EFFECTS OF ECONOMIC EMPOWERMENT ON SAVING OF WOMEN FARM PRODUCE RETAILERS: A CASE OF THE NAKURU MAIN MARKET

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DECLARATION AND RECOMMENDATION

Declaration

This research project is my original work and has not been submitted to this or any other university, for the conferment of a degree or an award of a diploma.

.... 23/2/2016 ....

Dima, Atieno Teresia **Date**

CM11/0313/07

Recommendation

This Research project has been submitted for examination with my approval as the University Supervisor.

.... 23/2/2016 ....

Mr. Akuno Nyang'aya, R.O. **Date**

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DEDICATION

I dedicate this work to my mother Nereah Dima. For all the sacrifices she made, I say 'Thank You mum'.

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All glory and honour be to the Almighty God for the far He has brought me. I would like to express my great appreciation to my supervisor, Mr. Akuno Nyang'aya, R.O. for his invaluable input, patience and willingness to give his time so generously. Mrs. Mary Bosire for her genuine concerns, useful critiques and encouragement. Mr. Leo Ogolla for his careful review and insightful comments.

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God bless.

ABSTRACT

It is important to save because it significantly influences a person's financial well being and economic development. Despite its importance, most women farm produce retailers in Nakuru main market do not save. Literature reveals that women's ability to save is affected by their financial empowerment among other factors (Mayoux & Hartl, 2009). This study investigated the effect of economic empowerment on the saving of women farm produce retailers in Nakuru main market. The objectives of the study were; to determine the effects of access to credit, access to income, access to Government/NGOs interventions on the saving of women farm produce retailers at the Nakuru main market. The study conceptualized that economic empowerment of women affects their level of saving from their business. Age, level of education, marital status and household size were considered to be the moderating factors. The study adopted a descriptive research design. A sample size of 65 respondents was selected, a 10% recommendation of the population (648) using Mugenda & Mugenda (2003). Stratified sampling technique was used. The number of respondents from each stratum was determined using proportionate sampling and those who participated in the study were selected using simple random sampling. Data was collected by use of a questionnaire. Experts from the Department of Accounting, Finance and Management Science, Egerton University examined the face and content validity of the instrument. The reliability of the questionnaire was pilot tested using a sample of 15 women retailers drawn from Shabaab municipal market and the Cronbach alpha method. The data collection tool yielded a reliability coefficient of 0.865. The data was analyzed using Statistical Package for Social Science (SPSS). Hypotheses were tested at the 0.05 level of significance using the Pearson's correlations, multiple regression and hierarchical regression. The results of the study showed that the independent variables effect on savings was 17.7%. The moderator variables accounted for 4.6% variation on savings. When the independent variables were added to the equation there was an improvement in R^2 from 0.046 to 0.241. The inclusion of the independent variables in the analysis led to 0.195 change in R^2. The combined effect indicates that there are other factors that affect women's savings whose broader inclusion and further studies could help reveal.

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ABBREVIATIONS AND ACRONYMS

ANOVA: Analysis of Variance

CEI: Cumulative Empowerment Index

CESO: Canadian Executive Service Organization

DFIs: Development Finance Institutions

FINCA: Foundation for International Community Assistance

FSD: Financial Sector Deepening

GoK: Government of Kenya

GOs: Governmental Organizations

ICT: Information and Communication Technology

IFAD: International Fund for Agricultural Development

IGAs: Income Generating Activities

ILO: International Labour Organization

K-REP: Kenya Rural Enterprise Programme

MCN: Municipal Council of Nakuru

MDGs: Millennium Development Goals

MFIs: Micro Finance Institutions

MSEs: Micro and Small Enterprises

NGOs: Non-Governmental Organizations

SAPs: Structural Adjustment Programmes

SfC: Saving for Change

SMEs: Small and Medium Enterprises

SSA: Sub-Saharan Africa

SSE: Small Scale Enterprises

UN: United Nations

UNFPA: United Nations Funds for Population Activities

VSCAs: Village Savings and Credit Associations

WEF: Women's Enterprise Fund

WHO: World Health Organization

WOs: Women's Organizations

VSLs: Village Savings Loan Schemes

CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

In order to broaden the economic opportunities available to women, it is important to design appropriate financial products that enable them to save and borrow. It is therefore important to understand how women's access to and control of resources, social norms, and family responsibility affect their need for capital and their ability to obtain it. It is important that developmental strategies aimed at boosting women's productive capacity enhance direct access to financial services as this is likely to lead to higher investments in human capital and have a stronger impact on children's health, nutrition and education with important long-term implications for families and societies (Diana & Lisa, 2011).

Although women contribute enormously to economies in businesses, on farms, as entrepreneurs and by doing unpaid care work at home, they still remain discriminated and exploited. This limits their participation in economic and social policies and curtails access to economic assets such as land and loans. It is therefore important to invest in women's economic empowerment in order to set a direct path towards inclusive economic growth (UNDP, 2013). To increase their economic opportunities, women need a business climate that supports them in starting and doing business and a financial sector that gives them access to financial services tailored to their needs. Securing women's land and other property rights, for example, is a vital component of empowerment since it has a direct impact on their ability to access finance. Supporting women's entrepreneurship through training in production skills and techniques, business management and functional literacy are an equally important step in their economic empowerment (UNDP, 2015).

Negash (2006) concurs that although women enjoy more freedom and power than before, they are still disadvantaged in virtually all aspects of life including equal access to education, capital, decision making powers in political, social and business sectors. Women in Africa represent 52% of the total population, contribute approximately 75% of agricultural work and produce up to 80% of the food, they earn only 10% of the African incomes and own just 1% of the continent's assets. Although education has been recognized worldwide as a means to empowering women,

they still face tremendous challenges. Despite repeated efforts made by governments, NGOs, and multilateral development agencies, the majority of women in the developing world are still relegated to micro enterprises and informal tasks. In addition, women still make-up the majority of part-time and temporary workers in developed countries. Consequently, these women working in informal economies are likely to have less access to education, financial capital and land ownership. There are many impediments to women's economic empowerment and the world has a long way to go to bring women to the forefront of economic participation. In order to fully address widespread practices that prevent women's empowerment, it is necessary to assess the opportunities and obstacles that exist, for example, social/cultural, environmental conditions and traditional economic indicators. Until societies, governments and non-governmental organizations around the world come together and make a concentrated effort to empower and grant equality to women, the world will be stuck in the past, and human well-being will never truly realize its full, vigorous potential.

The problem of women's access to credit was highlighted at the first International Women's Conference in Mexico in 1975, leading to the setting up of Women's World Banking network. In the wake of the second International Women's Conference in Nairobi in 1985, there was a mushrooming of government and non-governmental organizations sponsored income generating programs for women, many of which included savings and credit. In the 1990s, microfinance programs such as the Grameen bank and some affiliates of the Foundation for International Community Assistance (FINCA) began to target women not only because of their poverty alleviation obligation but also because their repayment rates were significantly higher than men's (Mayoux & Hartl, 2009).

According to Lewis and Messy (2012) savings and investment by individuals are important both for personal financial well-being and for economic growth. However, knowledge and understanding of saving and investment concepts is particularly low in many countries in addition to cultural factors which limit peoples' propensity to save. People with savings are better able to weather economic shocks such as loss of income, to build assets for the future and are less likely to rely on credit. Some of the reasons for saving as suggested by the study include; the enterprise motive: saving to accumulate enough money to carry out speculative or business activity, and precautionary motive; money put aside to cover unforeseen events. Despite the importance of saving to economies across the world and the significant barriers to saving, this report found no articulated strategies which set out explicit savings goals and means of achieving them. Surveyed governments appeared to use a mix of regulations without any clear idea whether the individual interventions have an impact or whether the mix is right. The report recommended financial education and awareness initiatives to improve savings.

Most of the developing countries have witnessed an influx of the number of women venturing in the field of entrepreneurship in recent years; this mainly being attributed to advocacy on women empowerment programs and policies advanced by both government and non-governmental organizations (Eyben, Kabeer, & Cornwall, 2008). A report by World Bank (2009) indicated that women entrepreneurs comprise about a half of human resources in developing economies.

Many people have difficulty saving as much as they would like. But while households in developed countries have access to many products to help them surmount their saving difficulties, households in developing countries tend to rely on much more informal arrangements (Collins et al. 2009; Rutherford 2000). Enabling small-scale entrepreneurship has long been identified as a mechanism to alleviate poverty, and substantial attention has been paid to micro-credit as a means to promote entrepreneurship. In this context, some have argued that the focus needs to be put on savings instead of credit, since evidence suggests that individuals should be able to save their way out of credit constraints. But this strategy demands accessible opportunities for people to save securely (Pascaline & Jonathan, 2007). The problem of women's access to credit, and therefore economic development, was highlighted at the first International Women's Conference in Mexico in 1975, leading to the setting up of Women's World Banking Network (Mayoux & Hartl, 2009). Women's economic empowerment has become increasingly important within the international policies in the recent years. The formulation of the Beijing Platform for Action and the Millennium Development Goal #3 on gender equality and women's empowerment adopted an increase in women's share of non-agricultural employment as one of

the indicators of women's economic employment (Golla, Malhotra & Mehra, 2011). The formulation of these two documents paved the way for a greater equation between women's financial empowerment and their access to productive resources (Kabeer, 2012). However, it is not enough for women to earn an income or have access to resources but it is important to know the impact of women's greater access to resources on savings (Esplen, 2007).

According to the United Nations Millennium Campaign to halve world poverty by the year 2015, women work two-thirds of the world's working hours. The overwhelming majority of the labour that sustains life – is done by women, and universally this work is accorded low status and no pay. Where women work for money, they earn only 10 percent of the world's income and may be limited to a set of jobs deemed suitable for women. Women own less than 1 percent of the world's property. Where laws or customs prevent women from owning land or other productive assets, from getting loans or credit, or to own their home, they have no assets to leverage for economic stability and cannot invest in their own or in their children's futures (CARE, 2011). Women usually invest a higher proportion of their earnings in their families and communities. Increasing the role of women in the economy therefore is part of the solution to financial and economic crises and critical for economic resilience and growth. Organization for Economic Co-operation and Development (OECD,2010), In evaluating the impact of a commitment to micro-savings account, Pitt, Khanker, & Cartwright (2006) found that micro-finance programmes not only give women access to savings and credit, but reach millions of people worldwide bringing them together regularly in organized groups. Mayoux (2006) added that although no 'magic bullet', they are potentially a very significant contribution to gender equality and women's financial empowerment. Through their contribution to women's ability to earn an income these programmes have the potential to initiate a series of 'virtuous spirals' of economic empowerment and increased well-being for women.

Women represent half the world's population; therefore to discriminate and prevent half of humanity from reaching its full potential is economic folly which hinders the rest of the world. Thus, concerted actions to educate women, give them equal access to credit and empower them financially are crucial in overcoming the above-mentioned challenges. Until societies, governments and non-governmental organizations around the world come together in an effort to empower women, human well-being will never truly realize its full potential (Negash, 2006). Savings has the economic advantage of ability to access loans especially in micro-credit. Commitment to savings positively impacts self-perception of saving behavior and could result in higher bargaining power over withdrawal decisions for women. Women's participation in micro-credit programmes lead to them having greater access to financial resources and freedom of mobility (Pitt et al, 2006).

Women play an important role in the family and society, but in all essential areas of life women are generally at a significant disadvantage as compared with men, whether in terms of education, income, partner choice, inheritance laws, property rights, decision-making processes, community organization, or access to leadership positions in education, business, or politics. The need for empowerment of women thus arises from this harsh social scenario. Women and their problems are being given much importance in our social milieu. Women have attained a great deal in the past few years but there are still areas of discrimination which exists. Work with and for women in the interest of "women's empowerment" will continue to be one of the main tasks of for a long time to come (Sheela & Kala, 2013).

In Kenya, small enterprises account for about 20 percent of adult employment and 12-14 percent of national GDP, but only 22 percent of micro entrepreneurs had savings accounts with commercial bank prior to the study by Wolfgang and Borko, (2013). Although the Government of Kenya, financial institutions and non-governmental organizations have supported the development of women-owned entrepreneurial ventures in Kenya through financial intermediation, infrastructure and policy (GoK, 2005), the women entrepreneurs continue to rely on credit financing for the growth of their businesses instead of mobilizing savings from the business earnings. Overdependence on loans has affected their operations, performance and realization of their full potential because the loans are costly and inflexible (Ambrose, 2012).

Experience has shown that majority of women do not benefit from the programmes of the various governments even when they are involved in economic activities that need support. Micro-credit facilities in some cases do not reach market and women for enhancement of their production and trade (Ikeduru, 2002). A study by Kato and Kratzer (2013) showed a significant difference between the women members of MFIs and non-members in the dependant variables related to women empowerment. Women members of MFIs have more control over savings and income generated from the business, greater role in decision-making, greater self-efficacy and self-esteem, and greater freedom of mobility and increased activities outside home.

Savings schemes provide opportunity for low income earners to access affordable financial services which is a critical ingredient for economic empowerment. A study in Rachuonyo District found significant differences between members and non-members of a savings group in terms of amount of capital invested in business, net returns on capital, ownership of land and business premise. The results further suggested that members of a savings group were more likely to be economically empowered than non-members. (Rambo, 2012).

Savings mobilization is critical for individual and societal welfare. It helps households finance productive investments in both human and business capital. At the macroeconomic level, savings rates are strongly predictive of future economic growth. Rambo (2012) established that economic empowerment is an important contributor to women's savings by noting that women who were economically empowered by doing small businesses were members of savings groups and therefore tended to save as opposed to those who were none members. Rutherford 2000; Collins, Jonathan, Stuart, & Orlanda, (2009) highlighted the demand for small irregular flows to be aggregated into lumpsums for household or business investment and that even when formal savings products are unavailable or unaffordable, the poor often save in informal groups.

1.2 Statement of the Problem

Women farm produce retailers in Nakuru Municipality market are predominantly small traders. Some of the women traders are empowered by the credit they access from varied sources, and some from the income they make. A question is asked, do women farm produce retailers save from their business in respect of their forms of empowerment? Does the financial empowerment they access influence their way and level of saving? This line of thinking and the possible answers to them, could provide a benchmark upon which to understand the interrelationship between the variables; women economic empowerment and their level of saving from their business enterprises. A fundamental concern comes about in respect of the influence of economic empowerment of women on saving. Although many researchers have studied women empowerment, they tend to focus on capacity building modes of empowering women, social welfare and their participation in income generating activities; but not much exists on the effect of economic empowerment of women on saving in the informal sector (Rambo, 2012). According to Ronald and Edgar (2003) liquidity, degree of safety and returns usually influence a person's choice of medium in which to maintain savings. The ability to provide adequate funds to meet investment needs therefore primarily depends on the savings of individuals and corporations. This research sought to focus on the effect of women financial empowerment on saving in respect of women agricultural produce retailers at the Nakuru main market.

1.3 Research Objectives

The general objective of the study was to investigate the effect of economic empowerment on savings of women farm produce retailers' in Nakuru Main Market.

The specific objectives of the study were:-

i. To determine the effects of access to credit on the savings of women farm produce retailers in Nakuru main market

ii. To determine the effects of access to income on the savings of women farm produce retailers in Nakuru main market

iii. To determine the effects of access to Government/Non-Governmental Organizations interventions on the savings of women farm output retailers

iv. To establish the effects of economic empowerment of women on savings from farm produce retailing.

1.4 Hypotheses of the Study

The study tested the following hypotheses:

i. There is no significant relationship between access to credit and the savings of women farm produce retailers in Nakuru main market

ii. There is no significant relationship between access to income and the savings of women farm produce retailers in Nakuru main market

iii. There is no significant relationship between access to Government/Non-Governmental Organizations interventions and the savings of women farm produce retailers

iv. There is no significant effect of access to credit, income and Government/NGOs' interventions on the savings of women farm produce retailers

1.5 Significance of the Study

In as much as access to credit, access to income, government/NGOs interventions are expected to
induce increased savings by the women farm produce retailers, there may be other factors that could as well have an effect on savings. Some of these factors as used in the study include age, level of education, marital status and household size. The study supposes that with the effects of both the activities of the independent variables and the moderating variables, women farm produce retailers should increase their level of saving. Although the women farm produce retailers will spend part of their earned income on household expenditure, it is expected that they will as well save for business growth. Economic empowerment therefore ultimately should translate to greater income implying greater levels of saving.

1.6 Scope of the Study

The study was done in Nakuru town and it involved women farm produce retailers in Nakuru main market. It investigated the effect of economic empowerment on savings. Economic empowerment was expressed in terms of access to credit, access to income and government/NGOs interventions. Savings was expressed in terms of cooperative/chama shares, saving account, investment in land/livestock, stock market shares, insurance/pension contributions

1.7 Limitations

The study was generalized to women farm produce retailers in Nakuru Town only therefore generalization of results to other markets may be done with caution Some respondents were initially reluctant to give information about their other sources of income. This was mainly due to privacy as the respondents did not wish to share that information with their fellow retailers. Most respondents do not keep accounting records and depended on memory recall.

1.8 Assumptions of the Study

The following assumptions were made during the study; the subjects will accept to participate in the study and that information provided was a true reflection of what is on the ground.

1.9 Definition of Terms

Access: Ability of the women farm produce retailers to qualify for loans, have a general understanding about credit and affordable products and services that are tailored to fit their credit needs and capacity to repay.

Credit: The ability of a customer to obtain funds or services before payment, based on the trust that payment will be made in the future. http://www.oxforddictionaries.com In this study, credit was used to refer to bank credit, co-operatives, merry-go-round credit, microfinance credit, mobile phone credit and trade credit.

Income: The monetary payment received for goods or investments, or from other sources. http://dictionary.reference.com/browse/income. In this study, income was used to mean gross sales minus capital and expenses

Savings: Savings is described as the fraction of incomes not instantly consumed, but kept for future investment, consumption or for unforeseen contingencies (Donkor and Duah, 2013). In this study savings was used to mean amount left over when the cost of a person's consumer expenditure is subtracted from the amount of disposable income that he or she earns in a given period of time.

Economic Empowerment: Empowerment in this context means assistance which may be in form of cash, materials or training provided to women to enable them influence changes in their socio-economic status and to use their capacities to harness the hidden potentials in material and human resources.

CHAPTER TWO
LITERATURE REVIEW

2.1.0 Women's Financial Empowerment in the World

Most of the world's poorest people are women who face unequal access to the resources needed to improve their economic and social status such as financial resources, skills and technical expertise. However, equipping women with the productive resources does not automatically mean that they are empowered. They must also have the power to make and act on decisions that would allow them to obtain valuable outcomes from economic activity. According to the Canadian Executive Service Organization (CESO, 2009), women make significant contributions to the world economy yet their work, particularly in the developing countries, has not resulted in the same level of economic empowerment as that of men. Approximately one billion women are unable to achieve their full economic potential due to barriers to engaging productively in the economy. Empowering a woman economically gives her more control over her choices and more options for her future. Women's contributions to economic processes matter, not only to women but also as a means to achieving broader development outcomes. No single initiative alone can independently fulfill conditions for empowerment. The most effective programs will be those that listen to the needs of the potentially impacted women and carefully evaluate their resources, strengths and vulnerabilities. These partnership-based programs will transform the economic choices available to women by providing them with the tools to build their own economic success.

It is estimated that by the year 2030, China will save more than any other developing country and that there will be a decline in East Asia and Pacific savings and investment rates and therefore moderate economic growth. To break the tendency of low saving by poor households, World bank, (2013) suggested improvements in earning capacity and increased incomes as a means of boosting savings. The report pointed out Middle East as having the lowest use of formal institutions for saving by low-income households. South Asia will remain one of the highest saving and highest investing regions until 2030 but with the variations of scope for rapid economic growth and financial development, results for saving, investment, and capital flows: a scenario of more rapid economic growth will be sustained while saving falls significantly. Due to a robust labor force growth, Sub-Saharan Africa investment rate is expected to be steady but with a decreased saving rate due to moderate financial market (World Bank, 2013).

The importance of saving as a means to provide household financial security has been widely recognized by researchers and practitioners. Savings are one of the critical tools that households utilize to achieve financial goals and to achieve financial well-being. Aggregate household savings can also affect the macro-economic performance of a country (Rui, Feifei, & Robert, 2011). Bucks, Kennickel, Mach, & Moore (2009) study on self-reported savings motive reported saving for retirement, precautionary savings and saving for education as the most frequent motives for saving. The study concluded that saving motives are affected by differences in culture and economic development of China and America.

In most of Africa, savings rates are relatively low, around 17 percent of gross domestic product. Kenya has saved 13–14% of GDP while Tanzania and Uganda have already crossed the 20% mark. Despite the strengths of Kenya's financial sector, including the latest saving instruments such as M-Pesa and M-Shwari products, the financial flows which enter Kenya are not necessarily transmitted into the sectors of the economy which need long-term investments, especially manufacturing (Wolfgang & Borko, 2013).

In Sub-Saharan Africa (SSA), saving is crucial for establishing the foundation of wealth for families and communities using financial assets such as bank accounts and securities. Saving helps determine personal and socio-economic development. Having some form of savings provide the chance to access high quality education, entrepreneurship and other financial and investment opportunities (Ansong & Chowa, 2009). In Kenya, household income was found to be a statistically significant predictor of savings among rural farmers, entrepreneurs, and teachers (Kibet, Mutai,Ouma, Ouma, & Owuor, 2009). In the village of Bumala, a market center along the main highway connecting Kenya to Uganda, a community-owned bank sought to increase access to formal banking by offering savings accounts to villagers. Two years after opening, only 0.5 percent of daily income earners had opened an account, citing lack of information about the bank and the inability to pay the account opening fee as primary reasons for low take-up (Wolfgang and Borko, 2013).

2.1.1 The Informal Economy in Africa

Small and Medium Enterprises (SMEs) have been considered as the engine of economic growth and for promoting equitable development and a nursery for entrepreneurship often driven by individual creativity and innovation. SME sector is the main driving force behind job creation, poverty reduction, wealth creation, income distribution and reduction in income disparities. SMEs role in the development and growth of any given economy has become increasingly apparent to governments and policy makers because, they ensure efficient use of resources, employment creation and mobilization of domestic savings and investment (Aremu, Mukaila, Adeyemi & Sidikat, 2011).

There is a close association between the quality of jobs and gender – with men dominating the upper hierarchy while women are over-represented at the lower hierarchy (Chen, 2008). Bacchetta, Ernst, & Bustamante (2009) stated that in the past three decades, the informal economy in developing countries has increased significantly. In his research 'Rethinking the informal economy and the formal regulatory environment', Chen (2005) found that in India, the informal economy accounts for 93 percent of total employment, in Mexico 62 percent and in South Africa 34 percent.

According to Tushabomwe-Kazooba (2006) the number of small scale business enterprises in Uganda has grown immensely and serve people at both business and house hold level. The entrepreneurs of these enterprises lacked business management skills and capital, and as such, many of them faced a number of problems mostly of start-up nature. The survey concluded that causes of small business failure in Uganda included; economic, cultural and environmental factors and that practical actions on how to overcome these problems with the aim of helping the entrepreneurs design business plans and work with one another might help move them in the right direction.

Small businesses are important for sustained growth for all economies. Okpara and Wynn (2007) noted a high failure rate in Nigerian economy despite government programs established—on paper—to help entrepreneurs. In their survey of small businesses in Nigeria, they found that the principal constraints to success include poor management, lack of capital and weak infrastructure.

Riley and Steel (2000) estimated that today, Kenya's informal sector constitutes 98 percent of all businesses in the country. In its Sessional Paper Number 2 of 1992, *Small Enterprise and Jua kali Development in Kenya,* the government identifies the small-scale and *Jua Kali* enterprise sector for support to assist it graduate into the formal sector and to become a major player in the creation of new jobs and economic growth through access to technical and managerial training, work sites and creation of a positive enabling environment.

In an effort to promote human development as the key to sustaining social and economic progress in the country, the government of Kenya (GoK) strives towards achieving the millennium development goal number four by designing programmes and policies that support SMEs. Access to credit for female entrepreneurs being of utmost importance and women empowerment is emphasized both in medium term plan 2015 and vision 2030. Some of the programmes established by the Kenyan government in this regard include Women Enterprise and Development Fund. The GoK had by 1990 allowed one hundred and fifty organizations to provide credit programmes to the SME sector. Of these, about one hundred and thirty were non-governmental organizations (CBS/ICEG/K-REP,2001).

In assessing the roles played by female traders of agricultural produce, CharmKarmon (2010) found that women play important roles in all areas of the agricultural sector and that they are present throughout the marketing chain from farming, through transport, wholesale, retail to the consumer. In order to better understand the issues that female traders of farm produce face, an interview carried out through Agricultural Market Information showed that some of the common issues that the interviewees were concerned about included: heavy workload of taking care of their families as well as running a business; high interest rates charged by the money lenders and security risks as some sleep at the market in order to purchase produce from suppliers in the early hours of the morning.

2.1.2 Economic Empowerment of Women in Kenya

An International Labour Organization (ILO,2008) study on Women Entrepreneurs in Kenya aimed to make a positive contribution to the Economic Recovery Strategy for wealth and employment creation. The study identified factors affecting the development of women's micro-small scale enterprises by: documenting identified barriers and constraints facing potential and existing women entrepreneurs in Kenya, including socio-cultural, educational, technological and financial aspects. It documented mainstream small business development services (governmental, non-governmental and donor activities) and assessed the extent to which they are relevant and accessible to women entrepreneurs. The study purposively sampled relevant institutions and organizations, in public and private sectors that deal with Micro-Small Enterprises (MSEs) and collected data through interviews, analysis of official documents, reports and publications. The organizations visited included: the Ministry of Labour Department of Small Enterprise Development, Kenya Rural Enterprise Programme (K-REP), Faulu Kenya, University of Nairobi and Institute of Development Studies (IDS).

An ILO study by Stevension and St-Onge (2005), categorized women entrepreneurs operating in MSEs in Kenya into three groups namely; those in *jua kali* micro enterprises,'very small' micro-enterprises and 'small-scale' enterprises and differentiated them by their demographic profiles, extent of previous business experience, access to resources and growth orientation. The study singled out the 'very small' micro-enterprises as the segment that is constrained by lack of access to finance and concluded that each of the above categories of entrepreneurs requires targeted schemes or programmes to suit their particular needs in order to develop their businesses. According to the National MSEs Baseline Survey (1999), women tended to operate enterprises associated with traditional women's roles such as saloons, hotels, retail shops and wholesale outlets. In general they tended to operate smaller enterprises and made less income than men.

ILO (2008) established that there are 260 organizations in Kenya that support MSEs by providing both financial and business development services. The barrier and constraints facing women entrepreneurs in this sector were financial constraint, discriminatory cultural practices and gender inequality. The study concluded that women MSEs are quite entrepreneurial and need

to be supported to grow and expand. It also concluded that the empirical studies conducted in this area are few, and are mostly general in nature, except for government publications, such as sessional papers, reports and development plans. Hence the need to carry out more focused studies on women MSEs key respondents, such as the women entrepreneurs themselves. Finance was found to be available and accessible from a number of Micro-Finance Institutions (MFIs) but conditions to be fulfilled posed major challenges to the entrepreneurs.

In his study, Walingo (2009) noted that although women are a major human resource and assure adequate nutrition and development of their households, they are over-represented among the poor and have little control over resources. Poverty and insecurity are enhanced by lack of access to and control over assets and lack of access to institutions that provide opportunities of growth.

2.2.0 Access to Credit

Although the Government of Kenya, financial institutions and non-governmental organizations have supported the development of women-owned entrepreneurial ventures in Kenya through financial intermediation, infrastructure and policy (GoK, 2005), the women entrepreneurs continue to rely on credit financing for the growth of their businesses instead of mobilizing savings from the business earnings. Overdependence on loans has affected their operations, performance and realization of their full potential because the loans are costly and inflexible (Ambrose, 2012). Mukras (2003) recommended provision of soft loans, research for the promotion of appropriate technology and training for entrepreneurs.

A survey of credit market in Kenya by Financial Sector Deepening, FSD (2009) found that, 35% of Kenyan population depends on informal sources for credit, 19% of the population access credit from formal banks while 8% access credit from microfinance institutions. The survey noted that 38% of the Kenya's population does not have access to credit services. This clearly shows that credit access still remains a challenge to women entrepreneurs who own micro and small enterprises in Kenya. Though commercial banks and Development Finance Institutions (DFIs) have vast financial resources, their impact is yet to be felt by women entrepreneurs, most of whom have no collateral. Women entrepreneurs therefore tend to steer clear because of lack of information, and conditions such as high transaction costs and interest rates averaging above 35 per cent per annum. The findings indicated that most women entrepreneurs, do not access credit from formal sources, especially commercial banks. Other barriers in respect to access to credit may include language; financial obstacles such as high fees or required minimum balances for deposit accounts and lack of appropriate products

2.2.1 Access to Income

As income falls, and individuals attempt to maintain the present standard of living, the proportion of consumption spending increases and total savings diminish. Since the basic needs of the individual or the family must be met, personal savings will be eliminated when income is drastically reduced and the individual may spend accumulated savings rather than further reduce consumption spending (Ronald & Edgar,2003). A report by a partnership of NGOs in Lesotho, Malawi and South Africa showed the importance of informal savings mechanisms throughout the three countries, savings accounts in both formal and informal sectors were often used in a transactional manner with lots of small deposits and transfers, rather than for building lump sums or to earn a return. When households are building lump sums, they are usually doing so based on saving for an identified project such as school fees or farm inputs. These project funds are often used for emergencies if and when they are required (Faurie, 2014)

2.2.2 Access to Government/NGO Interventions

In Kenya, small enterprises have been estimated to account for more than 20 percent of adult employment but only 2.2 percent of surveyed micro entrepreneurs had a savings account with a commercial bank prior to the study (Wolfgang & Borko, 2013). Although the Government of Kenya, financial institutions and non-governmental organizations have supported the development of women-owned entrepreneurial ventures in Kenya through financial intermediation, infrastructure and policy (GoK, 2005), the women entrepreneurs continue to rely on credit financing for the growth of their businesses instead of mobilizing savings from the business earnings. Overdependence on loans has affected their operations, performance and realization of their full potential because the loans are costly and inflexible (Ambrose, 2012).

2.2.3 Age

Studies have shown that age positively influences savings. Deaton (2005) noted that contrary to old households, the propensity to consume is higher among the young while their saving is low. Orbeta (2005) observed that savings rate increases with age until the period around retirement, after which it decreases. Ronald and Edgar (2003) concur that individual savings are minimal during youthful years due to low income but increase at middle age as income is higher and the expense of raising children has been reduced or eliminated. At retirement, income is sharply reduced and accumulated savings are drawn up current living expenses. The level of savings of individual is therefore a function of the age composition of the population as a whole. A population shift to a large proportion of individuals in the productive middle-age years would result in greater savings potential. If we have a large number of people moving through their individual life cycles at approximately the same time, their combined efforts will have a major impact on the overall economy because on a collective basis, they spend at about the same time and are also likely to save at about the same time.

2.2.4 Level of Education

Riley (2000) pointed out that an entrepreneurs' level of education is directly correlated with his potential for business growth. Education may therefore have an effect on asset accumulation The possible explanation for this is that educational background could be providing applicable skills for running the business. Those with higher levels of education could be in a better position to adapt new business ideas in the current dynamic technological world, hence achieve better entrepreneurial efficiency and effectiveness contributing to positive business growth.

Zhan and Grinstein-Weiss (2005) examined the association between education and savings performances of low-income people in a matched savings program for the poor that targeted low-income people and provided incentives and an institutional structure for saving. Account holders received matching funds as they saved and made a purchase for assets, such as a home, post-secondary education, or microenterprise, that could help promote their long-term well-being Using a data of 2,150 participants, the results indicated a statistically significant relationship between education status and savings. Compared to the participants without a high school degree, those with some college education, especially those with a 4-year college degree, had higher savings. Household income and program characteristics were related to savings outcomes; income and two program factors, monthly savings target and financial education, also partially mediated the relationship between education and savings outcomes.

Sherraden and Beverly (2003) suggested that education is positively associated with savings outcomes of low-income participants in a structured savings program and that the relationship between education and savings were partially mediated by household income, monthly savings target and financial education. In the analysis of data from the Survey of Consumer Finances, Parrish (2004) found that education was positively related to bank account ownership, home ownership, investment, and retirement savings. Educated individuals appeared to have longer time horizons, suggesting that education may alter individual preferences. Yamokoski and Keister, (2004) further suggested several possible ways in which education may affect savings; First, because education is highly related to income, part of the relationship between education and savings may be through income. Second, better educated people may be more future oriented and more likely to have a positive savings attitudes, which may lead to stronger savings motives. Third, education may help improve financial decision-making that increases the returns on investment because: more educated people tend to be more efficient investors; educated individuals are more likely to have access to financial education, thus to have higher financial literacy levels; education can provide key social contacts to those who are likely to offer important information, assistance, and referral for more efficient investments.

Although women have more freedom and power than before, they are still disadvantaged in many aspects of life. They are deprived of equal access to capital and education in both business and social sectors. Despite repeated efforts made by governments, non-governmental organizations and multilateral development agencies, majority of women in the developing world are still relegated to micro-enterprises, informal tasks, suffer cultural prejudices and economic alienation which have serious implications on their financial status. Some of the factors pointed out as negatively impacting women's empowerment include; lack of access to credit/finance, cultural practices, lack of adequate access to education and women's lack of knowledge about rights and laws. Research has shown that when women have economic power (control of income and capital), they gain more control over their lives, contribute directly to their children's development and thereby indirectly to their nation's income growth (UNDP, 2010).

2.2.5 Marital Status

Marital status has also been shown to have an effect on asset accumulation (Grinstein-Weiss et al., 2006; Wilmoth & Koso, 2002). Marriage has also been viewed as a source of financial security and continues to be a determining factor for economic wellbeing, particularly for women (Waite & Gallagher, 2000). The assumption that microfinance is a successful and empowering strategy for women has often been based on assessment of financial indicators. Since women are able to repay their credit with interest every month, it follows that they must be running effective small businesses and managing their domestic finances. However, financial indicators do not capture the social context in which these activities are taking place and they do not tell us who is controlling the use of credit. In response, there is a move towards culturally relevant indicators that can capture how or if women's access to credit has a positive impact on their lives (Esplen, 2007).

In many societies around the world, marriage and inheritance customs still accord husbands ultimate ownership of his wife's assets. Where women have no control over money, they cannot choose to get healthcare for themselves or for their children. In their research in Bangladesh, Yemen and Ecuador, the women were asked their own definitions and indicators of their economic empowerment. In regards to asset ownership, the kind assets were land, money, goods and animals while in education, their definition was access to and ability to deploy formal and informal education (CARE,2010). Women conceive their businesses differently from the way men do and this can have an effect on their level of commitment to investment. This may be due to different socialization experience which might shape the strategic choices they make (Langowitz & Minniti, 2007).

Most consumers of rural financial services in Ghana are small or very small business owners operating in the informal sector. A majority of these enterprises are women owned and operated and about three-quarter of Ghanaian households depend on these enterprises for at least half of the household's income. However, gender and cultural taboos dictate the type of business activities women can engage in. Their enterprises are a one person business with a start-up capital of less than 100 dollars, 90 percent are started with personal savings rather than with loans. Women tend to operate the more traditional and usually low-income businesses such as dressmaking, and retail trading while 95 percent of owners are illiterate and have inadequate business skills (IFAD, 2000).

2.2.6 Household Size

Using the OLS method, Orbeta (2006) estimated a saving function using income and number of children as dependent variables. Innovations for Poverty Action (2010), highlights the importance of differences of opinion within the household for making financial decisions? In this study, married couples in rural Kenya were given the opportunity to open joint and individual bank accounts at randomly assigned interest rates. Researchers assessed if couples with different preferences worked together to save in the highest return account, or if these differences led to poor financial choices. Results indicated when savings preferences in the household diverged, individuals were more likely to prefer individual accounts, and made less efficient financial decisions.

Savings has the economic advantage of ability to access loans especially in micro-credit. Commitment to savings positively impacts self-perception of saving behavior and could result in higher bargaining power over withdrawal decisions for women. Women's participation in micro-credit programmes lead to them having greater access to financial resources and freedom of mobility (Pitt et al, 2006). According to Browning (1995), households save owing to the following reasons: To build up a reserve against unforeseen contingencies… (the precautionary motive); to provide for an anticipated future relationship between the income and the needs of the individual… (the life-cycle motive); to enjoy interest and appreciation..." (the intertemporai substitution motive); to enjoy a gradually increasing expenditure… (the improvement motive]; to enjoy a sense of independence and the power to do things, 'though without a clear idea or definite intention of specific action… (the independence motive);to secure a masse de manoeuvre to carry out speculative or business project… (the enterprise motive); and to accumulate deposits to buy houses, cars and other durables (the down payment motive).

2.3.0 Women Economic Empowerment and Saving

Until recently, measurement of financial inclusion around the world has focused on density indicators, such as the number of bank branches or ATMs per capita. While these indicators made it possible to obtain basic provider-side information on the use financial services, relatively little has been known until recently about the global reach of the financial sector—the extent of financial inclusion and the degree to which groups such as the poor and women are excluded from formal financial systems (World Bank Report, 2011).

2.3.1 Factors Affecting Savings

Level of Income may influence the total amount of savings at any given time. As income falls, an individual attempts to maintain the present standard of living and in so doing, the proportion of consumption spending increases and total savings diminish. Personal savings will therefore be eliminated when income is drastically reduced and the individual may also spend accumulated savings rather than further reduce consumption spending (Ronald & Edgar, 2003).

Savings and loan schemes are important tools for the empowerment of low income earners, most of whom are women. Through such schemes, they obtain affordable capital for investment in small and medium enterprises to develop livelihoods, improve family well-being and accumulate savings. The returns obtained from such business enterprises also enable the women to acquire production factors such as land, equipment, skills and business premises for sustained economic empowerment (Rambo, 2012). For some advocates, savings programmes are seen as more important than credit. Savings programmes risk becoming the next 'magic bullet' for those skeptical about credit. For many women, savings facilities are as important in increasing amounts of income under their control as are loans. (Mayoux, 2006).

Spencer (2008) found that most women are also in the habit of setting up separate savings accounts where they put some money over a period of time. These small amounts end up being big amounts which can be used for investing purposes. Mayoux (2009) confirms that these design savings-led programs can increase women's financial management, and risk mitigation. Individuals save through simple informal savings mechanisms such as savings and loans clubs or non-financial saving such as property or livestock.

2.4 Theoretical Framework

Brumberg Theory

Brumberg (2004) states that access to financial services empowers women by putting capital in their hands, allowing them to earn an independent income and make financial contributions to their households and communities. The theory also suggests that involvement in successful income generating activities should translate into greater control and empowerment. Brumberg (2004) ties women's economic empowerment to access to affordable financial services. In view of this, women having access to financial services stand a better chance of improving their economic status. Women with economic power often gain more control over savings, their businesses, their lives, contribute directly to their children's nutrition, education and healthcare. The theory further outlines the indicators of economic empowerment such as income and ownership of properties. Women who are economically empowered tend to save as opposed to those who are not.

Brumberg theory therefore supports access to credit and income from productive work as important indicators of women's economic empowerment. Women's ability to transform their lives through access to financial services also depends on factors linked to their personal capabilities, circumstances and the environment within which they operate. The success of women entrepreneurs is further influenced by factors such as access to information, social networks and other resources (Brumberg, 2004). From these resources they can obtain affordable capital for investment and accumulate savings. In this respect, Brumberg theory agrees with the economic theory that predicts that savings is as a result of individual characteristics such as income and personal preferences.

The life-cycle hypothesis (Modigliani, 1966) forecasts that individuals hold their spending steady over their lifetime; they save during their working years and draw down their savings in retirement. Franco Modigliani life-cycle theory proposes that consumption and saving reflect on individuals' stage in the life-cycle. In this theory of saving, a nations wealth gets passed around; the young have little wealth, middle aged people have more and the peak of wealth is reached just before retirement. As they live through their golden years, retirees sell off their assets to provide for their needs. These assets are then taken up by the young who are still in the accumulation stage of the cycle. In an economy where the population is growing, there are more young people than the old therefore; more people are saving other than dissaving. If incomes are growing, the young will be saving on a larger scale than the old dissaving causing a higher savings rate. According to Deaton (2005), Franco Modigliani's theory of spending was based on the idea that people make intelligent choices about how much they want to spend at each age, limited only by the resources available over their lives. By building up and running down assets, people can tailor their consumption patterns to their needs at different ages independently of their income at each age. This theory leads to two important but non-obvious predictions about the economy as a whole, that national savings depends on the rate of growth of national income, not its level, and that the level of wealth in the economy bears a simple relations to the length of the retirement span. While there have been many challenges to this theory, it received empirical support in later work by Modigliani and other researchers and therefore life-cycle consumption and saving theory remains essential in the role of saving in economic growth, the effects of demographic change on national saving and the determinants of national wealth. However, as Deaton (2005) pointed out, the life cycle theory of savings might be of incomplete use in developing economies because wages in many of these nations are unsure and cyclical, making view of longer-term income flows hard; individuals are probable to be credit constrained, so that borrowing in early years will not be easy. This implies that savings in developing nations often plays a significant role in buffering between income and spending. Individuals often save small amounts at regular intervals to smooth income, rather than build up or save for retirement.

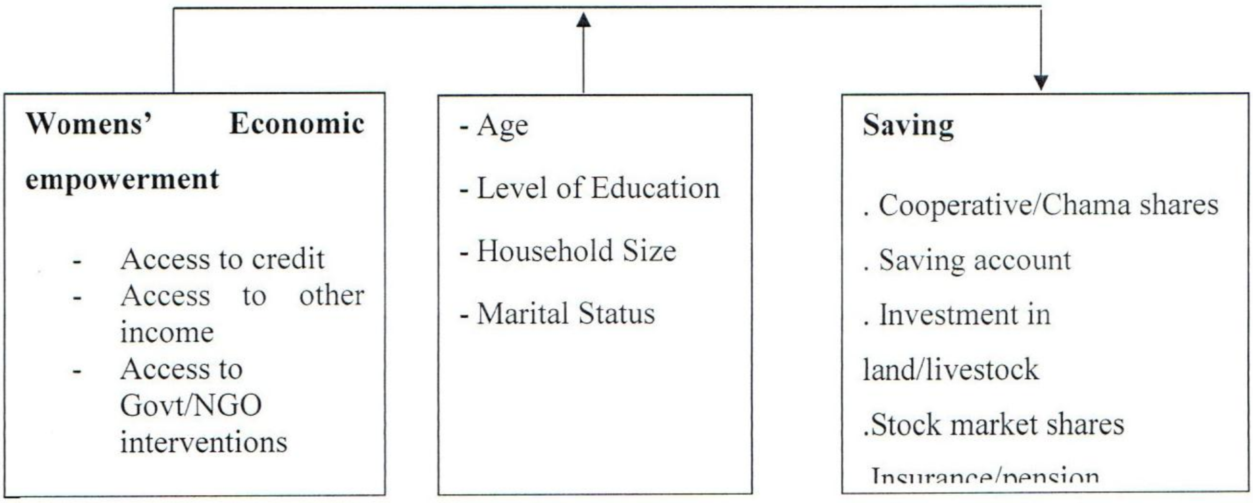
2.5 Conceptual Framework

The independent variable in this study was economic empowerment of women which was expressed in terms of access to credit, access to income, government and NGOs interventions. The dependent variable, saving, was operationalized through both formal and non-formal saving institutions for example bank savings account, 'chama', insurance and stocks. The moderating variables in the model explain that in as much as independent variables are expected to induce increased savings, they may not be the end in themselves. Other factors such as age, level of education, household size and marital status may as well have an effect on saving. This shows the likely effects on savings as a result of the activities of the moderating variables. It is supposed that with the effects of activities of the independent variables such as access to credit and access to income, women farm produce retailers should increase their level of saving.

Women, from their earned income will spend on their household but as well have to save for the business future. The financial empowerment enables them to have capacity to stock more or to directly stock for resale. This ultimately should translate to greater income implying greater levels of saving. The women traders were of different ages, levels of education, status in marriage and from different household sizes. The moderating variables as well could determine the level and forms of saving. For instance, an older woman seller having dependants may save less or more educated women might save more for they should have knowledge to use in selling of their stocks or a widow could have more responsibility than the married with the same number of household size.

Savings in its forms could be appreciated by the women in terms of accessibility, convenience and control. For instance, a woman farm output retailer may prefer to save from her business through 'chama' because of convenience and prospects of fast borrowing, or have a savings account with a commercial bank e.g. Equity for small savings amounts and ease of borrowing.

According to Ronald and Edgar (2003), savings is important in an economy as it is from individuals that most financial intermediaries accumulate capital. Corporations also represent an important source of savings. While financial intermediaries can also save, their primary role is to aid the savings and investment process. Some of the major sources of savings include cash balances and securities depending on the savers objectives and preferences.



Independent variables **Moderating variables** **Dependent variable**

Figure 1: Conceptual Framework of the Relationship between Economic Empowerment and Saving

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Research Design

The study used the descriptive design. A descriptive design gives a detailed description of the nature of phenomena and examines actions as they were or as they happened without treatment to the variables (Kothari, 2004). The design was selected because it is recommended for determining the nature of prevailing conditions or relationships and practices as they existed (Wiersma & Jurs, 2005). This study investigated the effects of women farm produce retailers' economic empowerment with respect to access to credit; access to income; government/non-government interventions and personal attributes on savings.

3.2 Study Area

Commerce, agriculture, industry, tourism and tertiary services are the major economic sectors of Nakuru. Informal commercial activities have become an increasingly common feature in the town. Small-scale businesses and hawking activities are concentrated at major transport termini and on the reserves of busy internal roads. Small-scale farming activities are mostly located in the peri-urban areas. Most of the common crops are grown in Bahati, Njoro, Molo, Rongai, Olenguruone, Nakuru Municipality, Gilgil and Mbogo-ini Divisions. Some of the products on sale include; maize, s; tomatoes from Subukia, Kiratina and Rombo; Vegetables and Irish potatoes from Molo, Elburgon, Bahati and Ngata; Water melons from Marigat and Mombasa; and oranges from Mombasa, Pokot and Kisii. (MCN, 1999). Most of the vegetables sold came from Nakuru municipality, its surrounding and the Rift Valley while cereals came from both Nakuru, its surrounding and as far as Tanzania and Uganda (MCN, 2014).

Nakuru town is cosmopolitan, and has varied business opportunities for women enterprenuers. Nakuru main market is located in the Central Business District area of Nakuru town which gives both the farm output retailers and the consumers' convenience and proximity to the products. It is located adjacent to the main bus terminus. There are two types of sellers; the whole sellers and the retail sellers. The wholesalers, who consist of mainly men, supply the farm outputs at the market using lorries and trucks from which the retailers, who consist mainly of women, buy and then sell at the market. The whole sellers pay a market entry fee of from Kshs. 3000 and above depending on the size of the lorry or truck.

The market is under the management of the Municipal Council of Nakuru. On payment of the stipulated fee through the Municipal Council offices, the interested trader then presents the receipt to the market inspector/supervisor office within the market premises for allocation of trading space. The trading spaces measure on average approximately between 2 x 2 m sq. in size. Once allocated the space, the trader is charged a monthly fee of Kshs. 360/= and is free to start trading. Since most men prefer other jobs aside from agricultural produce retailing, female traders are therefore the majority at this market (MCN, 2014). The location was selected because the majority of the retailers in the market are women.

3.3 Population of Study

The target population of the study was women farm produce retailers at the Nakuru Main Market. The accessible population was women farm produce retailers at the Nakuru Municipal main market who sell vegetables and cereals. The population of women retail traders who sell cereals and vegetables was 648. Out of the total population, 422 were vegetable retailers while 226 were cereals retailers.

3.3 Sampling Design and Size

A sample size of (65) was determined using Mugenda and Mugenda (2003) recommendation of 10% of the population (648). According to Mugenda (2003) the more homogenous the population, the smaller the sample required. Gay, in his book (as cited in Mugenda, 2003) suggested that for a descriptive study, 10% of the accessible population is enough sample size. He further noted that if it were possible for the population to be wholly homogenous, studying one case would be enough. Stratified sampling technique, as suggested by Gupta and Gupta (2001), was used to ensure that the two strata;

vegetables and cereals retailers were involved. The number of respondents from each stratum was determined using proportionate sampling to ensure that the two sub-groups were well represented in the sample. There were 648 registered women farm-output retailers, 422 of which formed stratum 1 and 226 stratum 2. Stratum 1 consisted of women vegetable retailers while stratum 2 consisted of women cereals retailers. At the stratum level, those who participated in the study were selected using simple random sampling. The two groups were then represented as follows;

Table 1: A Sample of Respondents

Stratum	Retailers	Probability	Sample
1	422	0.6512	42
2	226	0.3488	23
Total	648	1.0000	65

Source: Research Data (Year 2015)

3.4.0 Data Instruments

The study collected data using a women farm produce retailer's questionnaire which was administered by the researcher. Tromp (2006) argued that researchers' administered questionnaires are preferred for survey studies as it gives room for clarification and guidance to the respondents in the course of data collection. The research instrument was structured into five sections A, B, C, D and E. Sections A and B generated women farm output retailers bio-data and their access to credit. The other sections C, D and E were used to elicit data on the women's access to income, government/NGO's intervention and savings respectively. The instrument contained both closed-ended items of the Likert type and open-ended items. The Likert Scale items were scored using a 5 point scale; Strongly Disagree (1), Disagree (2), Undecided, (3) Agree (4), Strongly Agree (5).

3.4.1 Data Validity

Data validity refers to the degree to which an instrument measures what it purports to measure. Validation of data collection tools ensures that the instrument is not biased, that the language, format and the layout is appropriate (Kasomo, 2006). The construct and face validity of the questionnaire was examined by experts from Egerton University. Construct validity checks the extent to which a measure relates to other measures in a way that is consistent with the theoretically derived hypothesis while face validity ensures that an instrument measures relevant concepts (Kipkemoi, 2006) and adequately covers the topic under study (Kothari, 2004). The comments of the experts were used to improve the instrument before it was used in the field.

3.4.2 Reliability of Research Instrument

A pilot test was undertaken from samples in a different location from the study site to ensure the reliability of the instrument. Reliability refers to the measure of degree to which an instrument yields consistent results or data after repeated trials (Kothari, 2004). A reliable instrument should produce same results from similar respondents over time. For example, in the experimental and survey models of research, this would mean that if a test and a retest were carried out within an appropriate time span, then similar results would be obtained. The reliability of the questionnaire was estimated using Cronbach Alpha method. The method is appropriate when the data tool is administered once and yields reliability coefficients of 0.7 and above (Fraenkel & Wallen, (2000). The questionnaire yielded a reliability coefficient of 0.748 and was thus considered reliable.

3.5 Data Collection

Data was collected using a questionnaire. The section A of the questionnaire generated data on the respondents' personal information, while section B was used to collect data on the respondents' accessibility to credit. Section C generated data on the respondents' access to income while section D generated data on government and NGOs interventions. The last section was used to elicit data on the respondents' savings. Their response was run on a 5 point scale, assigned 1 point for Strongly Disagree (the lowest) and 5 points for Strongly Agree (the highest).

3.6 Data Analysis

The collected data was organized, cleaned and coded. The coded data was then keyed into a computer and analyzed with the aid of Statistical Package for Social Sciences.

Descriptive statistical techniques were used; frequencies, percentages and standard deviations. The relationship between the variables was tested at 0.05 level of significance. The effects of economic empowerment of women farm produce retailers on their savings were determined using multiple regression. The general regression model is:-

$Y = f(X_1, X_2, X_3)$

Specifically:

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$

Where:

Y = the dependent variable (savings)

β_0 = the constant

β_1 = Coefficient of the independent variable

X_1 = Access to credit

X_2 = Access to income

X_3 = Government/NGOs interventions

e = error factor

CHAPTER FOUR
RESULTS AND DISCUSSION

4.1 Introduction

The results of the study on the effects of economic empowerment on the savings of women farm produce retailers in Nakuru main market are presented in this chapter. The chapter has five sections, section one contains the description of the characterization of the respondents. The second, third and fourth sections have the influence of access to credit, income and government/NGOs intervention on the savings of women farm output retailers. The last section of the chapter examines the combined effect of access to credit, income and government/NGOs interventions on the savings of the women retailers.

4.2.0 Respondents Characteristics

A total of 65 questionnaires were administered to the respondents during the study and all were properly filled. A return rate of 100% was therefore achieved. According to Mugenda and Mugenda (2007) a response rate of 50% is adequate for analysis and reporting, a rate of 60% is good and that over 70% is excellent.

4.2.1 Level of Education

The women retailers were asked to state their highest level of education. Their highest level of education is summarized in Table 2 below:-

Table 2: Women Farm Produce Retailers Level of Education

Level of Education	Frequency	Percent
Primary school	27	41.5
Secondary school	34	52.3
Post secondary school college	4	6.2
Total	**65**	**100.0**

Source: Research Data (Year 2015)

The results in Table 2 show that 41.5% had attained primary level of education, 52.3% were of Secondary school level while only 6.2% were of college level. The results further show that none of the respondents had attained University level of education. This may be due to the low levels of income in the retail market therefore not attractive to the more educated.

4.2.2. Marital Status

The respondents were also asked to state their marital status. A summary of their responses is given in Table 3 below:

Table 3: Marital Status of the Women Farm Produce Retailers

Marital Status	Frequency	Percent
Single	21	32.3
Married	40	61.5
Others	4	6.2
Total	**65**	**100.0**

Source: Research Data (Year 2015)

The results in Table 3 show that majority (61.5%) of the women farm produce retailers were married, 32.3% of the sample were single, 3.1% were separated, 3.1% were widows and none of the respondents was divorced.

4.2.3 Age

Data on the age of the respondents was also gathered by the researcher. The age of the respondents are summarized in Table 4 below:

Table 4: Age of the Women Farm Produce Retailers

Age	Frequency	Percent
25 years and below	9	13.8
26 – 35	18	27.7

36 – 45	18	27.7
46 – 55	14	21.5
56 years and above	6	9.2
Total	**65**	**100.0**

Source: Research Data (Year 2015)

The results in Table 4 reveal that 13.8% of the respondents were less than 25 years old, 27.7% were in the 26-35 years age bracket, 27.7% were in the 36-45 years age bracket, 21.5% were in the 46-55 years age bracket while 9.2% were above 56 years. This reveals that the majority (58.4%) of the respondents were aged 35 years above.

4.2.4 Household Size

The women farm produce retailers provided information on the size of their household. Attempts to introduce the household size effects on the life-cycle model revealed that a larger family size reduces the aggregate saving rate. The household sizes of the women retailers are given in Table 5.

Table 5: Household Size of Women Farm Produce Retailers

No. of Dependants	Frequency	Percent
2 and below	13	20.0
3 – 5	40	61.5
6 – 8	10	15.4
9 and above	2	3.1
Total	**65**	**100.0**

Source: Research Data (Year 2015)

Data on the size of household revealed that 20% of the respondents had 2 or less number of dependants, 61.5% had between 3 – 5 dependants, 15.4% had between 6 - 8 dependants while 3.1% had 9 or more dependants (Table 5).

4.2.5 Products Sold

Information was also sought on the products sold by the respondents. The respondents were divided into two groups. Group 1 consisted of 23 women cereals retailers while group 2 consisted of 42 vegetable retailers. A summary of the products sold by the respondents are given in Table 6.

Table 6: Products Sold by Women Farm Produce Retailers

Products Sold	**Frequency**	**Percent**
Cereals	23	35.4
Vegetables	42	64.6
Total	**65**	**100.0**

Source: Research Data (Year 2015)

Table 6 shows that 35.4% of the respondents sold Cereals while 64.6% sold Vegetables.

4.2.6 Duration in Business

The women retailers' duration in business was sought to find out how long they have been in the business. The number of years was categorized as up to seven years, between eight and fifteen years, sixteen to twenty-three years and above 24 years.

Table 7: Duration in Business of Women Farm Produce Retailers

Business Duration	**Frequency**	**Percent**
7 years and below	30	46.2
8 – 15	22	33.8
16- 23	7	10.8
24 years and above	6	9.2
Total	**65**	**100.0**

Source: Research Data (Year 2015)

The results in Table 7 show that 53.8% of the respondents were in business for at least 8 years. This suggests that the women farm produce retailers have been in business long enough for their opinion to count as what is happening on the ground in regards to saving.

4.2.7 Access to Credit

The women farm produce retailers' opinion was sought in order to find out if they have access to credit facilities to run their businesses. The different forms of credit were explained to them and then asked to identify the ones they used.

Table 8: Access to Credit by Women Farm Produce Retailers

Credit Access	Frequency	Percent
Yes	48	73.8
No	17	26.2
Total	**65**	**100.0**

Source: Research Data (Year 2015)

The results in Table 8 show that 73.8% of the respondents had access to credit facilities to finance their business while only 26.2% said they did not. This implies that the women entrepreneurs rely on credit financing for the growth of their businesses instead of mobilizing savings from the business earnings.

4.2.8 Types of Credit Facilities

Given information on the different forms of credit, the women farm produce retailers responses was summarized in Table 9 below.

Table 9: Types of Credit Facilities for Women Farm Produce Retailers

Types of Credit	Frequency	Percent
Chama	27	56.3
Bank	24	50.0
Micro-finance institution	13	27.1

Source: Research Data (Year 2015)

56.3% had access to 'chama' as a source of credit, 50% held bank accounts while 27.1% had access to microfinance institutions as a source of credit. It may be noted that the percentage does not add up to 100% because some of the respondents used more than one type of credit.

4.2.9 Modes of Saving

Data on their modes of savings and estimates of how much they save per month was gathered. The modes of savings used by the women retailers are summarized in Table 10.

Table 10: Modes of Savings by Women Farm Produce Retailers

Mode of Saving	Frequency	Percent
'Chama'	49	92.4
Co-operative	2	3.1
Banks	2	3.1
Land	-	-
Stock Market	-	-
Insurance	-	-
Pension Scheme	-	-
Livestock	-	-
Mobile Phone	5	7.7

Source: Research Data (Year 2015)

The results in Table 10 reveal that the majority (92.4%) of the women farm produce retailers prefer 'Chama' as a mode of saving. The other modes of savings are the mobile phone (7.7%), co-operative societies (3.1%) and banks (3.1%). The women do not use other modes of savings such as land, stock market, insurance, pension scheme and livestock despite their availability. The results suggest that the avenues for saving for the women retailers are fairly limited.

4.2.10 Sources of Income

Prior to estimation of the women farm produce retailers income, their sources of income were established and summarized in Table 11.

Table 11: Sources of Income for Women Farm Produce Retailers

Source of Income	Frequency	Percent
Business	65	100
Employment	-	-
Farming	4	6.2
Investment (rent)	4	6.2
Spouse	6	9.2
Relatives	-	-
Others	1	1.5

Source: Research Data (Year 2015)

The results contained in Table 11 show that business (100%) is the main source of income to the women retailers followed by support from spouses (9.2%). A few get incomes from farming (6.2%), investments (6.2%) and others (1.5%). The results further reveal that none of the women receive incomes from employment and relatives.

4.3 Computation of Means and Standard Deviation of Independent Variables

The data on both independent and dependent variables were generated using WFPRQ. Access to credit, access to income, access to governmental/NGOs and savings were measured using a set of Likert-type items (Appendix A). A five point scale; Strongly Disagree (1), Disagree (2), Undecided (3), Agree (4), to Strongly Agree (5), was used to score the participants response to the Likert-type items. The mean score for each item was computed and then transformed into an index as shown in Table13.

4.4.0 The Influence of Access to Credit, Income and Governmental/NGOs Interventions on Savings: Correlation Analysis.

4.4.1 Correlation between Access to Credit and Saving.

The influence of access to credit on the savings of the women farm output retailers was determined by running a bivariate test relating the mean score on the women's access to credit and overall mean monthly savings. Access to credit was considered to influence savings when the relationship between the two constructs was significant. The results of the Pearsons correlation test are given in Table 12.

Table 12: Access to Credit and Savings

Access to Credit	**Saving**
Pearson Correlation Coefficient r	0.315*
P-value	0.018
N	65

Source: Research Data (Year 2015)

The results in Table 12 reveal that the relationship between access to credit and savings is positive and significant at the 0.05 level, $r(63) = 0.315$, $p < 0.05$. This implies that access to credit enhances savings.

Table 13: Indices of the Variables

	Index	S.D.
Access to credit	2.56	0.51
Access to income	9360	4828.33
Access to Govt/NGOs	2.78	0.63
Savings	435.18	487.65

Source: Research Data (Year 2015)

Access to credit index (M= 2.56, S.D. = 0.51) indicates that on average the women retailers have challenges accessing credit. The mean estimated monthly income from these sources was 9360.00 (SD = 4828.13). It was noted that the estimated income from the sources and the monthly income had very high standard deviations. This means there were wide variations about the mean of the incomes. Access to Govt/NGOs index was 2.78 (S.D. = 0.63). Savings index was 435.18 (S.D. = 487.65). The indices are the means of the variables.

4.4.2 Correlation between Access to Income and Saving

The second hypothesis of the study established the influence of access to income on the savings of women farm produce retailers. The influence of access to income on the savings of the women retailers was determined using the Pearsons correlation test. The association between the two variables was determined by relating access to income as measured by estimated monthly income to the women retailers mean monthly savings.

The estimated mean monthly income was 9360.00 (SD = 4828.13) (Table 13). The association between the two variables was determined by relating access to income as measured by estimated monthly income and the women retailers mean monthly savings (Table 13). Access to income was considered to influence savings when the relationship between the two variables was significant. The output of the Pearsons correlation test is given in Table 14.

Table 14: Women Farm Produce Access to Income and Savings

Access to Income	**Saving**
Pearson Correlation Coefficient r	0.321
P-value	0.016*
N	65

Source: Research Data (Year 2015)

4.4.3 Correlation between Access to Governmental/NGOs Interventions and Saving

The relationship between the government/NGOs interventions and the women's savings was established using the Pearsons correlations test. The bivariate test was used because it is recommended when establishing relationship between data that is interval or ratio scale (Field 2010). The results of the test are in Table 15

Table 15: Government/NGOs Interventions and Women Savings

		Estimated monthly saving
Access to government/NGOs interventions	Pearson Correlation r	0.126
	p-value	0.356
	N	65

Source: Research Data (Year 2015)

4.4.4 Relationship among Variables

Table 16: Correlation Matrix

Scale		Access to credit	Estimated monthly income	Access to government/NGOs interventions
Estimated monthly income	Pearson Correlation	.091		
	p-value	.470		
	N	65		
Access to government/NGOs interventions	Pearson Correlation	.338*	.132	
	p-value	.006	.294	
	N	65	65	
Estimated monthly saving	Pearson Correlation	.315*	.321*	.126
	p-value	.018	.016	.356
	N	56	56	56

* Correlation is significant at the 0.05 level

Source: Research Data (Year 2015)

The multivariate test results in Table 16 show that the relationship between the estimated monthly income and access to credit was not significant at the 0.05 level, $r(65) = 0.091$, $\rho > 0.05$. The results also show that the relationship between access to government/NGOs interventions and access to credit was statistically significant at the 0.05 level, $r(63) = 0.338$, $\rho < 0.05$. The results further reveal that relationship between estimated monthly saving and access to credit was significant at the 0.05 level, $r(327) = 0.315$, $\rho < 0.05$.The test results show that the relationship between access to government/NGOs interventions and estimated monthly income was not significant at the 0.05 level, $r(63) = 0.132$, $\rho > 0.05$. However, the relationship between the estimated monthly savings and income was significant at the 0.05 level, $r(63) = 0.321$, $\rho < 0.05$. Lastly, the relationship between the estimated monthly savings and access to government/NGOs interventions was not significant at the 0.05 level, $r(63) = 0.126$, $\rho < 0.05$

4.4.5 The Effect of Economic Empowerment on the Savings of Women Farm Produce Retailers: The Regression Analysis

The regression analysis was run to establish the causal relationship between variables, and to explain the powers of the predictors in accounting for variations in the dependent variable (Field, 2010). It also allows exploration of interrelationship amongst a set of variables and is thus ideal for the investigation of complex real life rather than laboratory based research questions (Pallant, 2005). The regression ANOVA and the model summary are presented below:

Table 17: The Regression ANOVA of Economic Empowerment and Savings

	Sum of Squares	Df	Mean Square	F-ratio	p-value
Regression	2315771.12	3	771923.71	3.73	0.017
Residual	10763427.09	52	206988.98		
Total	13079198.21	55			

Source: Research Data (Year 2015)

The results in Table 17 reveal that the difference between R-square and zero is different and significant at the 0.05 level, $F(3,52) = 3.73$, $p<0.05$. This means that equation relating the explanatory variables with the dependent variable exists.

The results in the model summary contained R-square and the adjusted R-square. The R-square shows how much the variation in a dependent variable is explained by the variations in the independent variable. When a small sample is involved, R-square tends to be rather optimistic overestimation of the true value in a population. Adjusted R-Square corrects this and provides a better estimation of the true population value. R-square was used in the study given that the sample (65) was reasonable.

Table 18: The Regression Model Summary of Economic Empowerment and Savings

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.421[a]	0.177	0.130	454.960

Source: Research Data (Year 2015)

The results in Table 18 show that R-square is 0.177, this means that economic empowerment as measured by access to credit, income and government/NGOs interventions is 17.7% effective in predicting savings of the women farm produce retailers. This implies that other factors are the major contributors in influencing savings.

4.5.0 Multicollinearity Test

A multicollinearity test was conducted to detect correlations among the independent variables; access to credit, income and government/NGOs interventions. The test is used for checking whether the independent variables are correlated or not. The tolerance statistics was used to determine the collinearity of the data. Tolerance is an indicator of how much of the variability of a specific independent variable is not explained by the other independent variables in a model (Table 19). A tolerance of less than 0.10 is an indicator that correlation with other variables is high suggesting possibility of multicollinearity (Meyers, Gamst & Guarino, 2006).

Table 19: Multicollinearity Test on Access to Credit, Income, Government/NGOs Interventions

(Constant)	Tolerance
Estimated monthly income	0.971
Access to credit index	0.817
Access to government/NGOs interventions	0.818

Source: Research Data (Year 2015)

The output of the multicolinearity test in Table 19 shows that the tolerance score for the three variables ranged from 0.817 – 0.971. The tolerances observed were above the recommended 0.10 threshold, suggesting absence of multicollinearity in the data.

H_{01}: There is no significant relationship between access to credit and the savings of women farm produce retailers in Nakuru main market

The results of the Pearsons correlation test in Table 12 showed that there is a positive and significant relationship between access to credit and savings. Access to credit was considered to influence savings when the relationship between the two variables was positive. The results in Table 12 reveal that the relationship between access to credit and savings is positive at the 0.05 level, $r(63) = 0.315$, $p < 0.05$. This implies that access to credit enhances savings. The first hypothesis that stated that there is no significant relationship between access to credit and women farm produce retailers' savings was rejected.

Empirical findings of Pitt and Khandker (2002); Khandker (2003) showed that access to credit has a positive impact on SMEs as they benefit through increased incomes, savings and reduced vulnerability. The findings are contrary to Prinsloo (2002) who observed that access to credit do not affect saving when the cost of credit is high and returns on savings low. In a study conducted in Latin America, Popovici (2012) noted that only 5% of SMEs have access to formal credit and rarely turn to formal financial institutions to deposit their savings. The owners of the SMEs cited minimum deposit requirements, liquidity constraints, high transaction costs, inconvenient banking locations and opening hours, and unfamiliarity with commercial saving products as reasons behind the low uptake of credit.

Access to credit is important as it enables business persons to invest in activities that are likely to contribute to higher future income and saving and therefore growth (Karen, Alberto, & Juan-Pablo (2010). It also avails to business persons the capital to finance production inputs, labour and equipment need to invest in more profitable enterprises and asset portfolios and reach markets more effectively. Furthermore, access to loans assist women in business deal with shocks, such as droughts, illness or a significant drop in the prices (Diagne & Zeller, 2001). The provision of affordable credit has been identified as an effective strategy that can raise the income of rural populations in African countries. Such services should be availed to SMEs. This category of enterprises has been recognized as a major source of employment for many households in developing countries (Gichuki et al 2014). They have the potential to expand and grow in size to the level of creating significant impact on the economic growth of these countries and thus reducing poverty levels (Sonobe and Otsuka, 2012).

It is worth noting that a reasonable percentage of SMEs in developing countries, Kenya included, are owned by women. Literature on women entrepreneurship depict women-owned micro and small enterprises as being underfinanced and thus continue to record poor performance compared to male owned SMEs (Richard & Adams, 2004). Lack of collateral requirements, low income and unsound business plans are some of the major reasons for the unwillingness of the formal banks lending credit, to majority of entrepreneurs who own micro and small enterprise (SMEs) (Sacerdoti, 2005). Access to credit was therefore considered to influence savings. This is in line with Raheman and Nasr (2007) observation that there is a positive significant relationship between amount of credit invested in an enterprise and the profit earned. Stevenson and St-Onge (2005) observed that women entrepreneurs in Sub-Saharan Africa are even more disadvantaged when accessing credit from commercial banks because they lack control of family resources like land which can be used as collateral to acquire loans for expanding of their micro enterprises.

The inability to acquire affordable credit to finance stock capital in the micro enterprises and the increasing cost of living at the households has forced women entrepreneurs in Sub-Saharan Africa to seek affordable credit and saving services from village saving and credit associations (Anderson, Baland, & Moene, 2009). The village saving and credit association is a community banking model that mobilizes low income earning women from within the same neighborhood. They raise funds to a credit kitty that offers affordable loans at low interest rates with flexible repayment period. Village Saving and Credit Associations (VSCAs) have become a common and popular way of banking among women in rural areas and urban slums of Sub Saharan African countries (Gugerty 2007; Allen 2006).

Commercial banks have also failed to cater for the needs of the micro entrepreneurs. This has been mainly attributed to stringent conditions attached when applying for loans (Karim, 2008). The failure of specialized financial institutions to meet the credit needs of the poor entrepreneurs and women in particular, has increased the popularity of informal banking groups in most of the developing countries (Marti & Mair, 2009). Studies from informal finance sector in developing countries shows that the poor, especially women, are most likely to seek credit from informal banking groups than from formal financial sources (Atieno, 2001). Allen (2006) observed that the number of women entrepreneurs' participating in the informal credit groups was much higher than that of male entrepreneurs. Survey of credit market in Kenya indicates that, 35% of the population depends on informal banks for credit, while only 19% of the population access credit from formal banks. Further, 8% access credit from microfinance institutions (Financial Sector Deepening FSD 2009). The survey noted that 38% of the Kenya's population does not have access to credit services. This clearly shows that credit access still remains a challenge to women entrepreneurs who own micro and small enterprises in Kenya.

H_{02}: There is no significant relationship between access to income and the savings of women farm produce retailers in Nakuru main market

The output of the Pearsons correlation test in Table 14 reveal that the relationship between access to income and savings is positive and significant at the 0.05 level, $r(54) = 0.321$, $p < 0.05$. This implies that women retailers with high access to income tend to save more thus access to income positively influences savings. On the basis of these results the second hypothesis which stated that there is no significant relationship between access to income and the savings of women farm produce retailers in Nakuru main market was rejected.

Most of the evidence relating income to savings from developing countries is from middle to upper income household (Rehman, Bashir & Faridi, 2001) as quoted by Gina et al (2012). In Kenya, household income was found to be a statistically significant predictor of savings (Kibet, Mutai, Ouma, Ouma, & Owuor, 2009). ILO (2007) observed that, women entrepreneurs were able to finance capital of their enterprises and overcome other challenges despite low profits they earned from SMEs. Aron and Muellbauer (2000) and Jonsson and Teferra (2001) on the other hand argue that financial liberalization has had a negative effect on private saving, by encouraging bank borrowing. However, the second study notices that financial liberalization does not seem to have reduced the share of liquidity constrained households, suggesting that liquidity constraints may have eased for households that already had some access to credit markets. Hence, while policies aimed at tightening prudential controls for personal borrowing could increase saving, the effect of financial liberalization is likely to further dampen household saving. Amimo, Larson, Bittencourt, & Graham (2003) study in rural Mozambique examined the potential for financial savings among rural Mozambique households and found that the income level increased the savings level of a household. In rural Uganda, where 86% of the country's 31 million people live, only 10% of the population has access to basic financial services (Chemonics International, 2007). For individuals and households, economic security throughout the life course is inherently linked not only to income but also to asset ownership (Gina et al, 2012)

H_{03}: There is no significant relationship between access to Government/Non-Governmental Organizations interventions and the savings of women farm produce retailers

Results in Table 15 revealed that the relationship between savings and access to government/NGOs interventions was positive but not significant, at the 0.05 level, $r(54) = 0.126$, $p > 0.05$. The aggregate mean (Table 13) was 2.78 (0.63) suggesting that government/NGOs intervention had moderate impact on the savings of the women farm produce retailers. The third hypothesis that stated that there is no significant relationship between access to Government/NGOs interventions and the savings of women farm produce retailers was accepted.

This is particularly so because of poor implementation of existing policies, due to lack of coordination between the implementing agencies, poor resource management and lack of enthusiasm by policy-makers (Ronge et al., 2002). Although the GoK has made significant efforts to promote the MSE sector by setting out Government policy on MSEs and the informal sector, the implementation of these policies are weak. Government policies and relevant legislations have, to a large extent, only been on paper, not on the ground; there is little implementation of some of the policies that would have supported women's entrepreneurship. With the exception of the availability of micro finance, NGO and donor support appears to have a negligible impact, according to a majority of the entrepreneurs. (ILO, 2008).

Wanjohi, (2012) concurs that although the GoKs commitment to foster the growth of Micro and Small Enterprises (MSEs) through policy formulation is commendable, however a lot more needs to be done in unlocking the full potential of the SME sector to spur and sustain economic growth. For there to be long lasting changes, it is imperative for there to be concerted efforts starting at the policy level especially when it comes to issue identification and solution architecture. This is because, like in many developing countries, there have been considerable mountains of policy publications, data and research yet the problems still remain. Kenya Women Finance Trust (KWFT) report

(2007) recommended a close working relationship amongst commercial banks, microcredit institutions, community groups and business development service institutions in an attempt to remove the obstacles to financial access for SMEs.

GoK – in partnership with other stakeholders – can play a crucial role in shaping the environment in which growing SMEs can flourish, providing appropriate business information, supporting networks and skills development, and ensuring the availability of suitable business finance. Creating an enabling environment and effective support programmes for sustainable growth is not easy, however, and as policy has developed rapidly in recent years, the evaluation evidence from existing policy programmes remains relatively limited. Due to the relatively new nature of the majority of the programmes introduced, often in the 2009-11 period, there is need to wait some time before impacts are identified. Evidence on the effectiveness of most of the measures is lacking (Roper & Hart, 2013).

Although the Government of Kenya, financial institutions and non-governmental organizations have supported the development of women-owned entrepreneurial ventures in Kenya through

financial intermediation, infrastructure and policy (GoK, 2005), the women entrepreneurs continue to rely on credit financing for the growth of their businesses instead of mobilizing savings from the business earnings. Overdependence on loans has affected their operations, performance and realization of their full potential because the loans are costly and inflexible (Ambrose, 2012).

Okpara and Wynn (2007) observed that although small businesses are important for sustained growth for all economies, there was a high failure rate in Nigerian economy despite government programs established--on paper—to help entrepreneurs and that despite the Nigerian government and the IMF pursuing policies that provide fertile ground for small businesses, the effectiveness of these programmes remain unclear and the rate of business failure continues to increase.

A study by Ong'olo and Awino (2013) depicted various institutional and regulatory challenges facing the SMEs in Kenya. These include Poor Coordination of the SMEs Activities; Inadequate Private and Public Dialogue at the County Level; Poor enforcement of Regulatory legislations; and Knowledge Gap on National and County Policies Interface.

H_{04}: There is no significant effect of access to credit, income and Government/NGOs' interventions on the savings of women farm produce retailers

The fourth hypothesis of the study sought to establish the effect of economic empowerment on the savings of women farm produce retailers. Economic empowerment was expressed in terms of access to credit (Table 12), income (Table 14), governmental/NGOs interventions (Table 15). A hypothesis, which stated that economic empowerment, does not have a significant effect on women farm produce retailers savings was tested using multiple regression. The results of which are shown in Table 17.

The variables in the regression model that contributed to the prediction of the dependent variable were contained in the coefficients Table 20 below. The table had the intercept, unstandardized B, standardized Beta, t and p-values. The unstandardized B is used when constructing the regression equation. Standardization converts the B values to the same scale so that they can be compared. The t and p-values indicate whether an independent variable is a significant predictor of the dependent variable.

Table 20: Regression Coefficients of Economic Empowerment and Savings

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-452.096	358.532		-1.261	.213
Estimated monthly income	.029	.013	.283	2.218	.031
Access to credit index	271.373	131.101	.288	2.070	.043
Access to government/NGOs interventions	-28.658	113.368	-.035	-.253	.801

Source: Research data (Year 2015)

The results in Table 20 reveal that the intercept (constant) was β_0 -452.096 while the Beta values of independent variables access to credit, income and government/NGOs interventions were $\beta_1 = 271.373$, $\beta_2 = 0.029$ and $\beta_3 = -28.658$ respectively. The results in the table also revealed that the t-values of access to credit ($t = 2.070$, $p < 0.05$) and that of access to income ($t = 2.218$, $p < 0.05$) were significant at the 0.05 level. This implies that the two constructs are significant predictors of the dependent variable. It should be noted that the coefficient of access to government/NGOs interventions had a negative sign. This means that access to government/NGOs interventions is an impediment to savings. On the basis of these results, the linear equation relating savings and the three variables of economic empowerment was:

$Y_1 = -452.096 + 271.373\, X_1 + 0.029X_2 - 28.659X_3$

Where Y_1 = Saving

X_1 = Access to credit

X_2 = Access to income

X_3 = Access to government/NGOs Interventions

From Table 20 above, access to credit has the highest (β_1 = 271.373), which implies the highest effect on savings. Access to income has the next highest effect on savings (β_2 = 0.029) followed by access to governmental/NGOs interventions (β_3 = -28.659). The results of the regression analysis showed that the equation relating savings and access to credit, income and government/NGOs interventions exist as the p-value of the ANOVA was significant. The three independent variables were found to be 17.7% effective in predicting savings as evidenced by the value of R-square.

The results showed that the three economic empowerment variables combined had a significant effect on savings by the women farm produce retailers. On the basis of these results the fourth hypothesis which stated that economic empowerment does not have a significant effect on women farm produce retailers savings was rejected.

These results show the importance of women's economic empowerment for improved savings. Ekesiony and Okolo (2012) found that farming was one of the major economic activities performed by women and that loans/credits and group contributions were the sources of funds available to the women for their economic growth.

The results of the regression analysis showed that that R-square was 0.177. This means that economic empowerment as measured by access to credit, income and government/NGOs interventions was only 17.7% effective in predicting the women farm produce retailers' savings. There was need therefore to conduct further analysis by examining the effects of the moderator variables; age, level of education, household size and marital status on the relationship between economic empowerment and savings. The effect of the moderator variables was examined using hierarchical regression. The regression enables a researcher to specify the order of entry for variables in order to control for effects of covariates or to test the effect of certain predictors, independent of the influence of others (Field, 2005). According to Gelman and Hill (2007) variables sets in a hierarchical regression test are entered in steps (blocks), with each variable being assessed in terms of what it adds to the prediction of the dependent variable, after the previous variables have been controlled for.

Hierarchical regression analysis treats all variables as either ratio or interval (Pallant, 2005). When examining the effects of the moderator variables on the relationship between women empowerment and their saving, some of the moderator variables; highest level of education and marital status were nominal data. Dummy variables were therefore created to enable the procedure to correctly analyze the two moderator variables which were treated as categorical data (Oyeka & Nwankwo, 2014). Dummy variables take the value of either 0 or 1 and their numbers when a variable is polytomous is m – 1; where m is the number of conditions it can take (Skrivanek, 2009). It usually doesn't matter which condition of a construct is dropped when creating dummies, however it is recommended that the most common one is excluded from analysis (Hayes & Preacher, 2014). Under marital status, dummies were created for the single and others (widow/separated) while dummies were not created for the married as they were the majority. Dummies were also created for primary and post-secondary college levels of education.

During the hierarchical regression analysis, the variables were entered into the equation sequentially in blocks1; the moderator variables (age, highest level of education, number of household and marital status) and 2; the independent variables (access to credit, income and government/NGOs interventions). Entering the variables in 2 steps generated two output models 1 and 2, thus making it possible to evaluate the predictive powers of both the moderator and independent variables (Field, 2009). The results of the analysis are summarized in Table 21 below:-

Table 21: Coefficients of age, level of education, household size, marital status, access to credit, income and government/NGOs interventions

Model		Unstandardized Coefficients		Standardized Coefficients	t-value	p-value
		B	Std. Error	Beta		
1	(Constant)	106.170	293.132		.362	.719
	Level of education, primary = 1	48.102	146.365	.049	.329	.744
	Level of education, college = 1	23.084	292.245	.011	.079	.937
	Marital status, single = 1	9.052	159.155	.009	.057	.955
	Marital status, others = 1	10.075	302.774	.005	.033	.974
	Age in years	5.833	8.263	.134	.706	.484
	Size of household	19.191	40.818	.086	.470	.640
	$R^2 = 0.046$, R^2 change = 0.046	$F(6, 49) = 0.394$, $p > 0.05$				
2	(Constant)	-817.774	422.204		-1.937	.059
	Level of education, primary = 1	33.470	135.863	.034	.246	.807
	Level of education, college = 1	-60.510	270.204	-.030	-.224	.824
	Marital status, single = 1	68.410	152.970	.066	.447	.657
	Marital status, others = 1	138.798	285.025	.069	.487	.629
	Age in years	4.946	8.092	.113	.611	.544
	Size of household	27.769	37.991	.125	.731	.469
	Access to credit	294.199	132.729	.306	2.217	.032*
	Estimated monthly income	.033	.014	.327	2.405	.020*
	Access to government/NGOs interventions	-55.243	113.909	-.072	-.485	.630
	$R^2 = 0.241$, R^2 change = 0.195, $F(9, 46) = 1.621$, $p > 0.05$					

Source: Research Data (Year 2015)

Significant at 0.05 level

The model 1 results in Table 21 show that the moderator variables accounted for 4.6% of the variations in savings of the women farm produce retailers and their effects was not significant at the 0.05 level, $F(6, 49) = 0.394$, $p > 0.05$. The model 2 results show that when the independent variables were added to the equation there was an improvement in R^2 from 0.046 to 0.241. The inclusion of the independent variables in the analysis led to 0.195 change in R^2. It is important to note that only two constructs; access to income, Beta = 0.327, $p < 0.05$ and credit, Beta = 0.306, $p < 0.05$ in the model 2 output made significant contribution towards the prediction of the explanatory variable. The independent and moderator variables combined accounted for 24.1% variations, on savings, their effect was however not significant, $F(9, 46) = 1.621$, $p > 0.05$.

The results of the hierarchical regression revealed that the independent and moderator variables combined accounted for only 24.1% variations in the savings of the women farm produce retailers. This means that 75.9% variations in the savings of the women was due to other factors.

CHAPTER FIVE
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of the Findings

According to the findings, the majority of the respondents (58.4%) were aged 35 and above. The level of education indicated that 52.3% were of Secondary school level, 41.5% had attained primary school level, 6.2% had some College level education and none had attained University level of education. The analysis revealed that the respondents level of education was average given that 52.3% had attained Secondary school education. The majority of the respondents (61.5%) were married. Information on the respondents household size revealed that 61.5% had up to five dependants, 15.4% had up to 8 dependants, 3.1% had 9 or more dependants while 20% had up to 2 dependants. This implied a high dependency level which could be a constraining factor to savings.

On accessibility to credit the majority of the women (73.8%) had access to credit while 26.2% had no access to credit. The relationship between access to credit and savings was positive implying that access to credit enhances savings. The first hypothesis that there is no significant relationship between access to credit and savings was therefore rejected. The main source of income for the women retailers was business (100%) with a few getting other income from spouse (9.2%), farming (6.2%) and other investments (6.2%). Out of the 65 respondents, 64.6% sold vegetables while 35.4% sold cereals. The relationship between access to income and savings was positive and significant implying that women retailers with high access to income tend to save more thus access to income positively influences savings. The second hypothesis that there was no significant relationship between access to income and savings was rejected. The relationship between savings and access to government/NGOs interventions was positive but not significant, suggesting that government/NGOs intervention had minimal impact on the savings of the women farm produce retailers. This is consistent with other studies that government/NGOs interventions have minimum effects on the women retailers (ILO 2008). The third hypothesis that stated that there is no significant relationship between access to Government/NGOs interventions and the savings of women farm produce retailers was accepted. The fourth hypothesis about the composite effect of access to credit, access to income, access to government/NGOs interventions on savings was tested using Multiple Regression Analysis. Model Summary results indicated a contribution of 17.7% by the independent variables while 82.3% is explained by other factors and also by chance of error.

5.2 Conclusion

From the findings, the study concluded that access to credit influences savings; access to income influences savings; access to government/NGO interventions does not affect savings; and that savings is affected by access to credit, income and government/NGO interventions combined. Correlation analysis results showed a positive relationship between access to credit and savings Gichuki et al (2014) identified and recommended the provision of affordable credit to SMEs as an effective strategy that can raise the income of rural populations in African countries. The results further indicated a positive relationship between access to income and savings. However, government/NGOs interventions were found to have a negative relationship with savings suggesting weak implementation of policies as noted by (ILO, 2008) report. The study concluded that the three economic empowerment variables combined had a significant effect on savings by the women farm produce retailers.

5.3 Recommendations

The results of the study showed that there is an association between access to credit, access to income, and the three variables combined on one hand and savings on the other hand. The study found no significant relationship between governmental/NGOs interventions and savings. This is in line with other studies that access to credit and access to income affect savings. This study therefore recommends; that the women farm produce retailers be encouraged to access available credit as a way of enhancing their savings; that the government and credit providers to come up with mechanisms that make credit easy to access by reducing the cost and bureaucracies involved in processing it; that organizations that provide credit to women owners SMEs be strengthened; that interventions such as a conducive business environment that boosts women's access to regular income put in place; and that the government and NGOs should put in place policies and regulations that promote creation, growth and sustenance of activities that promote savings. Examples are attractive interest regimes on savings and programmes that improve women's access to income.

5.4 Suggestions for Further Research

Literature reveals that there are many factors that influence savings, however this study examined three determinants namely; access to credit, access to income and access to government/NGOs interventions. The study also established whether other determinants such as age, level of education, marital status and household size influence savings of the women farm produce retailers. Government and NGOs interventions were found to have a negative influence on the women's businesses. It is important that this anomaly is investigated further. The study focused only on women retailers whereas Nakuru main market has both male and female retailers. There is need to conduct a study that examines factors influencing the savings of male retailers.

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APPENDIX A
WOMEN FARM PRODUCE RETAILERS QUESTIONNAIRE (WFPRQ)

DearMadam,

I am a post graduate student at Egerton University currently conducting a research as part of the course work. The title of the research is *Effects of Financial Empowerment on the Savings of Women Farm Produce Retailers in Nakuru Main Market.* I am kindly requesting you to participate in the study by filling this questionnaire because I believe you have information that can contribute significantly towards its success. May I assure you that any information given shall be treated with utmost confidentiality and will be used for the purposes of this study only.

Yours faithfully,

Dima Teresia Atieno

Instructions: Please provide the answer in the given space or by placing a tick in the appropriate cell

<u>Section A: Bio-data</u>

Highest level of education ....

Marital status   Single ( )   Married ( )   Separated ( )   Divorced ( )   Widowed ( )

Age in years ....

Size of your house hold (number of dependents) ....

Which products do you deal in ....

How long (in years) have you been running this business ....

Do you require credit facilities to finance your business   Yes ( )   No ( )

If the answer to No.7 is "yes", state the type(s) of credit facilities you seek

....

....

Section B: Access to Credit

Indicate the extent to which you agree with each of the statements on access to credit in the table below. Use the given scale

Scale: Strongly Disagree (SD), Disagree (D), Undecided, (U) Agree (A), Strongly Agree (SA)

No	Statement	SA	A	U	D	SD
1	I have adequate information on available credit facilities					
2	Most credit providers do not have the products that I require					
3	I have access to credit application forms whenever I need them					
4	The credit application form are easy to fill					
5	I rarely meet terms and conditions set by credit providers					
6	My application for credit is usually processed with a reasonable period of time					
7	I am never given the total amount of credit that I applied for					
8	I find the cost of credit ((interest and processing cost)					

	to be too high					
9	Most Credit providers offer very flexible credit repayment terms					

Section C: Access to Income

Please give an estimate in Kenya Shillings of your monthly income from the sources listed below

No.	Source of Income	Monthly estimate in Kenya Shillings
1.	Business	....
2.	Employment	....
3.	Farming (crops & livestock)	....
4.	Investment (rent, shares etc)	....
5.	Spouse	....
6.	Relatives	....
7.	Others (specify)	....

8. How regular is income from these sources? ....

Section D: Government/NGO Interventions

Indicate the extent to which you agree with each of the statements on Government/NGO Interventions to empower women in the table below. Use the given scale

Scale: Strongly Disagree (SD), Disagree (D), Undecided, (U) Agree (A), Strongly Agree (SA)

No	Statement	SA	A	U	D	SD

1	The government has policies in place that ensure that women are not discriminated against					
2	The government has in place policies that give women equal opportunities to education					
3	The policies put in place by the government has made it possible for women to improve their economic status in society as they can own land, inherit their husbands properties					
4	The policies (access to education, leadership own property) put in place by the government has made it possible for women to improve their social status in society					
5	The government has created a conducive environment for business by ensuring that all its citizens are safe at all times					
6	The infrastructures put in place by the government has assisted women to progress economically					
7	The level of education of women in business has improved due to support from stakeholders like Government and NGOs					
8	The Government and NGOs have assisted women in business to acquire the necessary skills and technical expertise					
9	Business women have the technical expertise to develop business proposals as a result of training and					

	support from the Government and NGOs					
10	Business women have financial management skills as a result of training from the Government and NGOs					
11	Women in business are able to prepare their budgets because of the support from the government and NGOs					
12	The government and NGOs encourage business women to keep records of their businesses					
13	Most business women are able to make sound decisions since they have been given the relevant training by the Government and NGOs					
14	The ability of women to raise capital to start/run their business has improved due to the support from government and NGO (loans, tenders)					
15	The government and NGOs provide women in business with affordable credit facilities					
16	The Government and NGO's encourage women to have a steady income through self-employment					
17	The Government and NGOs encourage women to save					
18	The Government and NGOs encourage women to abandon retrogressive cultural practices which grant all their assets to the husband					
19	The Government and NGOs encourage women to engage in businesses which their culture and traditions are considered as taboos.					

Section E: Savings

Please give an estimate of the amount of money in Kenya Shillings that you save on monthly basis in the institutions listed below

No.	Institution	Amount in Shillings per month
1.	Chama/Merry-go-Round	....
2	Co-operative	....
3.	Bank Savings Account	....
4.	Land/Land buying company	....
5	Stock market share	....
6.	Insurance	....
7.	Pension Scheme	....
8	Livestock	....
9.	Mobile Phone (M-Pesa, M-Shwari, Airtel Money etc)	....
10.	Others (Specify)	....
11.	How consistent is your saving?	