

**EFFECTS OF MICROFINANCE LOANS ON POVERTY REDUCTION: A CASE
STUDY OF VISION FUND, NAROK.**

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Mara University.**

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DECLARATION

I hereby declare that this research proposal is my original work, to the best of my knowledge. It lacks material previously published by another person or content which has been approved for the conferment of any other degree of the university, except where due acknowledgment has been made in the text.

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This research proposal has been submitted for consideration with my approval as the student-appointed supervisor.

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DEDICATION

I dedicate this work to my parents, Mr. and Mrs. Thuku for their love and encouragement to support completion of my studies. I also dedicate it to Maasai Mara University library for the vast resources for learning and research that I utilized throughout my coursework.

God bless you.

ABBREVIATIONS

KNBS	Kenya National Bureau of Statistics
MC²	Means and Competence of the Community
MFI s	Micro-Finance Institutions
NGO	Non-Governmental Organizations
MDGs	Millennium Development Goals
SDGs	Sustainable Development Goals
SME s	Small and Medium Enterprises
UNDP	United Nations Development Programme
VFK	Vision Fund Kenya
NHIF	National Hospital Insurance Fund
KADET	Kenya Agency for the Development of Enterprise and Technology
HIV&AIDS	Human Immunodeficiency Virus and Acquired Immunodeficiency Syndrome

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ABSTRACT

The study is on the effects of Microfinance in poverty reduction in Narok County, a case study of Vision Fund (VF), Narok Branch. This study was focused on investigating the outcomes and impacts of microfinance services in efforts of eradication of poverty in Narok County. This was with reference to Vision Fund microloans. The research outlined evidence of poverty, loan disbursement criterion, potential of poverty reduction and the achievements of Vision Fund services to the Maasai community. A background of the problem and the problem statement were discussed in chapter one. Besides, it also outlined the objectives of this study. It also contained a hypothesis and value of the study. The limitations of the research were identified, and ways of overcoming the shortcomings. The worth of this study was to assist microfinance institutions to understand the gaps in the community and what needs to be implemented concerning the efforts of eradication poverty. Terminologies that were used throughout the study have been elaborated. The research included review of past materials and works that relate to the topic under study in chapter two. The study identified what has already been researched on regarding the topic, globally and locally. It enabled to identify literature gaps in poverty alleviation. The study employed both primary and secondary sources of collection of data in chapter three. Specifically use of questionnaires, interviews, and use of the internet. The projected population were beneficiaries of Vision Fund microloans. The study gathered information from 50 participants who represented the whole target population. The research used random sampling to select the participants who gave the information required. Also, structured questionnaires were completed to gather information during fieldwork. The results based on the study objectives have been highlighted and discussions made in chapter four. Data has been presented in charts, graphs and tables. Data analysis was done using MS Excel. Later, a summary of the objectives, conclusion of the findings and recommendations for future research was completed in chapter five. Timelines and budget were included to account for time and cost of the entire project work. All referencing materials were cited in and at the end of the text.

CHAPTER ONE

1.1 BACKGROUND INFORMATION

The state of poverty has been described as a lack of reach to assets required for higher living standards. Such assets could be land, education, infrastructure, regular income, and access to loans (World Bank, 2000). The minimum requirements for obtaining a loan usually limit the poor from accessing loans. In essence, there are high-interest rates that accompany loan repayment, the poor who lack sources of income are unable to repay loans, an illiterate applicant may have difficulties in understanding the terms and conditions of the creditor, and the requirement of saving before qualifying for a loan. All these conditions shun the poor from applying for credits. They end up over-dependending on well-wishers and their family members.

Microfinance facilities strive to surpass these limitations through their innovative approaches, especially group loaning and regular saving arrangements. More so, they create close contacts between poor customers and workforce of the organization concerned.

Microfinance is the idea of extending microloans to individuals and entrepreneurs who cannot in any way qualify for loans from formal financial institutions. Thus, it is a tool that eases the life of the poor by offering an alternative to the formal lending of banks (Boudrex and Cowen, 2008). As a substitute for giving charity to the impoverished, microcredit is a civilized manner of offering financial help to the poor populations. Microcredit is an invention in the domain of finance that makes part of microfinance and is the idea of microloans hardly exceeding \$ 200. It is offered to borrowers who earn below \$200 or no source of income. Therefore, microcredit customers are considered to be the segment living below the poverty line, and thus the small loans assist them to achieve better living standards.

Microfinance institutions (MFIs) were founded by the World Bank in response to the widespread condition of poverty. Their main aim was to help lessen poverty and its damages globally. They started as a decent substitute for local credits. The most common strategy of microfinance facilities since the 19th century include the provision of financial services in the form of savings and loans to the impoverished entrepreneurs (Johnson and Rogaly, 1997). Therefore,

MFIs have played a key role in poverty reduction, resulting in sustainable, all-inclusive development.

The 1970s marks the birth of microfinance in rural Bangladesh, with Professor Yunus Muhammed being recorded as the initiator of the modern micro-financing. Yunus was determined to secure a sustainable solution to the struggling residents of Bangladesh during a mighty drought. As he surveyed the village of Jorba, he realized that a sect of women who made and sold stools was stuck in debts. They were forced to borrow capital from their friends to buy raw materials but fail to repay. Yunus was touched and gave them an amount that enabled them out of debt. That became the foundation of the Grameen Bank Project of lending money to clients to begin enterprises. The mechanism has proved successful in uplifting populations from poverty.

2005 marks the microfinance year by the member states of the United Nations, the G-8. The G-8 member states have recognized the importance of micro-financing as a critical developmental tool. The action strategy of the G-8 highlights the significance of micro-credits as a critical ingredient in increasing rigorous financial market arrangement in the third world countries. The World Bank created delegation group to help the poorest countries and also support the G-8 member states to unveil a universal market grounded on microfinance initiatives.

Since then, the idea of microcredits has been adopted worldwide as a strategy for poverty reduction. Specifically, the microloans concept in addressing the concern of rural poverty. Some of the objectives of the millennium development goals (MDGs) established by the United Nations is zero hunger and zero poverty all over the world. Besides, the MDGs also highlights the emphasis of gender equality and women empowerment. Gender issues mainly concern women in poverty since they are mostly discriminated by traditional gender roles.

The Sub Saharan Africa remains to be the poorest part of the world. Poverty reduction efforts have been researched on extensively. The MDGs is the most contemporary strategy in the region aiming at lessening poverty. The first eight objectives of the MDGs; zero hunger and poverty, achievement of universal elementary reduction, achieving gender equality and women empowerment, lowering child mortality, improving maternal health, combating HIV/AIDS, malaria and other ailments, sustainable environment and developing a Global Partnership for Development (Hossain, 1988). Widespread use of microfinance has proved successful in

alleviating poverty levels among the poorest borrowers in African countries. The use of microloans at grassroots level generates a class of small capitalists with a model of entrepreneurship developed by Schumpeter.

The Poverty Reduction Unit of UNDP Kenya is working towards poverty eradication and development of the Sustainable Development Goals (SDGs). In essence, the organization's approach pursues to provide low-income segments with materials and resources to uplift them through initiatives at the national and county levels. Such activities transform low-income populations into, employees, value-chain consumers, producers, entrepreneurs, and suppliers while offering them further reach to goods, services, markets, and credits.

1.1.1 Poverty in Narok

There are many causes of the deep-rooted poverty in Narok County (World Bank, 2006). First, there are limited sources of revenue. The vast population mainly depends on livestock keeping and crop farming, yet climate changes in the county often cause drought and food shortage. Therefore, the agricultural activities are sometimes unreliable.

Secondly, there is a limited opportunity. According to Standard Digital Newspaper: The Irony of a County Swimming in Resources Wallowing in Poverty (Kimei, 2013), formal employment levels are shallow while the population keeps growing day by day. Therefore, the Maasai community is forced to rely on agriculture as the primary source of revenue.

Thirdly, level of illiteracy is still high among the residents of Narok County. According to the Kenya National Bureau of Statistics (KNBS), only 11% of the residents have attained secondary school education. A higher number of 38% have not acquired formal education. In spite of the free primary and secondary school education, most people still lack enough income to cater for education requirements such as uniforms and textbooks. Besides, further education seems expensive to them and therefore they cannot self-sponsor for higher education. Thus, low literacy offers less competence in the job market. They also lack knowledge that would uplift them from poverty.

Fourth, according to the report from the Medical Services Ministry, there is a high prevalence of HIV/AIDS in the county. The high infection rate is linked to tourism. In essence, the low-income residents of Narok are exploited sexually by the tourist in exchange for money.

Fifth, according to the recent Save the Child Report, more than 70,000 children are suffering from chronic malnutrition in Narok. The condition is mainly a result of illiteracy, and lack of awareness about healthy practices and nutrition in their households. The situation has been further worsened by current drought and poor agricultural practices in the pastoral community. Malnutrition in children is a clear indicator of severe conditions of poverty in the county (Save the Child Report)

Lastly, Narok being the capital town in the region is characterized by poorly planned trading centers. Thus, it has exposed the area to floods and epidemic waterborne diseases, which have shattered investments among the residents (The Standard Digital: The Irony of a County Swimming in Resources Wallowing in Poverty: Kimei, 2013).

1.1.2 Poverty Reduction

Poverty can also be described as a condition which an individual with low income is unable to meet a minimum living standard, with poor education standards, poor health facilities, inadequate infrastructure, unsafe drinking water, higher mortality rates, and weak housing, among many others (Matanga, 2000). Extreme poverty refers to the inability to acquire basic needs such as food, clothing, and shelter. For this reason, poverty can have various descriptions, and the poor are not only deprived of basic requirements. They also lack access to relevant information concerning their livelihoods, marketing, and market trends, health promotion, rights and freedoms, and even the presence of public and social services. For that reason, they lack political reputation and a voice in organizations and power affairs that affect their lives.

Poverty elimination refers to the efforts of doing away with poverty in the form of strategies and policies. It is clear that microfinance performance depends heavily on the capacity of the impoverished to utilize microfinance provisions to them (Khandler, 2003). He goes on stating that MFIs offers an opening for low-income individuals to lend money and investment facility.

1.1.3 Microfinance Loans

Micro Finance loans are typically one of the financial inventions that have risen globally, especially in developing nations. The efforts of microfinance are to enlarge the range of very small loans, and purposes to motivate entrepreneurship amid those who grieve from poverty to self-employment and grow their small enterprises, to lessen poverty and develop their social status. According to Rutherford 2000, with that, the impoverished would improve the conditions of their families in the form of living standards, and level of access to social services. The aim here is to assess at how lending microcredits has resulted in the uplifting of the rural poor within Narok County, Kenya.

1.1.4 Vision Fund Microfinance

Vision Fund is multinational microfinance. Vision Fund Kenya (VFK) was previously called KADET Ltd, started by the World Vision in 2000. It was started with the purpose of inaugurating a microcredit institution that would impose proficiency in effective loan intermediation and economic empowerment through entrepreneurship support for rural populations. VFK has progressively advanced a leading position as the ideal financial supporter to rural communities over the years. Besides, it has established a collection that validates the sustainability of the rural economy.

In collaboration with World Vision Kenya, VFK Narok Branch is dedicated to the economic liberation of the county's isolated communities and works primarily by increasing loan products. The loans are meant to utilize the economic insight of the client besides building their social and financial awareness. Additionally, the organization also considers the lives of children in Narok by providing small loans and other financial facilities to impoverished families. The efforts of the organization empower its customers to develop successful enterprises. Economic stability thus enables children to grow up with better healthcare, nutrition, sanitation, and education.

Vision Fund Kenya Lending Methodologies:

VFK utilizes the joint liability model for loan lending to its clients. This approach is less expensive and also a requirement for effective outreach and rural dissemination. Personal lending products

are however selectively provided appropriately to the dynamic requests of a customer. Generally, Vision Fund offers Asset Loans, Entrepreneurship Loans, Farming Loans, and School Fees Loans.

Vision Fund Kenya Product List:

VFK has advanced market-driven loan products that are customized to fit our clientele needs countrywide. The following is a list of its products;

1. Commercial Credits

- a) Loans for business capital (Mkopo Biashara) – Offered to the innovative community in both rural and urban areas.
- b) Business start-up credits – Offered to the financially disempowered community members who are unable to meet the basic requirements of acquiring ordinary business loans.
- c) Commercial asset purchase loans (Jenga Mali) – Offered to clients who need assets that they are unable to access to start a business.

2. Consumer loans

- a) Loans for school fees (Somesha Loan) – offered to clients who are unable to pay school fees for their children.
- b) Community funding for water tanks (Maji Kwa Jamii) - offered for purchase of plastic water tanks to improve availability of safe drinking water within the communities.

3. Agricultural business loans

- a) Agricultural loan (Mkopo Shambani) – periodic crop loans for farmers who are entrepreneurs.

4. Non – Financial services

- a) Micro-Health Insurance (Uzima Health Insurance cover) – a micro insurance package to enable clients and families of World Vision registered children to acquire quality health care services. This is in conjunction with National Hospital Insurance Fund (NHIF).
- b) Education credits – a value added service offered to VFK clients about HIV & AIDS, Environment, and health and Hygiene education.

The mission of Vision Fund Kenya include:

- Improving the lives of children languishing in poverty.
- Empowering women and their families with micro-credits and other financial services.
- Unlocking the potential for populations to prosper.

1.2 PROBLEM STATEMENT

Poverty is very devastating and dehumanizing. It has become a significant alarm for each successive government in Kenya. Efforts of eradication of poverty can be traced back since president Jomo Kenyatta's era. He pioneered his ideology of "Harambee" which emphasized pulling resources together in efforts of eradicating poverty. In spite of such efforts, the rural poor remain to be poor since interventions fail to reach them.

Thus, microfinance agendas have been found to be successful mechanisms in poverty reduction in contemporary development programs. It has been reported that microfinance institutions play a fundamental role in socio-economic advancement and poverty reduction. Local banks and microfinance facilities were founded in response to the need and the demand to provide microcredit and banking services to impoverished residents who are small-scale farmers and rural entrepreneurs. Microfinance facilities were created to function using local innovations and social obligation to organize resources locally, and to loan them to eligible customers using simplified processes and criterion.

Several scholars approve essence of microfinance in the alleviation of poverty. There are claims that microfinance has already confirmed a positive impact on lessening of poverty. Though he additionally says that "Even in the utmost of situations, credit from microfinance agendas help support self-employment undertakings that mostly enhance revenue for borrowers rather than

initiate essential modifications in employment patterns. Microfinance hardly creates new occupations for local people; therefore, achievement has been narrow particularly in areas with extreme cyclic income patterns and lower population densities. Additionally, other studies have reported that microfinance could be appropriate for the reduction of poverty, but they fail to reach the most underprivileged as claimed. Analysis of these studies have recognized the innovative impacts to the “aggressive poor” but contend that microfinance fails to support the poorest mostly because it is not available to them (Hulme & Mosley, 1996).

However, there lacks literature available to institute the impacts of MFIs on the eradication of poverty in Narok County. This research will expose the outcomes and sustainable impacts of microfinance facilities regarding poverty reduction.

1.3 STUDY OBJECTIVES

The broad objective of the study is to find out the effects of microfinance in poverty reduction in Narok County.

The specific objectives are;

- i. To assess the effects of Vision Fund loans in improving the local economy through small and medium enterprises (SMEs).
- ii. To find out the contribution of Vision Fund in women empowerment in Narok County.
- iii. To evaluate the impacts of Vision Fund services on farmers in Narok County.
- iv. To define impacts of micro-insurance by microfinance institutions on poverty alleviation in Narok County.
- v. To investigate how VFK loans have affected the socio economic status of families within Narok.

1.4 RESEARCH QUESTIONS

- i. What is the essence of lending money by microfinance in poverty alleviation?
- ii. How have Vision Fund loans impacted the indigenous entrepreneurial community?
- iii. What is the impact of micro-insurance on poverty alleviation in Narok County?
- iv. What recommendations could be given grounded in the study?

1.5 SIGNIFICANCE OF THE STUDY

This research will assist in identifying the gap by evaluating the socio-economic impacts of Vision Fund facilities in Narok region at a domestic and enterprise level. After that, it will provide information to fill the gap. Therefore, this study would make a noteworthy contribution by helping government and private stakeholders to find sustainable resolutions to challenges confronting micro-financing in Narok.

The essence of this study will increase understanding of the importance of financial support in poverty eradication. Economic empowerment of the poor supports the broader economy of a country by enabling the poor to obtain credits, encourage self-employment and increase investments, especially in the developing countries.

Besides, the study will provide important recommendations on effective actions by MFIs in the management of operations and policy making. The study will enable the MFIs to identify innovative strategies and institutional provisions that will guide policy formulators during amendment of their economic empowerment policies.

Most importantly, the study will supplement the current literature and works previously written on microfinance operations in Narok. The study will assist Micro Finance Institutions within the region to institute flexible policies and programs to accommodate poor households and individuals to obtain their monetary support to guarantee transformation and development.

1.6 ASSUMPTIONS OF THE STUDY

- i. There are assumptions to be made when collecting data as follows;
- ii. The research participants are willing to provide the required information.
- iii. All SMEs within Narok Town experience similar constraints, opportunities, and coercion.
- iv. Women in all households experience poverty due to traditional gender roles.

1.7 LIMITATION OF THE STUDY

- i. Some participants are unresponsive especially in completing questionnaires.
- ii. Illiterate participants may misunderstand the intentions of the research therefore comprehensive answers are limited.

iii. Demands for traditions when approaching participants.

1.8 DELIMITATIONS

The study will be conducted in the enterprises around Narok town, with owners likely to have been literate. It means that information will be readily available, and intended participants are also reliable. Since the respondents reside in the same region, they have similar cultural values and traditions. Therefore, data will be collected from a homogenous sect.

1.9 DEFINITION OF TERMS

Microfinance – a kind of banking service that offers credits to low income individuals or groups who lack any other source of income.

Microcredit- the extension of very small loans to poor borrowers, specially meant to uplift them out of poverty.

Strategy- a scheme or a plan of action to bring about a certain achievement.

Policy- a set of plans or ideas that form the basis of making major decisions.

Entrepreneur-business person.

Enterprise- another name for a business.

Entrepreneurship- the ability and willingness to develop, establish and manage a business project in order to make a profit along taking possible risks.

Participant- a person who partakes in a certain activity.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

Microfinance is institutions providing small-scale loans to low-income persons who otherwise are eliminated from the formal banking facilities (Morduch, 1999). They have so far been operating in developing countries that have specialized in development programs by providing minor loans to enable communities to initiate ventures and increase entrepreneurship. They target the rural communities which are often poor, and sometimes they have failed to uplift at all. In this case, microcredits for a basis of intervention for poverty crisis (Aghion & Morduch, 2005). They offer a direct opportunity to local people to participate in the economic system and benefit from the reach of enterprises and capital. Microfinance has served as means of grassroots development for years. Debates over implications microfinance in poverty alleviation have agitated scholars into investigating on the program effectiveness (Bwire, 2013).

This chapter focuses on an examination of what others have done and written, both general and local. It consists of reviews of both theoretical and conceptual literature that is related to microfinance services in poverty elimination. The theories support the scope of study as well as identifying the gap in the literature. The primary objective of the review is to draw insight into existing knowledge. The identified gaps form the basis of the primary objective of the research.

It is evident that substantial investigations have been carried out in various parts of Kenya and other parts of the world to evaluate the impacts of Microfinance institutions in poverty eradication. However, there is insufficient information regarding the effects of such organizations in Narok County. Although some scholars have investigated other microfinance institutions in Narok Town, little is known about most microfinance institutions including the Vision Fund. Therefore, this study can be essential in assessing the impacts of Vision Fund microfinance in poverty reduction among residents of Narok County.

2.1.1 Micro Loans in Improving Livelihoods

Hall (2013) in “Assessing Potential for Micro Finance in Rural Livelihoods” examines capabilities microfinance services in supporting rural people and agribusiness. A survey is carried

out in Bamyan and Kundus provinces of Afghanistan. Findings of the study were that because of the weak nature of its customers, microfinance adopts a dual intention of both social and economic maximization. For this reason, microfinance depended profoundly on market demand monitoring to study regional characteristics of borrowers and adopt an intervention mechanism to correspond with social and economic motives. The Grameen Foundation made headway out of the poverty index in the pursuit of social welfare. The study found out that the principal purpose of many borrowers of loans was for investing in a business, daily family use and funding social events such as burial ceremonies, and wedding ceremonies. Statistics show that 70% of the clients borrowed for constructive purposes. In essence, microloans relatively lead to better living standards of the poor when used constructively.

Susan and Preeti in “Framing Microfinance in Australia- Gender Neutral or Gender Blind?” say that microfinance has gained a reputation as a useful tool in the reduction of poverty globally. Currently, microfinance is emerging as a unique poverty elimination strategy in Australia. Corrie explains that despite a difference in microfinance development programs in Australia, the primary goal is growth and the significant role of doing away with poverty. This goal has recently been contributed by enabling inclusion through access to cheap and dignified financial assistance. The prominent program of Australia is the No Interest Loan Scheme offered by Good Shephard Youth and Family Services, which has grown over the years through the support of the Australian government. In 2009, the Department of Families, Community Service, Housing, and Local Affairs founded a Financial Management Program to secure the government’s financial management support services which included emergency relief, financial advice, home energy saver schemes, community building financial institutions and microfinance. The authors conclude that microfinance is a significant tool in the Australian social policies which intend to address the issue of poverty.

2.1.2 Microfinance in Women Empowerment

Johnson and Rogaly (1997) in “Micro Finance and Poverty Reduction” assess how financial interventions result in social change. Essentially, impacts of monetary intervention have been observed through their economic undertakings of societies. MFIs have been seen to impact women by empowering them economically and evolving gender relations in the households and the whole community (Ackerly, 1995). The authors have mainly focused on the effects of

microfinance facilities on women in Bangladesh. They examined how women retained the credits offered to them by the Grameen Bank and an NGO. They realized that most women who were single parents kept the loans. Either the money was too little or they did not consume the loans appropriately to challenge the gender stereotypes. Besides, there were increased cases of domestic wrangles for disputes over loan repayment. Johnson and Rogaly made another study to monitor the impacts of Grameen programs on several indicators of women empowerment. They concluded that access to small loans enabled women to secure a position in their households. The study finds out that offering microfinance to women would be efficient since they are easily reached in their homes, and are more likely to repay the loans and the services are cheaper compared to men.

Achieno et al. (2014), in “Impact of Microfinance on Economic Empowerment of Women: The Case Study of Microfinance institutions’ clients in Narok Town” assess how MFIs have contributed to the economic empowerment of women. MFIs have played a critical role in providing microfinance facilities to women through micro-credits to start income generating initiatives. The essence of the study was to analyze the impacts of lending on the economic liberation of women borrowers in Narok Town. The authors utilized primary data collection sources, questionnaires, and structured interviews. The items were given to beneficiaries of microfinance packages. The authors found out that MFIs advantaged the borrowers economically and socially through the development of enterprises, property ownership, and better livelihoods.

Additionally, they also realized that access to microloans had improved the general family life and community as a whole. The study recommends that MFIs in Kenya should expand the range of credit lending to women borrowers since this boosts the general economy. Besides, microfinance and other financial organizations should offer more training packages to women in rural areas to build their entrepreneurial capacities. Women empowerment has confirmed to great success in the development of economies since cultural discriminations are exempted.

1.3 Poverty Reduction through Support of Small and Medium Enterprises

Wairimu and Mwilaria (2017) in “Microfinance Institution’s Social Intermediation and Micro and Small Enterprises Survival in Thika Town, Kenya” examines the functions of MFIs in social mediation. They specifically focused on the MFI’s support to SMEs. The findings of the study were joint liabilities enhanced the number of credits that a business could access since MSEs

lack the collateral security mandatory in the traditional banking system. Besides, they found out that SMS improved when they gain business information from MFIs. The authors state that most MFIs in Kenya were started by NGOs with the primary aim of providing credits to low-income individuals. Since their initiation, MFIs have contributed significantly to socio-economic liberation to the borrowers. Social mediation includes capacity building, group formation, and financial education by MFIs. Bennett defines social intervention as a course which savings are made in the form of both human resources and formal capital with the aim of raising the independence of initiatives. They are keen to note that the lack of access to credits is the major challenge facing SMEs in Kenya. According to the authors, the essence of financing SMEs is that they play a crucial role in creating job opportunities and eliminating poverty. The study recommends that MFIs should continue offering social intermediation facilities to MEs in Kenya. It will significantly reduce unemployment and alleviate poverty. Also, the government should collaborate with MSEs to extend financial training to encourage entrepreneurship in Kenya.

2.1.4 Microfinance Fail to Impact the Poor

Banerjee and Jackson (2017) in “Microfinance and the Business of Poverty Reduction: Critical Perspectives from Rural Bangladesh” examined the functions of microfinance in poverty reduction as a market-based methodology. They led ethnographic research among three villages in Bangladesh. They realized a different image related microfinance in poverty alleviation. They found out that MFIs led to further frustrations on impoverished households since they accelerated rates of debts. They argued that the primary use of microloans was debt and consumption rather than real venture in constructive business. Their study contributes to the rise of literature on functions of social capital in building financial capabilities in poor sects. The potential is developed by emphasizing on procedures whereby social capital can be suppressed by market-based methods like microfinance.

2.2 THEORETICAL FRAMEWORK

Theoretical framework refers to the structure that contains theories or models that support a study. It describes and critically explains these theories which justify the problem under review. Most financial institutions offer loans to solidarity groups. MFIs adopt various methodologies of credit disbursement in pursuit of the most effective approach. It is crucial to have a basic knowledge of the models and MFI operations (Muray and Boros, 2002).

2.2.1 Social Collateral Model

Social collateral demands trust and care for another person's partners, readiness to live the standards of individual community and to punish those who deviate. The model is a mechanism that employs group lending of credits instead of individual lending. The distinguishing feature of group lending is the idea of joint- liability in diminishing impairments caused by contrary selection and moral threats. The approach is based on the belief that limitations and faults at the personal level are mitigated by the group security and responsibility ensured by the establishment of a sect of such individuals (Boros, 2002). The purpose of building groups is for awareness building, capacity building, education, peer pressure, and joint bargaining power. According to Morduch & Armendariz, 2005, the model plays a significant role in ensuring a high possibility of loan repayment.

The group lending mechanism has been widely adopted by MFIs, focusing on the poorest segments of the community. It allows microfinance institutions to cut operational costs and moderate the threat of joint liability through guarantee contracts among the concerned parties. MFIs in Kenya have remained to be the most strategic mechanism of poverty alleviation, but many residents are still living in poverty (Macharia, 2005). It is evident in the rural parts of the country because of poor policies to ensure outreach to the poorest households.

Joint liability of MFIs mainly increases the range of loans of MSEs since there lacks guarantee as informal financial institutions. A study of SMEs in Thika show that enterprises which participate in social capital schemes are most likely to heighten their chances of survival (Muiruri, 2004). Therefore, the group lending mechanism of MFIs supports this study since funding of MSEs without strict requirements enables the owners of small businesses to move out of poverty.

2.2.2 Grameen Bank Model

The theory of Grameen Bank Model emerged from the Grameen Bank of Bangladesh which majorly focused on poverty reduction at grassroots levels in Bangladesh. Prof. Mohammed Yunus was the founder of Grameen Bank. The Bank adopted several programs to rescue the beggars in Bangladesh through lending credits in groups. Later, other developing countries like Canada adopted the Grameen Bank Model. However, they failed due to certain factors such as the lack of joint liability, the insecure profile of borrowers, and high transaction costs which could not

be withheld without subsidies. Micro financing is however faced with challenges of unreliable information and speculations.

The Grameen Bank adopted the methodology of a bank unit which is started by a Field Manager and various bank staff, operating in up to 20 villages. The manager and staff visit the communities and make entry through local leaders. They have to establish their intentions in the community. At first, a group of five target borrowers is formed, but only two are legible for receiving credits. Keen observation is conducted to trace how the members conform to the instructions of the bank. The other members of the group will be granted loans depending on the repayment rate of the first two members. According to Murray et al., 2002, such restrictions are required to ensure the competence of borrowers in collective responsibility and serve as a security on the credits.

According to Professor Yunus, credit as a window of opportunity for surpassing the inequalities that restrict the impoverished to a poverty cycle and realizing the potential of individuals. Therefore, a credit reconstructs some community power that has been suppressed because of the collateral restrictions. One shortcoming of MFIs all over the world is the exclusion of the poor from financial services through the designed programs (Mbololo, 2013). Professor Yunus instituted the Grameen banking system as an anti-poor, anti-illiterate and anti-women, which has dramatically contributed to concrete bridge between the rich and the poor (Nyakambi, 2014).

The essence of the Grameen theory in the study is the way the lending programme is used as a tool to help the poor out of poverty and contributes to the growth of the broader economy. Reports show that at least 48% of the families in Bangladesh were empowered by the microcredits. Therefore, this model concludes that micro financing is a window of opportunity for the impoverished to change their lives.

CHAPTER THREE

3.0 METHODOLOGY

3.1 Introduction

This chapter outlined the research methods that were used, the target population, it identified samples and the sampling method. Besides, data collection tools, procedures, as well as the technique of data analysis, was included to derive answers to the research questions.

3.2 Research Design

In this study, a descriptive research design was utilized. In essence, descriptive statistics was essential in providing vital details concerning data including simple summaries and simple graphics analysis. This aspect was vital in describing the behavior, attitude, and values that cannot be measured quantifiably. Besides, it also explained the relationship between micro-financing and poverty elimination. As a result, the descriptive research design was essential in creating a profile regarding the impact of Vision Fund microfinance on poverty rates among residents of Narok County.

3.3 Study Area

The survey was carried out in Narok town. The location of the town is 1° 5' 15" S and 35° 52' 37"E. Apparently, the region is inhabited by diverse people from different ethnic backgrounds. Additionally, it serves as the principal business center in Narok County and a hub for tourists. Therefore, it is essential to assess how microfinance institutions have impacted residents in the region.

3.4 Target Population

A population in research refers to the specific participants who could be in the form of people, services, events, and household. The researcher used the information collected from the target population to take a broad view of the results. In this study, beneficiaries of Vision Fund microfinance services within Narok County are the target study population. Specifically, the study

analyzes the effect on respondents within Narok Town. The response of the beneficiaries determined the findings and conclusion of the study.

3.5 Sampling and Sample Size

A sample is a lesser representation of the whole target population. A random sample was selected from the list of beneficiaries of the microfinance services. The sample was subjected to interviews and other methods to obtain the required information during the study. Purposive sampling was used in the case where some respondents may not be reached.

The sample comprised of at least 50 individuals who are beneficiaries of Vision Fund.

3.6 Data Collection Instrument

Data collection tools are devices used for gathering data from the target population. It is from the instruments that data is then compiled and analyzed. The primary tool that was used to collect data in the study is a structured questionnaire. Questionnaires are a primary data collection method which involved approaching the target population and request them to fill the items. This method was crucial because it is easy to administer and subject to minimize bias.

Additionally, questionnaires maintained consistency regarding research and minimize bias. It was fundamental to note that the questionnaire was structured to fit the target population to obtain the most consistent and reliable information. This method was preferred because of its ability to reach a wide range of the target population in less time, and it is cost effective. In the case where it may be impossible to administer a questionnaire, a face to face or telephone interview will be carried out. However, the latter method was used minimally. The results were recorded and subjected to analysis.

3.7 Data Analysis and Presentation

Due to the nature of the data that was expected to be collected, i.e., qualitative and quantitative, both descriptive and inferential analyses were conducted. Some of the descriptive statistics that were examined include the means and percentages. Additionally, the result were presented graphically using frequency tables, graphs, and charts. Inferential statistics were used to show the

magnitude of the association between the dependent and independent variables. MS Excel was used for data analysis.

CHAPTER FOUR

4.0 RESULTS, ANALYSIS AND DISCUSSION

4.1 INTRODUCTION

This chapter presents the findings of the research carried out to find on the topic effects of microfinance in poverty reduction: case study Vision Fund, Narok. The application of the variables using the tools mentioned in chapter three were used to collect the data. Specially, the data analysis process will be carried out considering the specific objectives of the study. Patterns have been identified, have been assessed, interpreted and conclusions drawn out of them. The results include data representation of descriptive statistics which show the relationships between the study variables and poverty reduction. Besides, demographic information of the participants is also shown in the results for examination of discrepancies efforts towards poverty alleviation.

The study seeks to establish the impacts of micro credit facilities on poverty alleviation in Narok County. The findings obtained are presented in form of graphs, charts and tables. Variables that were studied are interest rates of loans, affordability of loans, economic impact, degree of poverty alleviation, and impacts of loans on families, and impacts of loans on women, which were derived from the objective of study identified in Chapter one as follows;

The broad objective of the study is to find out the effects of microfinance in poverty reduction in Narok County.

The specific objectives are;

- i. To assess the effects of Vision Fund loans in improving the local economy through Small and Medium Enterprises (SMEs).
- ii. To find out the contribution of Vision Fund in women empowerment in Narok County.
- iii. To evaluate the impacts of Vision Fund services on farmers in Narok County.
- iv. To define impacts of micro-insurance by microfinance institutions on poverty alleviation in Narok County.
- v. To investigate how VFK loans have affected the socio economic status of families within Narok.

The research at first sampled a total of 50 respondents who were drawn from Vision Fund beneficiaries. The response rate was 100% given that the respondents were required to fill and hand in the questionnaire on the spot. The response proves the efficiency of a traditional paper and pencil self-administered ‘interview’ methods (PAPI) and the data collection procedures used. The items in the questionnaire were simple and short; thus, respondents were motivated to complete them. However, a substantial number of respondents who were illiterate had difficulties understanding the purpose of the questionnaire, and further, could not be able to read and write. They often inquired for clarity and assistance in filling the questionnaires.

4.2 FINDINGS

4.2.1 Gender of the Respondents

As per figure 4.1 below, 54% of the respondents were male while 46% were female. Most of the subscribers of micro loans are males hereafter explaining the results.

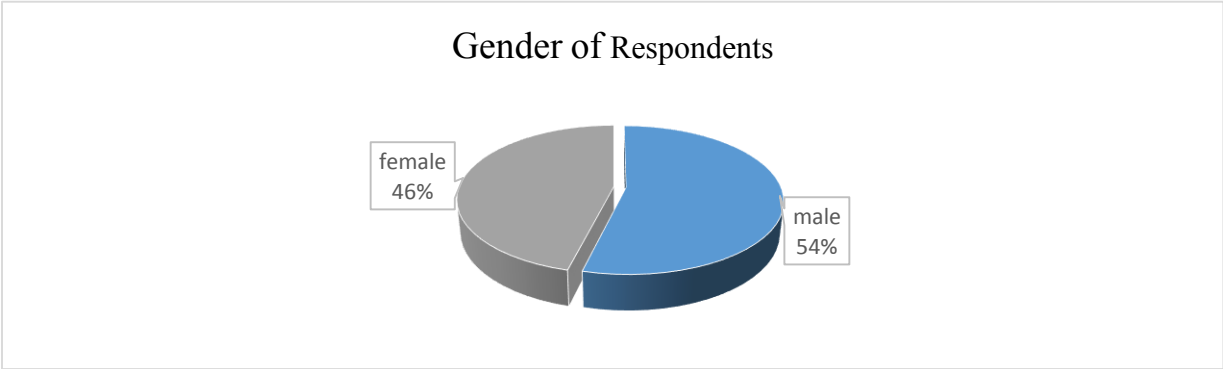


Figure 4.1: Gender of Respondents

4.2.2 Age of respondents

Age of the respondents is relevant in explaining the background information from which the researcher understands the perspective of poverty and poverty reduction. The figure 4.2 below indicates that 6% of the respondents lied between 18- 25 years, 4% were between 26- 30 years, 24% were between 31-35 years, 26% were between 36-40 years, and 40% were of age 41 years

and above. These results infer that most of the microfinance clients were middle-aged and older adults, explaining the higher need of financial intervention within Narok region.

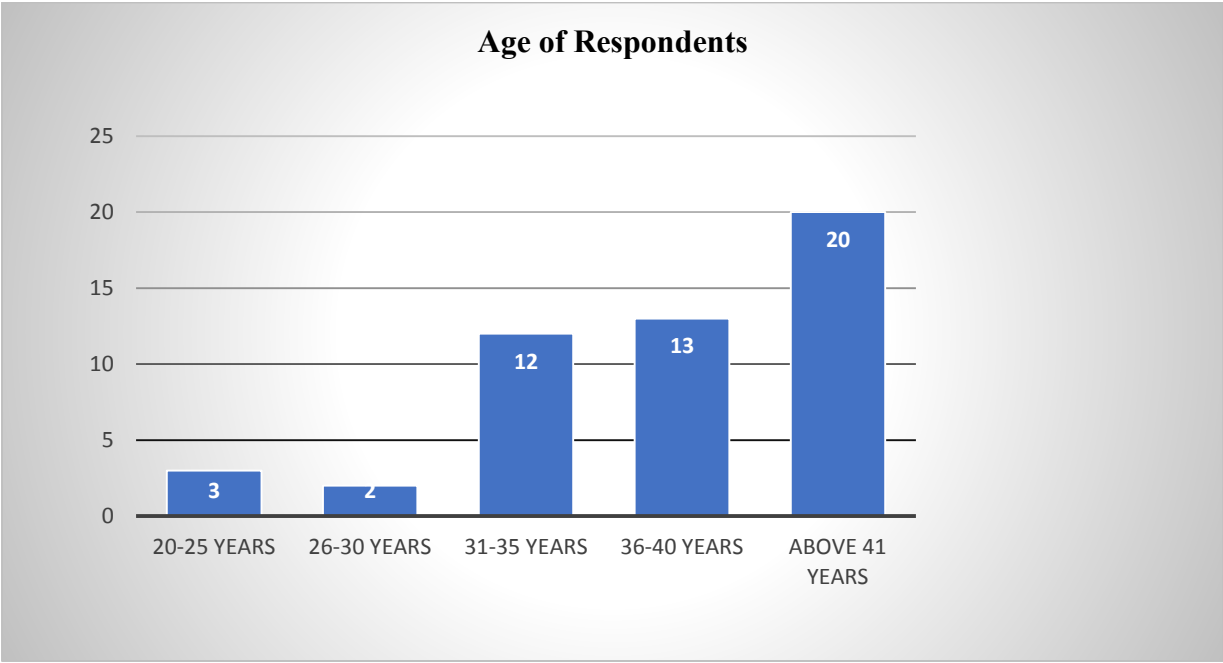


Figure 4.2: Age of Respondents

4.2.3 Marital statuses of the respondents

94% of the respondents indicated that they were married, while 6% were single. Determining the marital status of the respondent was crucial in understanding how family status affects the level of household income. The findings have been represented in the figure 4.3 below.

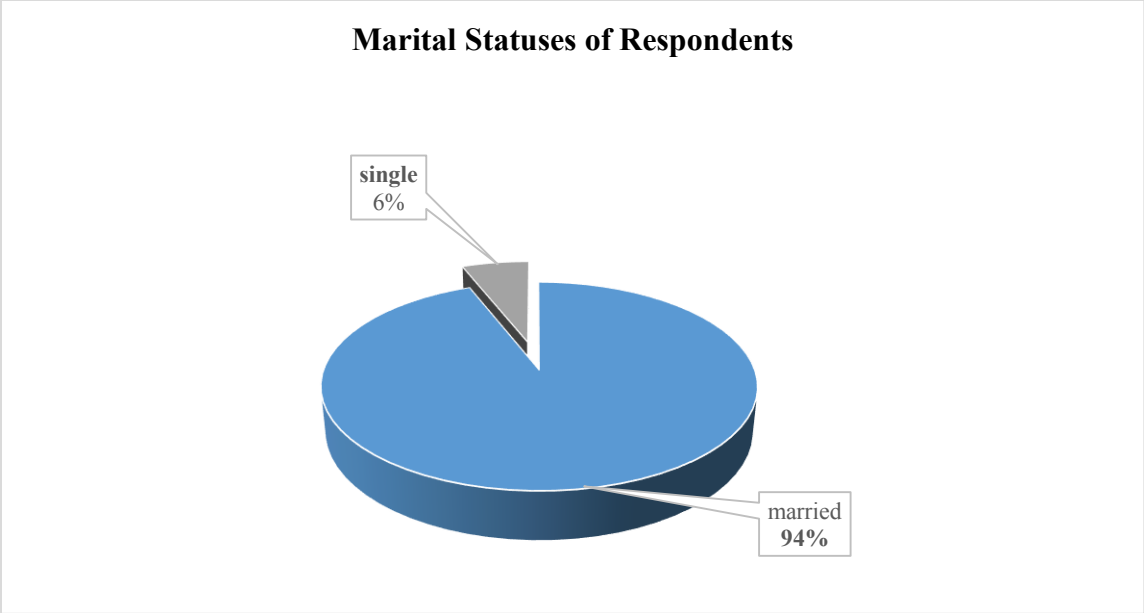


Figure 4.3: Marital Statuses of Respondents

4.2.4 Literacy level of respondents

The figure 4.4 below shows the literacy level of respondents. 24% of the respondents completed primary school education, 28% completed secondary school education, 16% attained college or vocational education, 6% attained a degree, and 26% lacked formal education. The findings suggest that 78% of the micro credit borrowers were of lower education levels, with only 22% of the respondents with tertiary education.

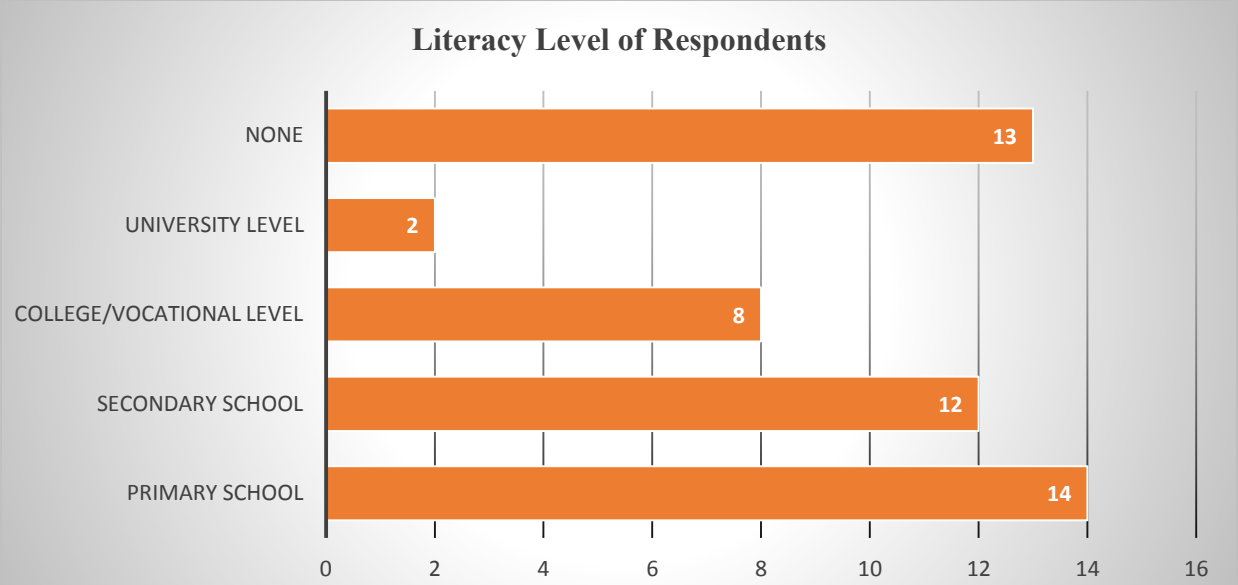


Figure 4.4: Literacy Levels of Respondents

4.2.5 Economic activity of respondent

Majority of the respondents practiced large scale farming. They also engaged in other economic activities including boda boda riding, operating shops, and other small businesses. There was limited evidence to show that individuals in the formal employment sector acquired loans from Vision Fund microfinance. The findings suggest that most of the micro loan subscribers practiced crop farming and animal rearing as a chief source of household income.

4.2.6 Rate of impact of employment in Narok

Respondents depicted varying opinions regarding the microfinance’s level of impact on the employment sector. Essentially, the majority (50%) argued that the microfinance has contributed averagely in facilitating employment within the region, with 44% believing that Vision Fund has highly led to the increased level of employment. Notably, only 6% of respondents contended that the impact of the microfinance in spurring employment in Narok has been minimal. The statistics are shown in the figure 4.5 below.

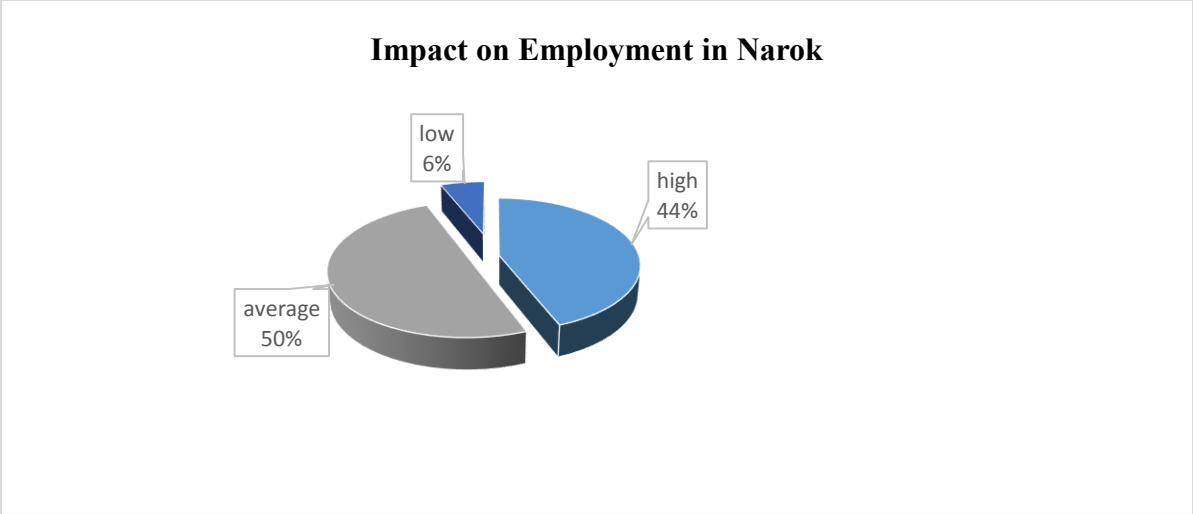


Figure 4.5: Impact on Employment in Narok

4.2.7 Duration

Figure 4.6 indicated that most beneficiaries have stayed with the microfinance for less than 10 years. Among the 50 respondents, 39 of them had been beneficiaries of Vision Fund loans for less than 10 years. 10 of them had stayed with the microfinance for 10 to 15 years, while only one respondent had received loans from the institution for more than 15 years. This aspect shows that microfinance loans is a recent phenomenon in Narok County, and there is a need for more sensitization to encourage residents to utilize microfinance services.

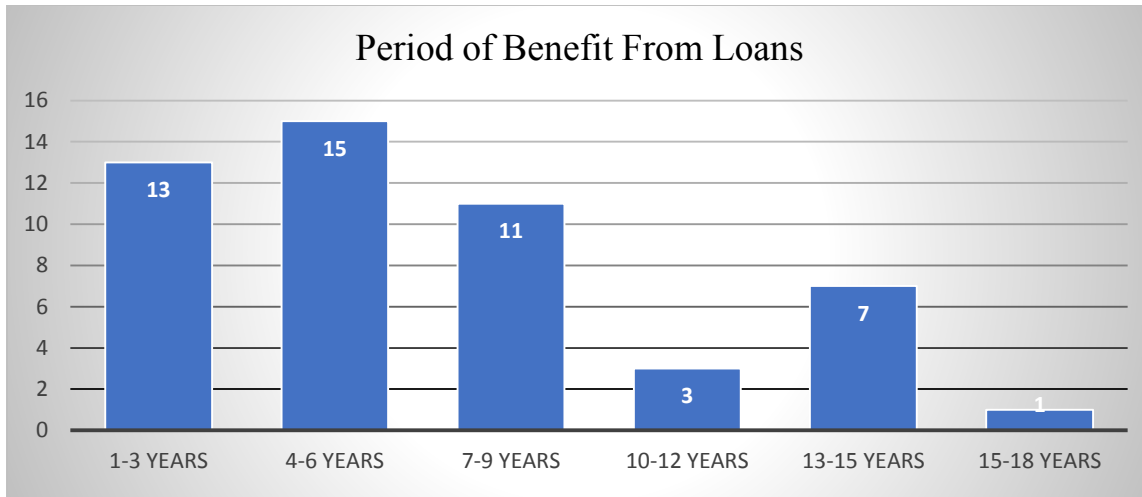


Figure 4.7: Period of Benefit from Loans

4.2.8 Difference before and after receiving micro credits

Indisputable is the fact that microfinance loans have a significant impact on individuals' economic activities. A critical analysis of the collected data reveals that 84% of respondents admitted to have improved in their economic activities after receiving micro loans. Most of them either expanded their businesses or ventured into a more capital-intensive activity. For instance, one respondent shifted from operating a garage to owning rental houses. Only 16% of respondents argued that they have not noticed any substantial change in their business before and after receiving loans from the institution.

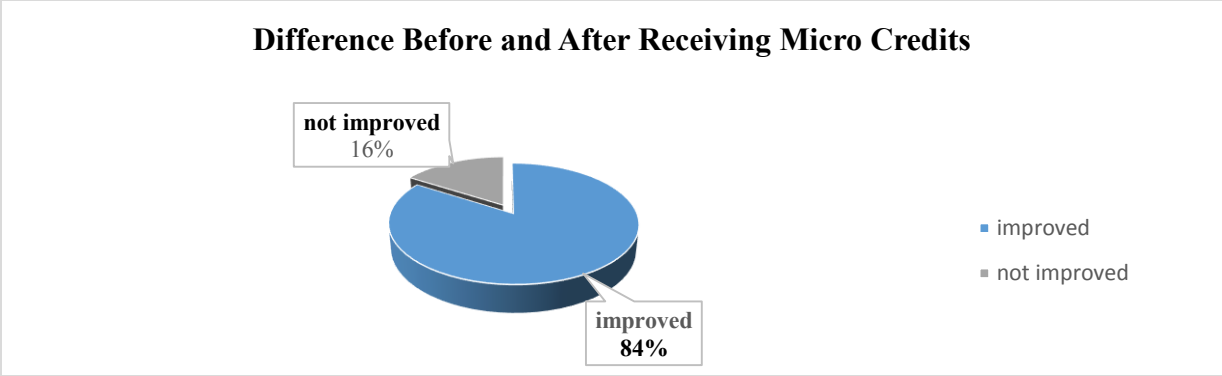


Figure 4.8: Difference Before and After Receiving Micro Credits

4.2.9 Impact of Micro Loans on Poverty Alleviation

The study utilized a scale to collect data on the opinion of respondents regarding various statements of the variables under investigation. A scale of 1-4 was applied where responses were categorized by extent of agreement as; 4- strongly agree, 3- agree, 2- disagree, and 1- strongly disagree. An average response was derived from the filled items.

variable	Agree (f)	%	Disagree (f)	%
Affordability of loan interest rates	49	98%	1	2%
Sustainability of processing charges	48	96%	2	4%
Satisfactory of processing speed	45	90%	5	10%
Impact on income generating activities for families	49	98%	1	2%
Wealth accumulation for the poor	44	88%	6	12%
Women empowerment	49	98%	1	2%
Growth of business ventures	46	92%	4	8%
Impact on commercial farming	49	98%	1	2%

Improved health outcomes	43	86%	7	14%
Contributed to alleviation of poverty	47	94%	3	6%

Table 4.1: Impacts of Microfinance in Poverty Alleviation

4.3 DISCUSSIONS

From the findings above, it is evident that most of the loan borrowers preferred micro-loans from MFIs to loans from traditional banking systems. This is due to the fact that most characteristics and requirements of microfinance loans are manageable. For instance, respondents were comfortable with the loan processing speed, loan processing charges, and repayment interest rates. These facets were the primary reason why microfinance services appealed to borrowers. In some cases, a substantial portion of respondents agreed that such microloans have enabled poor families to engage in income generating activities. Most individuals used the funds to expand their businesses or shift to more capital-intensive and profitable ventures. As a result, these loans have provided an avenue for poor families to accumulate wealth.

Evidently, microloans have played a role in women empowerment. This aspect has been shown through the lending of funds to women for purposes of improving their businesses and initiating them to engage in income-generating activities. In some cases, the financial training offered by VFK has contributed to women’s urge to participate in income generating activities. Such activities have led to improved economic status of not only women in society but also families at large.

Microcredits from Vision Fund also have an impact on commercial farming in the region. For instance, 98% of respondents agreed on the microloans improving commercial farming, which is the primary activity of residents in rural areas. Additionally, such funds contributed to the growth of small and medium enterprises, thus improving the economic status of families.

Most importantly, micro loans have been found to create employment for underprivileged communities. Essentially, most of the respondents could not secure formal employment since a fair portion are illiterate while others have less education. Therefore, they will depend on loans to

start-up businesses and transform their farming to commercial farming. Self-employment has reduced dependency especially among older adults, who are the majority beneficiaries of micro credits.

Overall, most respondents agreed to the improved health outcomes among families as a result of the acquisition of microcredits. This aspect may be due to the reduced pressure on natural resources given that the income earned can be spent on other health-improving activities, such as better treatment, enhanced nutrition, health insurance and preventive care. The improved health status is reflected on the reduced cases of child mortality due to enhanced prenatal and antenatal care and access to better health facilities. Typically, access to care is influenced by the ability of individuals to cater for various services. Given that microloans contribute to improved business ventures and higher income, families can spend the income earned to improve their health.

Although microloans from Vision Fund played a vital role in the improved social and economic status of borrowers, some of them did not feel satisfied with the processing speed, and, to some extent, its contribution to the improved health outcomes among families. Some respondents argued that the waiting time between applying and receiving loans to be reduced to facilitate faster utilization of the funds. Typically, the waiting period halted business activities, which, in some cases, would reduce income generated. Also, a few respondents were unsatisfied with the loan interest rates offered by MFIs. They argued that the micro-loan interest rates of VFK were higher than interest rates from traditional bank systems. Therefore, MFIs should consider lowering interest rates for the sake of attracting the impoverished to apply for micro credits.

Generally, micro credits have played a vital role in improving the socio economic status of families in Narok County. Essentially, improvements have been reflected in education, health, mortality rate, access to medical care, increase of household income, and enhanced security through insurance covers. Child poverty has hence been reduced since they can access education and medical services as well as basic needs within the family.

CHAPTER FIVE

5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 SUMMARY

This chapter seeks to overall summary of the findings based on the objectives and give recommendation for future studies on the topic impacts of microfinance in poverty alleviation, case study Narok County. The research utilized questionnaires as a primary data collection tool. The rate of response proved the efficiency and effectiveness of the tool. This study was conducted to find out how micro credits have impacted the households. The study further sought to understand how financial assistance to women has impacted their socio economic status. Besides, the study also identified some of the factors that contributed to poverty in Narok County. Some of these factors include, low literacy levels and poor economic environment. Therefore, MFIs have intervened for the impoverished, enabling them to overcome the economic challenges that they face. Further, MFI were found to contribute in to the expansion of SMEs, access to health care, increase household income, and enable the poor to improve their living standards through accumulation of resources.

The study also discovered that most of the subscribers of micro loans were less educated, with 78% attaining secondary education and below. Most of the subscribers were found to be of age 41 and above. Almost all loan customers were married. At least 50% of micro credit borrowers benefitted from the loans. Most of them were seen to transform their economic activities through the help of loans. However, a 6% remained stagnated in their economic activities and argued that the rate at which loans are impacting employment within Narok is very minimal. Most of the borrowers attest that insurance packages offered by MFIs greatly improve access better to health care.

The coclusion will be made based on the study objectives which were;

The broad objective of the study is to find out the effects of microfinance in poverty reduction in Narok County.

The specific objectives are;

- i. To assess the effects of Vision Fund loans in improving the local economy through Small and Medium Enterprises (SMEs).
- ii. To find out the contribution of Vision Fund in women empowerment in Narok County.
- iii. To evaluate the impacts of Vision Fund services on farmers in Narok County.
- iv. To define impacts of micro-insurance by microfinance institutions on poverty alleviation in Narok County.
- v. To investigate how VFK loans have affected the socio economic status of families within Narok.

5.2 CONCLUSIONS

5.2.1 Effects of Vision Fund loans in improving the local economy through small and medium enterprises (SMEs).

The research findings show evidence that most of the respondents agreed that micro credits have offered them an opportunity to exploit their abilities and begin business ventures. Financial stability is a key result of subsequent investment in growth. Economic transformation of the clients manifested that MFIs have become important in poverty alleviation since the impoverished sectors can be able to acquire loans, invest, and save in business ventures.

5.2.2 The contribution of Vision Fund in women empowerment in Narok County.

Results have shown that women were able to improve or engage in income generating activities after acquisition of micro loans from VFK. Before loan lending, they have to undergo through financial trainings to enable them spend the loans in a meaningful manner. The first result after loan acquisition motivated them to continue borrowing more loans. Most of the female respondents benefitted from the loans for more than five years, justifying the worthiness of MFIs in poverty alleviation. They fact that they managed the interest rates that accompanied the loans during repayment concludes that their income increased. The research concludes that inclusion of women in economic development has greatly transpired to reduction of household poverty. Stable and families are raised as a result of women empowerment. In essence, single mothers are able to sustain their families since they have secured a source of income. Additionally, cases of home based violence have reduced since income is enough for household expenditure.

5.2.3 The impacts of Vision Fund services on farmers in Narok County.

Agricultural assets are important grants that promote their income through increased agricultural yields. Accumulation of assets through loan acquisition is a commission for an increase in wealth that improves living standards. The majority of respondents, at least 98% agreed that micro loans contributes vastly towards accumulation of agricultural resources. Agribusiness is vital in the generation of household income among farming communities. Loans have enabled small scale farmers to expand on the size of their farming as well as invest other businesses.

5.2.4 The impacts of micro-insurance by microfinance institutions on poverty alleviation in Narok County.

The research concluded that most MFIs had various Micro-insurance covers. A higher number of respondents stated that they had benefited from the insurance covers. Health insurance especially reduced morbidity, mortality and maternity rates and hence indicated an improvement of livelihoods. The research also concluded that MFIs contribute to poverty reduction, and are of great benefit to the country as a whole and not only in Narok County. From the results above

5.2.5 Impacts of VFK micro loans on the socio economic status of families within Narok.

From the discussions of the findings, the study concludes that MFIs play a vital role in alleviation of poverty in Narok County. Micro finance facilities intervene through ensuring that loans have been utilized in the proposed purpose. When the funds are well utilized, then the living standards of individuals and families improve thus indication reduction of poverty. Increased household income as a result of micro credits ensures healthy families since they are able to access basic human needs. Besides, micro credits empower families financially so that they are able to begin income generating activities. The research concludes that impoverished households are enabled to accumulate resources and wealth through the intervention of micro loans. Most of the loan borrowers

5.2.6 Limitation of Study

The research encountered several challenges. First, the study only targeted the households in Narok County only. Therefore, the results may not be descriptive of other counties. This is true because of the fact of that there are distinct features in every county which may affect the results of a similar

study. The sample size of 50 respondents was also not sufficient considering the large number of households consuming microfinance loans. Another challenge related to data collection and administration of questionnaires. The attitude some respondents towards the research was quite unforeseen where most of the respondents could not understand benefits and importance of the research. The process involved a lot of explanation and assurance on confidentiality for the respondents to accept to provide the required data. The administration of questionnaires to inquire about financial information raised suspicion among the respondents. Besides, the process of mobilizing micro credit beneficiaries was a bit tedious because they had a specific time for holding group meetings.

5.3 RECOMMENDATIONS

5.3.1 Recommendation for further research

This study seeks to institute the impacts of microfinance facilities on poverty reduction at household level in Narok County. From the limitations faced and the researcher experience during the research, several recommendations for further research were observed. First, this study was affected by illiteracy of the respondents who could barely understand the purpose of carrying out a research. Therefore, further study is suggested on the impacts of microfinance facilities on poverty reduction in Narok County as well as Kenya at large. The research has exposed the role of microfinance loans on poverty alleviation widely. To improve development, further research of this kind should be conducted to identify the challenges faced by household in accessing micro credits as well as microfinance institutions in extending loans to households. Data should be gathered on a quarterly basis for over five-year period. This is for the purpose of ensuring accuracy of the information given. The current respondents should be encouraged to keep records where they can account for all their transactions and trained on filling the same.

5.3.2 Policy Recommendation

The study has validated the importance of MFIs in alleviation of poverty in Narok County. Therefore, various policy recommendations should be made to ensure efforts are being made to ensure eradication of poverty at grassroots level. First, the study recommends that MFIs to constantly expand their outreach to enable them reach more deserving low income earners in all

Counties in Kenya. To achieve this, MFIs should do enough marketing of their products. This could be possible through manifestations in speed of loan disbursement. Further, the institutions should also lower their interest rates so as to attract more customers and increased borrowing. Microfinance institutions should also design appropriate products relating to the economic environment of a region. Besides, they can also provide customized products for special clients. This will encourage a variety of borrowers. The study also recommends creation of a more transparent and easily accessible fund for youths and women who constitute the largest portion of unemployed population in Kenya. This funds should have minimal loan processing charges so as to encourage the poorest poor to borrow credits from MFIs. Lastly, the study recommends that MFIs should concentrate more on financial trainings. Both male and female customers should be educated of better managerial behaviors, means of loan utilization, and importance of loans.

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APPENDICES

APPENDIX I: INTRODUCTION LETTER

Dear Respondent,

RE: REQUEST TO COLLECT DATA

I am a student at Maasai Mara University, School of Arts and Social Sciences. I am currently pursuing an undergraduate degree in Community Development. For the successful completion and conferment of the degree, students are required to undertake a research project.

This questionnaire is intended to gather data from beneficiaries of Vision Fund microloans. Therefore, I am as a result of this requesting for your assistance and cooperation in filling the form to help me complete the project. Kindly, note that any information you submit will be treated with utmost confidentiality. In no way will your name or personal data be mentioned in this research.

Thank you in advance

Yours sincerely



Faith Wairimu

APPENDIX II: RESEARCH QUESTIONNAIRE

Questionnaire No.....

Kindly answer the questions. Respond by ticking (√) against the most suitable alternative in the spaces provided.

NB: ALL INFORMATION PROVIDED WILL REMAIN CONFIDENTIAL.

PART A: PERSONAL INFORMATION

Gender of respondent

- a) *Male* ()
- b) *Female* ()

The age range of the respondent

- a) *18-25 years* ()
- b) *26-30 years* ()
- c) *31-35 years* ()
- d) *36-40 years* ()
- e) *Above 41 years* ()

Marital status of the respondent

(Married/ Single)

Highest Level of education

- a) *Primary school* ()
- b) *Secondary school* ()
- c) *College/Vocational level* ()
- d) *University level* ()
- e) *None* ()

PART B: FINANCIAL PROVISION

1. When did you acquire your first microloan from Vision Fund?
2. How long have you been a beneficiary of microloans from Vision Fund?
3. What was the nature of your economic activities before acquiring financial assistance from Vision Fund?
4. What is the nature of the business now?
5. Has the microfinance impacted the level of employment in the Narok? If your answer is yes, at what level of significance is the impact?
 - a) *High* ()
 - b) *Average* ()
 - c) *Low* ()

PART C: IMPACT ON POVERTY ALLEVIATION

In your opinion, do you think Vision Fund microfinance has an impact in poverty alleviation in Narok? How do you agree with these statements regarding Vision Fund microloans?

1-strongly disagree, 2-disagree, 3-agree, 4-strongly agree

Statement	Strongly disagree	Disagree	Agree	Strongly agree
Loan interest rates are affordable.				
Loan processing charges are sustainable.				
Loan processing speed is satisfactory.				
Vision Fund microloans have enabled families to engage in income generating activities.				

Vision Fund microfinance provides an opportunity for the poor to accumulate wealth.				
Vision Fund loans have enabled women to involve in economic activities.				
Many business ventures have risen as a result of Vision Fund microloans.				
Farmers in Narok are able to practice commercial farming through the help of loans.				
Overall, Vision Fund loans have contributed to the alleviation of poverty in Narok.				
Health status of families has been restored through the help of Vision Fund loans				

THE END

THANK YOU FOR YOUR COOPERATION

APPENDIX III: TIME PLAN

Month	October 2018	November 2018	December 2018	January 2019	February 2019	March 2019	April 2019
Presentation of Topic and writing of concept paper							
Proposal writing and revisions							
Proposal submission							
Data collection							
Data analysis and representation and report writing							
Presentation of report							

Table 1: Time Plan

APPENDIX IV: BUDGET

Item	Quantity	Cost @ each	Total cost
Typing proposal	1 copy	1,000	1,000
Printing concept paper	1 copy	50	50
Printing proposal	4 copies	200	800
Printing questionnaires	55 items	20	1,100
Printing complete project	2 copies	300	600
Burning compact disc	1 piece	100	100
Plagiarism and grammar checker	1 package	300	300
Binding proposal	3 booklets	150	450
Binding project	1 booklet	1000	1000
Transport during data collection	2 weeks	200	2,800
Foolscaps	1/2 rim	200	200
Pens	2 pieces	30	60
Internet subscription	2 months	1,000	2,000
Miscellaneous costs			2,000
Total cost			12,460

Table 2: Budget