MICROFINANCE SERVICES AND WOMEN ECONOMIC EMPOWERMENT IN KAJIADO COUNTY, KENYA

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ABSTRACT

Women's economic empowerment is increasingly recognized as a critical factor in strengthening households and communities. This study investigated how microfinance services assist women in becoming more economically empowered in Kajiado County. Specifically, it examined the influence of access to credit and credit policy on women's empowerment, with a focus on KWFT. The study was anchored in microfinance credit theory, supplemented by institutional theory, human capital theory, and empowerment theory. A descriptive research design was adopted. The target population comprised 1,208 women enrolled in Kenya Women Microfinance Bank programs across five sub-counties in Kajiado. A sample of 242 women was selected through cluster and proportionate stratified random sampling. Primary data were collected using questionnaires and interview guides. Beneficiaries of microfinance services responded to the questionnaires, while KWFT programme managers served as key informants and provided responses to the interview guide. A pilot test was conducted with 24 women beneficiaries of microfinance services in Narok County. Validity was assessed through expert opinions, while reliability was evaluated using Cronbach's alpha coefficients at the 0.7 threshold. Quantitative data were coded, entered into SPSS, and analyzed using descriptive and inferential statistics, whereas qualitative data underwent content analysis and were presented thematically. Correlation and regression analyses were conducted to establish the relationships between variables and to determine the strength of each independent variable in influencing the dependent variable. The study found strong, positive, and significant relationships between access to credit and credit policy and women's economic empowerment. It concluded that women's economic empowerment was evident in income generation, asset accumulation, and decision-making power. The study recommends that microfinance institutions develop programmes focusing on financial literacy, interest-rate-based credit policies, and tailored training to meet women's business needs.

Key words: Microfinance Services, Credit Policy Women Economic Empowerment.

INTRODUCTION

Across the world, there is a growing awareness of the need to give women more economic power so that they can have the same opportunities as men and fight poverty and gender inequality (UN Women, 2023). Economic empowerment is generally described as the ability of women to acquire and control economic assets and be actively involved in income-earning activities while having freedom of choice in the management of their economic and productive assets (Kabeer, 1999). Empirical evidence reveals a linkage between economically empowered women and access to finance and information networks (OECD, 2022). According to UN Women (2023), closing the gap in employment and assets can result in an increase in the gross world product of as much as USD 7 trillion. Moreover, economically empowered women can result in decreased income inequality and increased welfare (UNDP, 2024) with the involvement of women bringing stability to households. Resource control empowers women to invest in improved health and education; hence, the long-run effect is the betterment of society (World Bank, 2023).

Notwithstanding the efforts being made, the progress of women's economic empowerment is an issue that is yet to be fully attained worldwide. According to a report presented by UN Women (2023), the participation of women in the global workforce is low since only 47% of the global potential workforce of women is employed compared with 72% of the potential workforce of men. In the US marketplace, women earn an average 0.82 of the salaries of their male counterparts. Also, women-owned businesses cover 32% of all businesses in the US according to the U.S. Census Bureau (2022). In Brazil, although 53% of workers are women, the country contributes 37% of the total income generated. Even after working the same number of hours, women have continued to earn low income compared with their counterparts in Brazil according to the World Bank (2023). This gap represents the existence of economic imbalances in the global economy and thus emphasizes the need for intervention to ensure more accessibility by women to economic resources and equal prospects in earning income, as well as encouraging more women to join positions of governance (World Economic Forum, 2023).

In African population, women play a significant role in agricultural sectors, trade, and the informal economy; although the problem of economic empowerment is experienced (African Union, 2022). The African Development Bank (2023) reported that only 34% of African women had access to formal banks and financial institutions. Less than one-fifth of the women possessed land. For the Ethiopian population, the participation of women in the formal sector of the economy is below a third. Only 18% of them control the finances within the domestic setup (United Nations Development Programme [UNDP], 2022). For the south African population, the gender disparity in terms of pay causes the woman to earn 28% less than the earnings of the men. Also, the proportion of women in the sectors with high economic growth is low (Statistics South Africa, 2023).

Microfinance has become an important tool that has evolved to improve the financial empowerment and engagement of women in economic activities (Lamichhane, 2020). Microfinance institutions provide financial services such as credit and savings options and insurance products and financial literacy to people who really need it. This helps marginalized sections of society to improve their lives. Launched to empower women from economically marginal settings by improving their abilities to start and manage income-generating activities and reduce risks and instability in finance (Khursheed, 2022), the MFIs have increasingly set women as the primary target group (Khursheed, 2022). Credit without collateral requirements and group lending approaches have been seen to improve women's financial participation and capabilities and encourage entrepreneurial activity (Abebe & Kegne, 2023). Assistance has been most effective in environments with systematically excluded women accessing formal financial institutions and without ownership of economic resources (Abebe & Kegne, 2023).

The impact of microfinance efforts, in helping women become more independent financially is also described in this study. For this purpose, this study considers that microfinance is defined in relation to four various aspects of finance for women, including access to finance or borrowing capacity, lending behavior of existing finance institutions, women's understanding of finance through training sessions or courses in finance, and educational gender-sensitive training in finance-related matters. These aspects aim to ensure women gain stronger expertise in finance, rely less on other external assistances, and become self-sufficient in cultivating new sustainable economic sources. According to this theoretical consideration, there is an understanding that women's economic analyses and other developmental issues could be revamped when proper finance initiatives are made available for women to capitalize upon (UN Women, 2023).

Financing support, without any requirement is a good way for women to get the money they need to begin or improve their businesses and make more money. By achieving such support for women in various locations where no proper finance or financial institutions are available for them to rely upon for advancement, women are able to gain economic self-sufficiency in income generation to meet their daily practical needs or activities in life that are reduced due to lack of proper economic support or resources to engage in other economic sources for personal sustenance and meet up with their increasing or new economic needs or responsibilities in life and society (IFC, 2021). Based on several existing studies and various assessments conducted upon women's economic capacities and responsibilities in life today, there are theories that support women gain better well-being and proper self-sufficiency in life by gaining proper access to finance or borrowing capacity in life that serves to improve women's income-generating or self-employment capacities.

Credit policy refers to the terms and conditions associated with the provision of loan services by these institutions and needs to be flexible and favorable for the borrowers (Isabyre, 2019). Credit terms and conditions, including repayment schedules, and other factors associated with the provision of credit determine how women are empowered and benefit from credit services. Women

can be encouraged to seek and productively use credit services and services associated with its provision, and default risks can be decreased by favorable policies, as mentioned in Czura, John, & Spantig, 2020).

Economic empowerment of women encompasses acquiring and managing resources making and controlling life choices and exercising decision-making powers in both household and community settings (UN Women, 2024). This concept includes components such as economic independence, mobility, ownership and control of assets and participating in income-generating activities, which are all essential for womens economic empowerment. Microfinance becomes an important enabler in improving and extending credit, savings services, and insurance services to women, thus strengthening economic independence and promoting economic participation (UN Women, 2024). Hoorunnisa, Akke and Ravishankar found that microfinance programs increase women confidence and entrepreneurial skills and their well-being or improvement in household conditions in 2024. This approach identifies women empowerment as a concept, in development.

The empowerment of women through microfinance interacts with multiple dimensions: economic, psychological, and social (Kivalya & Caballero-Montes, 2024). Economic empowerment means getting help with money and productive resources. Psychological empowerment involves personal esteem, perceptions of control, and belief. Social empowerment involves women's engagement with networks, transformation of normative structures, and group outcome interactions. Singh, Tiwari, and Kumar (2025) assert that microfinance promotes these areas through specialized financial offerings, group engagement and assistance, and skill enhancement. These areas interact with each other to create comprehensive and sustainable empowerment processes.

Microfinance services entail providing diverse limited financial solutions to sections of society considered beyond the reach of conventional mainstream financial providers (Shaharuddin, Redzuan, & Rosman, 2024). In this case, the solutions take the form of microloans for borrowing, savings options for the savings component, and insurance options for the insurance component of microfinance. The targeted groups for the solutions do not receive the same consideration by conventional mainstream financial institutions (Shaharuddin, Redzuan, & Rosman, 2024). The overall target of the microfinance institutions and organizations involves improving the financial resource base of the targeted sections of society and playing a part in the fight against poverty in the targeted groups of society by providing them with financial tools they can leverage for increased financial productivity (Shaharuddin, Redzuan, & Rosman, 2024). As pointed out by Muneer and Khan (2023), microfinance acts as a stimulant that pushes the targeted groups of society to engage in entrepreneurship and accumulate assets with a significant accent on women participating in the informal economy (Muneer & Khan, 2023). Roslan and Karim (2020) indicate that microfinance entails more than the mere flow of finances from the providers of microfinance to the recipients (Roslan & Karim, 2020). In this case, microfinance acts as a mechanism that enhances the stability of the recipients and expands the entrepreneurial base (Roslan & Karim,

2020). Microfinance for the research entails a complex concept that entails credit accessibility, financial knowledge and literacy among the recipients, credit policy strategies and practices among the providers.

Microfinance service was examined on two aspects: credit access and credit policy. Credit access is a basic dimension of microfinance and is usually examined by considering the amount of the loan, the rate at which the loan is taken, and the repayment conditions. Higher amounts often mean increased capital outlays for productive activities and expanding businesses (Agyemang, 2021). The rate at which the loan is reused indicates regular usage of microfinance organizations and is associated with improved stability of earnings (Mwangi & Otieno, 2020). The repayment conditions of a loan, such, as the duration of the repayment period and the monthly payment amount play a role in determining whether a borrower can manage their debt and make financial decisions. The repayment conditions of a loan are vital in determining how well a borrower can handle borrowed money (Kabintie, 2024). To understand credit access, it is necessary to examine the loan amount given the number of loans taken out over a period of three years and the terms of repayment including the repayment conditions of a loan.

A credit policy is a set of rules that govern how loans are disbursed including factors such as interest rates, collateral requirements and repayment terms which're all part of the credit policy. High interest rates can hinder people's ability to access loans, which can ultimately make microfinance programs less effective (Muriuki & Wambugu, 2020). Women often face difficulties in obtaining loans because they are less likely to own assets, which are frequently required as collateral (Chowa, et al., 2021). The credit policy, including repayment terms can improve loan repayment rates and maintain client engagement with microfinance institutions (Oduro & Boateng, 2022). In this study the credit policy will focus on interest rates, collateral and loan repayment terms as these factors are essential in understanding how credit frameworks impact women engagement and empowerment and the credit policy is a component of this.

Kajiado County is changing fast because it is close to Nairobi and towns like Kitengela and Ngong are growing (County Government of Kajiado 2024). With these changes women in rural areas still face many challenges. They are vulnerable to drought and land degradation. Do not have easy access to clean water. This makes it hard for them to participate in the economy (Kabugi & Kariuki 2020). KWFT is helping to solve these problems by offering solutions that are sensitive to climate change and inclusive. KWFT has been expanding its services to peri- rural women. It provides them with tailored credit and training programs to empower them (Odunga, 2024).

KWFT credit programs help women by offering group loans and micro-business loans that do not require collateral (Chalo, 2025). These programs enable women to start businesses improve their household welfare and become financially independent. Research shows that access to microcredit helps women earn income and participate in decision-making. This strengthens their

empowerment (Decimal Capital, 2024). In Kajiado KWFT's group lending models provide resources and build social capital. This fosters resilience among women entrepreneurs (Kabugi & Kariuki 2020). The institution's credit policies have repayment schedules. They offer interest rates for group loans and season-linked agricultural financing. These policies shape borrowing behavior. Ensure sustainability (KWFT, 2026).

KWFT's policies are oriented towards accessibility while minimising risks of default. They are in line with strategies for women's economic empowerment (State Department for Gender 2020–2025). These policies support women's access to finance over the long term. They can avoid being over-indebted. Use credit to grow your business sustainably (Odunga, 2024). KWFT also offers knowledge and training. Financial literacy programs teach women budgeting, savings and investment skills. This enables them to make financial decisions. Training initiatives, such as those, with AMFI and DSIK focus on record-keeping, savings culture and entrepreneurial resilience (KWFT, 2024). These interventions ensure that women not access credit but also develop the capacity to manage and grow their enterprises sustainably.

Statement of the Problem

KWFT is one of the key institutions supporting women to become more economically independent. It has provided women in Kajiado County with loans, savings programs, and training designed to enhance their confidence and economic empowerment. The aim of KWFT is to make a tangible difference in the lives of women in Kajiado County, where it has expanded its outreach services (FSD Kenya, 2025; KNBS, 2025). However, despite these efforts, women in Kajiado County continue to struggle to make ends meet and remain limited in their financial autonomy. Many face challenges in generating income, owning assets, and contributing meaningfully to household and community decision-making (Moiko & Makau, 2024).

Although KWFT has grown and expanded its support, the results have not fully met expectations. Nationally, only 29% of women in Kenya are financially independent, which is a relatively low proportion (UN Women, 2020). In Kajiado County, despite KWFT increasing its outreach by 40% between 2018 and 2023, only 27% of women reported improvements in earnings or business growth (FSD Kenya, 2025). This suggests that while KWFT has enhanced access to financial services, its impact has been less substantial than anticipated. One of the key reasons is that cultural beliefs and entrenched gender norms continue to constrain women's ability to achieve full independence (Central Bank of Kenya, 2024). Thus, while KWFT plays an important role, broader socio-cultural and structural factors remain critical in shaping the success of women's economic empowerment in the region.

KWFT is also facing some challenges with its lending products. The group lending model, which is popular among women has a default rate than individual lending, which is a concern for the long-term sustainability of the program. According to the FinAccess Household Survey (2024)

revealed that women micro-enterprises in Kajiado County have experienced an increase in default rates rising from 10.7 percent in 2021 to 16.6 percent in 2024. This notable increase suggests that women are encountering difficulties in repaying their loans. The Central Bank of Kenya (2024) also found that 18.3 percent of women are considered financially healthy as they can meet their daily expenses and withstanding economic shocks. These findings underscore the necessity for KWFT to reexamine its credit policies and product design to ensure that they are effectively meeting the needs of women micro-enterprises.

There have been studies on microfinance and women empowerment in Kenya but most of them do not consider the unique cultural and contextual factors that are at play. For example, some studies have looked at microfinance in Mombasa women enterprises in Ongata Rongai and empowerment in Garissa (Adero & Kariuki 2020; Munuve et al., 2020; Abdi et al. 2020). While these studies are valuable, they do not specifically focus on KWFT and its role in Kajiado County. This is a big gap in the research and highlights the need for more studies that look at KWFT and its impact on women economic empowerment. By doing we can get a better understanding of how KWFTs programs and policies are affecting women and adjust as needed to help them become more financially independent (FSD Kenya, 2025; UN Women & KNBS 2020).

With a view to overcome such limitations, the current study focuses on the Kenya Women Microfinance Bank (KWFT) intervention in Kajiado County. The KWFT intervention has involved microfinance initiatives such as group loans, education on microfinance and financial literacy, and microfinance-assisted business development activities in sub-counties such as Ngong, Kitengela, and Loitokitok. Based on the context-relevant activities conducted by KWFT, the current study adopts a multi-dimensional empowerment paradigm, which is context-specific and considers the socio-economic reality of Kajiado County. Primarily, the study attempts to determine and analyze the extent to which microfinance products and supportive infrastructure of KWFT have contributed to the income generation capabilities, economic empowerment, and resistance to economic conditions among the targeted women in Kajiado County, Kenya. Thus, considering the foregoing discussion, and with a view to develop comprehensive and context-relevant microfinance literature and policies, the current study aims to examine the effect of microfinance services on the economic empowerment of women in Kajiado County with focus to KWFT.

Objectives of the Study

The study was guided by the following specific objectives.

i. To establish if access to credit influences the economic empowerment of women in Kajiado County
ii. To assess how credit policy influences the economic empowerment of women in Kajiado County

LITERATURE1REVIEW

This section examined the knowledge that has been brought forward by previous scholars with the aim of bringing out the gaps in research. It starts off with a theoretical review where the schools of thought guiding the study are elaborated. It also highlights the empirical studies and the conceptual framework,

Theoretical Review

Theory is a set of ideas that are put together in a system. These ideas or statements are meant to help us understand and figure out things that we do not know much about or things that are completely unknown. Hawking (1996) conceptualizes a theory as an explanatory framework that facilitates understanding, elucidation, and the prediction of social phenomena. In this regard, the theoretical framework refers to the explanation of the phenomenon being studied. Taking that into consideration, the model or theory acts as the tool that assists the researcher in interpreting the world (Rocco & Plakhotnik, 2009). In this study, the theories that shall be used are microfinance credit theory and the institutional theory.

Microfinance Credit Theory

The development of the microfinance credit theory can be traced back to Muhammad Yunus (1976), who is credited to have pioneered the Grameen Bank program in Bangladesh. His foresight involved giving micro-loans to poor women, and the aim was that a small source of money would empower people to open their own businesses and hence reduce poverty (Yunus, 1999). Unlike the traditional banking networks, Yunus believed that trust, group lending, and socially motivated repayment systems are essential in accessing finance (Armendáriz & Morduch, 2010). The theory has over the years evolved to become a strategy used in developing nations where women are disenfranchised economically (Morduch, 1999).

The theory was then further developed with empirical evidence. Morduch (1999) highlighted how micro credits contribute to the strength of the household. Armendariz and Morduch (2010) showed that group-lending schemes have positive impacts; these enhance the rate of repayment and result in social cohesion. Ledgerwood (1999) critically analyzed the performance of micro-financial institutions. Some criticisms have also surfaced. Bateman (2010) cautioned that micro-financial institutions would induce debt traps, and Roodman (2012) doubted the applicability of the theory to alleviate poverty. Karim (2011) expressed an apprehension that the theory can promote patriarchal frameworks.

Microfinance credit theory correlates to the wider discussion on credit access and economic empowerment that small loans might act as a stimulus to women empowerment (Yunus, 1999). Such credit allows women to startup businesses, fund education and invest in farm work, thus increasing their empowerment and position in the households (Ledgerwood, 1999). The theory is

also attuned to local contexts and provides a powerful template as women are empowered by their access to credit by placing inclusion and trust at the center. The important aspects of the theory are access to credit and empowerment, which have a strong impact on agency among women. The theory explains how small financial tools can successfully drive start up business and growth among women, invest in farming, and develop their households and social status.

Institutional Theory

With its origins in the pioneering work of Meyer and Rowan (1977), Institutional Theory provides a sociological perspective of studying organizational processes in a systematic manner. This theory assumes that institutions constitute stratified orders, social norms and cultural standards, which in combination are determinants of organizational decision-making and behavior. When considering micro-finance institutions, researchers argue that credit policy goes beyond technical factors; it is laced with organized social values and norms (Scott, 2001). The methodology, therefore, calls upon researchers to consider policy demarcations enforced by government regulation and the larger cultural context by which women gain access to capital, and subsequently, economic development.

DiMaggio and Powell (1983) built on this by defining the idea of an institutional isomorphism, which is the process by which organizations imitate each other when external forces compel organizations to gain and retain legitimacy. Scott (2001) went further to provide a distinction between the regulative, normative and cognitive dimensions making the different mechanisms by which institutions exercise power a point of clarification. North (1990) pointed out that institutions are the repositories of stability and they reduce uncertainty and make economic exchanges conceivable through consistent rules. However, criticism like that of Oliver (1991) did not reinforce the inevitability of conformity but instead argued against conformity in favor of active agency. Friedland and Alford (1991) warned of simplistic interpretations of institutions and Tolbert and Zucker (1996) of the need to be cautious in generalizing findings in unfamiliar or rapidly changing situations.

The current research operationalizes credit policy as an independent variable based on the institutional theory, thus conceptualizing how institutional elements influence the determination of credit terms. Additionally, institutional theory throws light on how institutional standards, such as collateral requirements or fixed interest rates, control and determine accessibility to credit, thus exposing the vested interests of the institution who may eventually be discriminatory on women (North, 1990). There is a subtle contextual knowledge which cannot be done away with in designing financial institutions that empower women economically. In line with the arguments presented by Scott (2001), the Institutional Theory serves as a critical analytical paradigm in evaluating how institutions influence the empowerment of women financially through access to credit.

Empirical Literature Review

This part provides a combined literature review that outlines the available literature on the effectiveness of microfinance in empowering women economically, and thus, provides a summary of the relevant academic literature. It summarises research outcomes of peer reviewed studies that question the financial training modalities used in microfinance interventions, and it explains the impact of such modalities in increasing the financial capabilities of women.

Access to Credit and Economic Empowerment of Women

Akter et al. (2020) examined how access to microcredit services influences women empowerment of South Surma Upazila in Bangladesh. Using quantitative research design, the authors have conducted surveys among 100 women who live in the rural settlements and analyzed the results with the help of SPSS. Women empowerment was operationalized into nine dimensions, each of which was measured on a 4-point Likert scale, and Pearson correlation coefficients were determined to identify relationships between empowerment and other identified variables. The analysis found that fifty percent of the respondents showed medium level empowerment, and involvement in income earning activities reflected greater autonomy and decision-making skills. However, the authors emphasized that the experience of empowerment achieved was still provisional, which necessitated improved skill development and improved access to technologies. The main limitation of the study was that it did not include historical experiences or investigations about the empowerment of women performed qualitatively.

Asare (2025) explored the microcredit contribution to the empowerment of women in the Atwima Mponua District of Ghana to fill existing gaps in the literature. The data were collected using a qualitative case study framework that involved semi armed interviews and focus group discussions with women who were beneficiaries of microfinance and those who held critical roles in the microfinance sector. Basing on the empowerment theory, Asare examined various aspects of empowerment, such as autonomy, decision-making, and social mobility. Results showed that microcredit helped women to make independent financial choices, education and recognition in their communities. Although the presence of patriarchal relationships and pressure to repayment hindered empowerment, the use of untriangulated qualitative data restricted the strength of the study conclusions; a shortcoming that is addressed in the present research by including survey data and regression analysis of determining the effect of microcredit on empowerment.

Kiunga (2019) assessed the results of microcredit programmes in Kajiado North Sub-County in the period 2005 to 2018. The data were collected through a descriptive survey design, which involved women who had received such services, and the authors used descriptive statistics and thematic analysis to make inferences. The findings indicated better earnings, business enterprises, and family economic value that could be attributed to micro-credit involvement. However, the presence of high loan default rates and inadequate knowledge of micro-credit services by clients persisted as a challenge. Furthermore, the initial analysis lacked segmentation of data and had not

gone beyond the economic perspective of micro-credits. The current research addresses these shortcomings by incorporating country-specific data into a multidimensional empowerment model that also considers other aspects beyond the economic performance.

Sidi (2021) examined the effects of microcredit programmes on the performance of women owned enterprises in Kilifi County, Kenya. The study used a -sectional survey design. It gathered data among women entrepreneurs. The study used regression analysis to determine the relationship. The relationship was between microfinance exposure and enterprise performance measures. The results indicated that microcredit had a positive impact on enterprise growth, profitability, and employment creation among the women owned businesses. Obstacles were identified as high-interest rates, lack of training, and terms of repayment. To address these issues of impediment reported, the authors implemented a framework on empowerment theory and as such, presented a contextualization of the microcredit impacts in more encompassing empowerment constructs.

Credit Policy and Economic Empowerment of Women

Kivuva (2020) looked at how microfinance institutions affect the empowerment of women in Masinga Sub-County, Kenya, specifically the flexibility of terms of repayment. The research discovered that inflexible repayment plans led to loan default and financial distress particularly in women where the sources of income were seasonal or disjointed. This rigidity hindered the ability of the participants in terms of financial management, reinvestment of earnings as well as independent financial decision making. The cross-sectional survey design was chosen and data were gathered at one time and regression analysis was used to examine the relations of key variables. However, the research could not measure or estimate on the repayment conditions that would match the business cycles of the targeted women.

Kifle (2023) explores how the regulation of the microfinance credit systems affects the empowerment of women in urban Ethiopia. The study determined the impact of institutional policy frameworks on economic empowerment and household decision-making by examining interest rates, collateral requirements and repayment periods. The mixed nature of the two methodologies involving survey data and in-depth interviews with key stakeholders indicated that what was impeding access to credit by women was high interest rates and strict collateral requirements and hence limited economic autonomy. On the other hand, easy and flexible terms of repayment increased successful income generation and entrepreneurship among women borrowers.

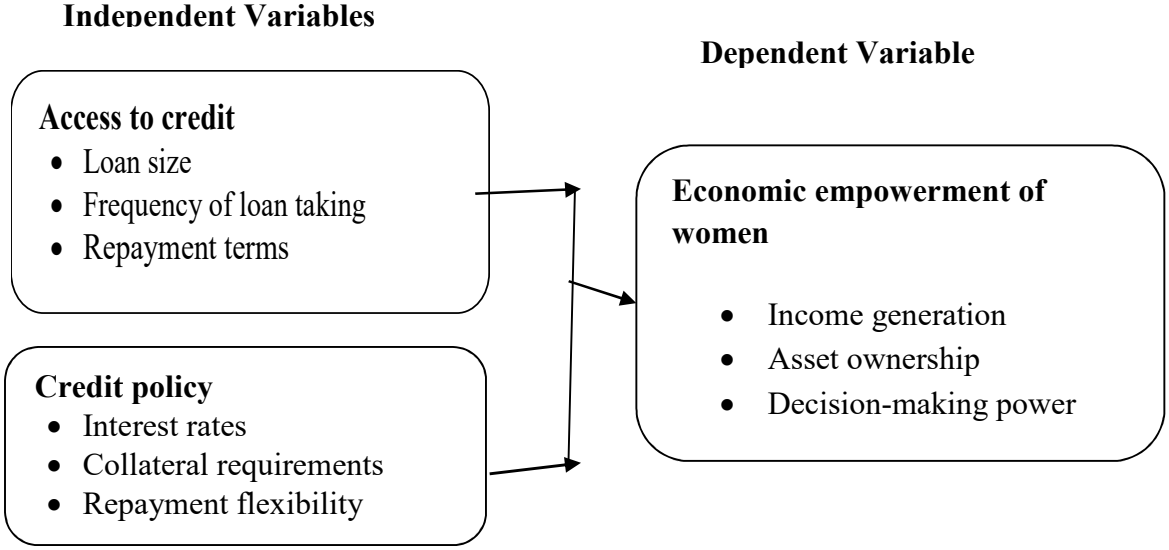
Mengstie (2022) examined the correlation between microfinance services and economic empowerment of women in Ethiopia with specific reference to interest-rate policies in microfinance institutions. Even though microfinance involvement raised the income and asset base of women, because of high interest rates, women earned much less than depositing the funds to the bank accounts and their empowerment was hampered. The variables of empowerment were measured by regression analysis, but the research did not focus on how the changes in interest rates

influenced women in different fields or those with different income rates due to the enterprises they were engaged in.

Abebe and Kegne (2023) investigated the role played by microfinance institutions in the entrepreneurial development of women, especially in the collateral conditions. They have found out that even women who had low-economic backgrounds were not able to take formal credit due to their stringent collateral conditions, thus limiting their ability to start and develop a business enterprise. These impediments had a negative effect to the level of control of economic income by women and their involvement in decision-making done in the household. The thorough relationship between credit access and empowerment was studied on both descriptive and explanatory research. The given proposal thus aims at explaining these inadequacies by concentrating on the flexible collateral structure which has the capacity to empower women with low collateral with both financial and economic empowerment.

Conceptual Framework

The conceptual framework is a powerful tool that helps in adjusting the research agenda and converting abstract concepts into quantifiable measures. Snyder (2019) suggested that these kinds of frameworks are generally built on visual schematics showing the impact of predictor and outcome variables on each other. Access to credit and lending policy design are antecedent variables to this very question; they are supposed to influence economic empowerment of women as the dependent construct. It's a way to analyze things. This theoretical framework. It studies the impact of various monetary instruments on indicators. These indicators include the amount of money made, the quality of financial management, and the decision-making skills of the people. The framework also considers the long-term survival of businesses run by women.



RESEARCH METHODOLOGY

The method used in this research was descriptive method which was used to describe the subject in detail. Wang (2015) stressed that the principal goal of research is to describe and explain the existing situation and not necessarily to investigate the cause and effect. This approach is especially suitable for systematically describing and examining situations, particularly if working with larger and more diverse populations. The descriptive research design helps the researcher to identify patterns, explain current phenomena and collect quantitative data on the impact of the microfinance institutions on the economic empowerment of women in Kenya. The target population included those with direct involvement in microfinance interventions over the past five years, making them suitable participants for assessing empowerment outcomes. KWFT has established an integrated package of group lending, financial literacy, and enterprise support across the region. A total of 1,208 women participated in these programs between 2022 and 2024, thereby forming the sampling frame and guiding subsequent steps in the analysis.

A multi-phase stratified sampling design was employed to ensure that the results reflected a cross-section of the varied socio-economic situations in Kajiado County and could be generalized to the wider population.The final sample size was determined using the guideline provided by Mugenda and Mugenda (2003), who recommend representative samples for descriptive research range between 10% and 30% of the target population. Accordingly, a 20% sample was drawn from the total number of women beneficiaries (N = 1,208), resulting in a sample size of 242 women.

Cluster and proportionate stratified random sampling ensured that every sub-county and economic stratum was included. Within each stratum, simple random sampling was employed to select individual respondents, using KWFT beneficiary registers as the sampling frame. This ensured that each member had an equal probability of inclusion, thereby enhancing the representativeness and reliability of the study.

Table 1 Sampling Design

Cluster	Population	Sample	Agribusiness	Retail Trade	Handicrafts	Service
Kajiado North	312	63	19	25	13	6
Kajiado Central	278	56	17	22	11	6
Kajiado East	226	45	13	18	9	5
Kajiado West	198	40	12	16	8	4
Kajiado South	194	38	11	15	8	4
Total	**1208**	**242**	**72**	**96**	**49**	**25**

Source: KWFT (2024)

The research used a mixed method of collecting the data among the selected women beneficiaries in Kajiado County, this included semi-structured questionnaires and interview guides. The quantitative part of the study was analyzed with the help of the SPSS which provided a base to

trace the patterns and trends concerning the role of microfinance services in the economic empowerment of women in Kajiado County. The analysis was performed in two phases, descriptive and inferential. Frequency tables were used to provide a summary of the socio- groups of the participants and their degree of participation in microfinance services. The results were presented in tables and figures to make them easier to read and understand. A multinomial linear regression was used to determine the association between the independent variables, including access to credit, credit policy and the dependent variable, economic empowerment during the inferential stage.

RESULTS AND FINDINGS

The study sampled 242 women who had participated in credit and training programmes offered by the Kenya Women Microfinance Bank (KWFT). Out of this sample, 208 respondents completed and returned the questionnaires, yielding an approximate response rate of 86%. This rate is considered highly acceptable for analysis and drawing conclusions. According to Kothari (2004), a 50% response rate is sufficient, a 60% response rate is good, and a response rate of 70% or above is excellent for ensuring the validity of research findings.

A review of the demographic information indicated that most women use loans for trade activities. On the type of businesses, Trade activities like shops, market stalls and petty trading are easy to start and make money quickly. Women use loans for these activities to get income to support their families. Many women, 29.8 percent are also in farming. Retain the sentence structure word counts and the product must be in form and paragraphs where applicable. Some 19.7 percent of women use loans to finance services such as tailoring, salons and catering. Women are utilizing their abilities and talents to earn money in these businesses.' The manufacturing industry employs 8.7% of women. Food, crafts, and other goods are included in this. Its significance lies in its ability to assist women in achieving financial success and independence. The remaining 7.2 percent includes activities such as crafts and informal retail. Other businesses include: This exhibits women's inventiveness and willingness to experiment.

Data on the location of business indicated that the largest number of participants came from Kajiado North, making up 28 percent of the sample. This is because Kajiado North is more urban and has an economy. Microfinance institutions are easily accessible here. The involvement of women in trade, services or small businesses is high. The significance of microfinance institutions in supporting women's empowerment in regions is highlighted by the significant presence of Kajiado North in the study. Kajiado East had a higher percentage of 25% respondents in the population and commercial activity category, which is why many women in this area use microfinance services.

Data on duration with the MFIs indicated that most of the people in the study had been with microfinance institutions for between 2 to 4 years which's 33 percent of the people in the study. This means that most of the women had been using the services of microfinance institutions for a while such as getting loans, training and learning about money. So, what they said is very useful in understanding how microfinance institutions can help women become more independent financially over a period. A lot of the respondents' 27 percent had been with microfinance institutions for 5 to 7 years. This group of people has been using the services of microfinance institutions for a time and has likely learned a lot about using loans and training programs. The fact that they are still using the services of microfinance institutions shows that they trust these institutions and that they can help women become more independent financially over a period. Also, 18 percent of the respondents had been working with microfinance institutions for eight to 10 years, meaning they worked with the institutions from the start. These are the people who are essential in understanding the potential of the impact of microfinance institutions on women in almost a decade's time.

Access to Credit and Women's Economic Empowerment

This study concentrated on the relationship between access to credit and economic empowerment of women. Most of the participants were strongly in favour of the concept of access to credit improving the roles of women in economic activities, as shown in Table 2. The findings indicated that empowerment aspect was considered fair with the mean score of 4.58 and the standard deviation of 0.514. This suggests that there is agreement that credit is an important factor in promoting women's empowerment through greater involvement. The average rating for the typical loan size was 4.61 with a SD of 0.33 indicating most respondents considered that the loans received were appropriate for their business needs and household needs. Further, respondents felt that structured financial services and regular accounts management are positive factors of empowerment with a mean score of 4.12 and standard deviation of 0.612. Well-organized systems build trust in microfinance institutions, and the importance of institutional support in creating financial inclusion was also pointed out, with a score of 4.09 and a standard deviation of 0.652. The mean of the average frequency of borrowing was rated at 3.77 (SD = 0.686) and agreement was found regarding the flexibility of the repayment terms which was rated at 3.69 (SD = 0.705). Although women are interested in frequent borrowing and timely repayment, their experience differs among those surveyed. The uniformity of perceptions is lower with higher values of standard deviation. This could be due to differences in policies or personal disputes over repayment.

The mean score for all items was 4.05. It was a score in the recognized range. There was an average standard deviation of 0.62. This indicated homogeneity in responses. The results are consistent across all respondents and demonstrate their awareness of how access to credit can help to promote women's economic empowerment. Women's empowerment has been linked to access to adequate loan size and financial services groups in the research. However, there is still a scope for

enhancement of other factors such as the frequency of borrowing and flexibility of repayment. The overall goal is to maximize impact of the microfinance services to empower women in Kajiado County.

Interviewees pointed out that the size of loans granted to women was a decisive factor in determining their ability to invest in income-generating activities or expand existing businesses. Managers observed that larger loans enabled women to purchase equipment, diversify their enterprises, and establish new markets. Interviewees believed reduced loan sizes restricted women's opportunities, confining them to subsistence ventures with limited potential for growth.

Interviewees further emphasized that outreach programmes had empowered women to participate more actively in microfinance initiatives. They noted that these programmes had improved the accessibility of credit facilities across Kajiado County. Interviewees pointed out that regular and predictable loan disbursements foster trust in financial institutions, thereby enabling women to plan for long-term investments and sustain their businesses. Reliable access to credit was also reported to reduce reliance on household contributions, which interviewees were of the opinion boosts independence and resilience among women beneficiaries.

Table 2 Access to credit and women economic empowerment

Statements	Mean	STDev
Larger loan amounts have enabled me to expand my business and improve household income	3.47	0.655
The size of credit received has influenced my ability to acquire productive assets	4.61	0.533
Regular access to loans has strengthened my financial independence and business continuity	4.12	0.612
Frequent borrowing has enhanced my capacity to generate income and make financial decisions	3.77	0.686
Flexible repayment terms have allowed me to reinvest profits and grow my enterprise.	3.69	0.705
The structure of loan repayment has affected my control over household financial planning	4.09	0.652
Average	**4.047**	**0.622**

Credit Policy and Women's Economic Empowerment

The research also aimed to find out the link between credit policy and empowerment of women. The high interest rate charged by microfinance institutions had a significant impact on women empowerment with the average score of 4.39 and standard deviation of 0.534 by majority of the respondents. This means that, across all credit policy respondents, they were always aware of how interest rates affect their access to and utilization of credit facilities by the microfinance institutions. The study also found that the women who participated in the credit policy recognized that high interest rates can hinder women's empowerment with score 4.11 and standard deviation

0.708. These greater range of responses may imply that women's experiences of perceived problems with interest rates depends on the microfinance institution or loan product that they use.

The respondents agreed that the credit policy collateral requirements can impact access to credit with a score of 4.08 and 0.651 in the standard deviation range. Likewise, the average score of the statement about asset ownership as a prerequisite for credit was 4.05 with a standardized deviation of 0.695. The findings indicate that credit policy collateral and asset ownership are still a constraint on women, yet the uniformity of the responses suggests that there is a common perception of the requirements. Furthermore: The study also revealed that credit policy repayment terms were correlated with women empowerment which yielded a score of 4.09 and 0.664 standard deviation. Respondents agreed that the repayment schedules of credit policies are related to women's ability to use credit without financial strain. The score of the credit policy repayment schedules is strongly agreeable with a mean score of 4.24 and a standardized deviation of 0.634. Flexible credit policies are very effective in motivating women as they lower repayment stresses and increase the sustainability of microfinance programmes. This is emphasized.

For the impact of credit policy on the economic empowerment of the women, the mean score obtained by the participants in the study was 4.16 and the standard deviation was 0.677. The results support the expected results as there is a high correlation between the variables measured and the mean score obtained 4.39-4.05 respectively. The Standard Deviation (SD) of the responses of the respondents varied from 0.534 to 0.708. From the data it is evident that credit policy is a critical factor in promoting women empowerment in Kajiado County.

Interviewees pointed out that flexible repayment terms within the credit policy enabled women to manage their financial resources more effectively and sustain their economic activities. They explained that such flexibility allowed beneficiaries to cope with fluctuations in income and reinvest earnings, thereby reducing the risk of financial strain.

At the same time, interviewees believed collateral requirements posed a significant barrier to access. Many women lacked formal assets to pledge, which excluded them from borrowing opportunities and limited their ability to benefit from microfinance interventions. This theme of exclusion was consistently highlighted as a structural challenge to empowerment.

Interest rates were another recurring issue. Interviewees noted that competitive interest rates encouraged reinvestment and business expansion, while high rates discouraged loan uptake and eroded profits. They emphasized that the balance between affordability and institutional sustainability was critical in shaping women’s willingness to engage with credit facilities.

Finally, interviewees observed that eligibility criteria, though necessary for minimizing institutional risk, sometimes constrained women’s economic progress. They believed strict

requirements slowed participation and limited opportunities for growth-oriented ventures. This tension between risk management and inclusivity emerged as a central theme in the analysis.

Table 3 Credit Policy and Women's Economic Empowerment

Credit Policy	Mean	STDev
The interest charged on loans has influenced my ability to save and reinvest	4.39	0.534
High interest rates have limited my capacity to accumulate assets and expand income sources	4.11	0.708
Collateral demands have affected my access to credit and business growth	4.08	0.651
Asset ownership has been influenced by the collateral conditions imposed by lenders	4.05	0.695
Repayment flexibility has improved my ability to manage income and sustain my business	4.09	0.664
Adjustable repayment schedules have enhanced my financial decision-making and asset control	4.24	0.634
Average	**4.16**	**0.677**

Women's Economic Empowerment

The study also examined the impact of women's perceptions on their economic empowerment pertaining to their income generation, asset ownership and decision-making authority. The result of the data collected revealed that most of the respondents agreed that they have been better enabled to earn money by participating in the financial assistance and business programs and activities, with a mean score of 4.39 and a standard deviation of 0.736. However, income generation was an important outcome that was consistently mentioned despite its negative impacts of financial inclusion and entrepreneurial involvement. Also, there was consensus that higher incomes have strengthened their participation in household financial decisions and strategies, with mean scores of 4.11 and 0.708 SD respectively. In this research, it is shown that not only income rise equates to greater financial independence for women, but also it equates to greater decision-making power for women regarding their home.

Assets owned: mean 3.52, standard deviation 0.528, and the number of people who answered 'I have the wealth' are 3. The level of agreement indicates that some women have achieved assets, but others may be hindered in using their talents to realize empowerment in asset-based ways. In contrast, claiming that I owned assets made me feel more in control of the resources of my business and household, having the highest mean score of 4.49 and a standard deviation of 0.570, indicating strong consensus. The test was found to be negative. The findings show that having assets can have a great impact on women's capacity to control household and business resources.

The power of decision making was also rated positively. The respondents of the survey admitted that they were actively engaged in decisions about expenses of the household, saving and investment. The standard deviation was 0.652 and the mean was 4.09. There was also some moderately positive scoring for the statement "I have been given financial support to improve my

role in influencing family and business decisions", with the standard deviation being 0.742. Financial contributions could improve women's power; yet there are varying levels of empowerment among women in households and settings.

The results of this study showed that the mean of all the participants was approximately 4.06 with a standard deviation of 0.606, indicating that the participants' awareness of the impacts of economic empowerment was very high. The scores ranged from an average of 4.49 to 3.52, indicating differences in the aspects of empowerment. The result is supported by the consistency of the responding values of the standard deviation. The study results indicate high levels of evidence of economic empowerment of women in terms of income generation, asset ownership and decision-making. Although there is consistent high agreement between income and decision making, the level of asset acquisition is still moderate, and hence more efforts are required to assist women to acquire and manage the productive assets.

Interviewees pointed out that access to microfinance services resulted in increased income and business growth among women. They explained that loan support enabled many beneficiaries to acquire new assets such as livestock, household equipment, and business tools, which contributed to greater financial stability and independence. Women believed these assets not only strengthened their enterprises but also enhanced their capacity to sustain livelihoods.

Interviewees further emphasized that microfinance programmes had expanded women’s participation in household and business decision-making. They noted that women were now actively involved in decisions related to spending, saving, and investment, thereby reshaping traditional household dynamics. Managers observed that empowerment outcomes transcended financial factors, fostering greater self-assurance, influence, and visibility for women within their communities. They believed microfinance services had enabled women to participate more meaningfully in community development initiatives.

Table 4 Women's Economic Empowerment

Women's Economic Empowerment	Mean	STDev
My ability to generate income has improved through financial support and business engagement	4.39	0.636
Increased earnings have strengthened my role in household financial decisions and planning	4.11	0.708
I have acquired productive assets that contribute to my financial independence and stability	3.52	0.528
Ownership of assets has enhanced my control over business and household resources	4.49	0.57
I actively participate in decisions regarding household spending, saving, and investment.	4.09	0.652
My financial contributions have increased my influence in family and business decision-making processes	3.83	0.542
Average	**0.717**	**0.606**

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

Based on the findings, it can be concluded that access to credit has a significant impact on women's financial independence. Credit enables women to expand businesses, generate income, manage household finances, and achieve long-term economic stability. The study established that access to credit significantly influences women's economic empowerment in Kajiado County. Women who accessed loans were able to expand their businesses, generate income, and achieve financial independence.

Credit policies were also found to be critical determinants of empowerment. Flexible repayment schedules, reasonable interest rates, and reduced collateral requirements were associated with improved access and utilization of loans. Conversely, stringent collateral demands and high interest rates constrained empowerment outcomes. The study concludes that credit policies are critical determinants of empowerment. Loan conditions such as interest rates, repayment terms, and collateral requirements directly influence women's ability to access and utilize credit effectively. Favourable policies enhance empowerment, while restrictive conditions limit participation.

Recommendations

The study recommends that financial institutions enhance women's access to credit facilities. The findings revealed that credit is a strong instrument for enabling women to expand their businesses, manage household finances, and achieve long-term independence. Institutions should therefore ensure that loan products are readily available, predictable, and reliable, so that women can plan for investments and sustain their enterprises with confidence.

It is further recommended that credit policies be structured in ways that support women's empowerment. The results showed that interest rates, repayment terms, and collateral requirements directly influence women's ability to access and utilize credit. Flexible repayment schedules, reasonable interest rates, and reduced collateral demands are essential for women to effectively use loans to acquire assets and grow their businesses. Institutions should therefore review and adjust their policies to minimize barriers and align with the realities of women's economic activities.

Finally, the study recommends that empowerment strategies adopt a multidimensional approach. The findings established that women's economic empowerment encompasses income generation, asset ownership, and decision-making power. Financial inclusion, literacy, training, and supportive credit policies must therefore be integrated to achieve holistic empowerment outcomes. By combining these elements, institutions can create an enabling environment in which women are not only financially independent but also active contributors to household welfare and local economic development.

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