribution of microfinance credit had significant relationship with the acquisition of assets.

Test of hypothesis 3

There is no statistically significant contribution of microfinance credit on affordability of healthcare among the agricultural rural women in Keiyo District.

This hypothesis was tested to determine if a relationship existed between the contribution of microfinance credit and affordability of healthcare among the rural women in Keiyo North District. The tests as indicated in Table 30 below show chi-square value of 26.631 and the probability of the computed chi-square (p value) as 0.046. Since the probability of the computed chi-square value was less than the level of significance set alpha=0.05 (p<0.05), we reject the null hypothesis and conclude that there was a statistically significant relationship between the contribution of microfinance credit and affordability of health care in the study area. This was due to the fact that they hitherto could not afford before joining the microfinance credit programme.

Table 28

Cross-Tabulation of Total Loan Borrowed per year by the Rural Women and Amount of Money Contributed towards their health care

	Total loan borrowed per year				total	
	Below Kshs 20,000	Kshs 20,001-40,000	Kshs. 40,001-60,000	Kshs 60,001-80,000	Above 80,001	
Amount of money contributed to healthcare:						
Below Kshs. 100	40.0%	20.0%	20.0%	20.0%	0.00%	100%
Kshs. 101-500	20.7%	37.9%	31.0%	10.3%	0.00%	100%
Kshs. 501-10000	14.3%	42.9%	31.0%	2.4%	9.5%	100%
Kshs. 1001-1500	11.8%	23.5%	35.3%	17.6%	11.8%	100%
Over kshs. 1501	12.5%	37.5%	12.5%	0.00%	37.5%	100%
Total	17.7%	36.9%	30.0%	8.5%	6.9%	100%

Chi-square 26.632 df 16 p= 0.046

This result concurred with Hamad and Fernald (2010) in their study which indicated that there was a significant relationship between contribution of microfinance credit and the ability of the rural women to afford better health care. In addition Pitt (2008) in a related study in India observed that microfinance credit helped rural women not to be excluded from healthcare services.

Conclusions

Based on the results of the study, the researcher concluded as follows;

- i. The study found out that microfinance credit programme had improved the level of income in the households of the rural women. The findings revealed that the average monthly income of most households rose after they took loans from the microfinance institution. Similarly, all the rural women confirmed that their overall income increased due to microfinance credit programme. The impact was more pronounced among the rural women who had been members of the microfinance institution for more years.

- Microfinance credit programme enabled the rural women to generate income that was used to improve their living standards. Similarly, 86.2% of the rural women indicated that their savings had increased in the last twelve months, indicating that microfinance credit had contributed to household income. Also, all the respondents indicated that their overall savings had increased since joining the programme.
- ii. Microfinance credit programme had enabled the rural women acquire new assets, therefore, raising the household asset ownership. Ownership of assets by all the rural women had increased after joining the microfinance credit programme. The rural women were able to purchase assets like television sets, sewing machines, livestock, and solar panels after taking loans from microfinance institution. The value of the assets was found to be higher which signified a great contribution of microfinance credit on the livelihood of the rural women.
 - iii. The contribution of microfinance credit was significantly related to affordability of healthcare services. The results indicated that all the rural women in the study area could afford health care services either in public health facilities or private health facilities. The results also indicated that the rural women who used to visit herbalists because they could not afford healthcare service in public or private health facilities had reduced drastically from 30% to 0.8% after joining the microfinance credit programme. A clear indication that their living standards had improved.

5.4 Recommendations

Based on the findings and conclusions of the study, the researcher made the following recommendations.

- i. The microfinance institutions (MFIs) should encourage more rural women to participate in microfinance credit programmes to increase their levels of income and savings in their households.
- ii. More rural women need to join microfinance institutions to raise their household asset ownership.
- iii. Microfinance institutions should make a follow up on the 0.8% of the rural women who could not afford healthcare services even after recording an increase in their income. It could be that the rural women were neglecting their medical care in order to increase their savings.
- iv. The county government should encourage more rural women to participate in MFI's programmes to boost their ability to afford healthcare services for their families.

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