



Evaluation of access to credit influence on subjective well-being of women employees in the county government of Kakamega

Bonface Imbali Mudi¹, Juliane Waswa², Albert Inzoya Nabwayo³

^{1,3} Ph.D. Student, Jomo Kenyatta University of Agriculture and Technology, Kenya

² Masters Student, Jomo Kenyatta University of Agriculture and technology, Kenya

Abstract

The fifth Sustainable Development Goal (SDG 5) communicates that by 2030 all countries, Kenya included, need to achieve gender equality and empower all women and girls. gender equality practices including access to credit which is a facet of was first declared a development issue in the United Nations Charter of 1945, and was subsequently addressed in the Universal Declaration of Human Rights (1948), the Millennium Development Goals (MDGs) of 2000 and the Sustainable Development Goals (SDGs) of 2015 (Kivoi, 2014), agreed upon by 193 countries in September 2015. This study sought to evaluate access to credit influence on subjective well-being of women employees in the county government of Kakamega. The study embraced descriptive survey design, which guaranteed ease in understanding the intuition about the research problem. Primary data from a sample of women employees and members of the County Assembly of Kakamega making a total of 1,078 formed the target population. A sample size of 291 respondents was used to represent the target population. A self-administered questionnaire was used for data collection. The questionnaire was pilot tested on 5% of the sample size to ensure that it was manageable, applicable and effective. The collected data was analyzed using inferential and descriptive statistics. The study applied chi-square technique to evaluate access to credit influence on subjective well-being among women employees in the County Government of Kakamega. The study findings showed a significant relationship between access to credit ($\chi^2 (1) = 113.587, p < 0.01$) on subjective well-being. The alternative hypothesis was not rejected as it significantly affected subjective well-being of women employees. It was thus recommended that the County Government of Kakamega needs to enhance access to credit among women employees in order to accelerate their subjective well-being.

Keywords: employment opportunities, subjective well-being, female employees, household diet

1. Introduction

Women access to credit which is a facet of gender equality practices was first declared a development issue in the United Nations Charter of 1945, and was subsequently addressed in the Universal Declaration of Human Rights (1948), the Millennium Development Goals (MDGs) of 2000 and the Sustainable Development Goals (SDGs) of 2015 (Kivoi, 2014) [7], agreed upon by 193 countries in September 2015. Women who have economic capital, in the form of ownership of and control over resources, income and assets, are more likely to have decision-making power in the home - particularly when this economic capital is combined with cultural and social capital, such as education (Klugman *et al.*, 2014) [8]. Women in Kakamega County are overburdened by culturally distinct roles such as child nurturing and house work. This is time consuming and vital to their daily survival but not generating hard cash (KCIDP, 2013-2017). By creating environment for women to generate hard cash, these gender roles can be redefined to ease the physical burden on women. Cultural specifications end up shaping the attitudinal orientation. The result of this orientation allows men to earn money and women are caught in a cycle of necessary but non-profitable roles (Bary, 2015) [2]. Land ownership, formal collateral requirements and high interest rates are constraints

that hamper women from benefiting from the programmes (Bary, 2015) [2].

Wellbeing is a state of satisfaction of basic human needs and rights as being a crucial pre-requisite before people can flourish and live well (Tinkler & Hicks, 2013) [18]. Wellbeing has three basic and interacting dimensions; a material dimension, a relational dimension and a subjective dimension (McGregor & Sumner, 2010) [12]. Golla *et al.* (2011) [6] claim that women's economic empowerment and wellbeing is fast becoming a key instrument in promoting their abilities to achieve their rights and wellbeing which subsequently reduces household poverty and increases economic growth, productivity and efficiency.

2. Statement of the Problem

Preceding studies on subjective well-being have used independent variables such as employment opportunities, political representation, health, gender violence, access to and control over resources, participation in economic and child-related decisions (Mudi & Waswa, 2018; Waswa & Mukanzi, 2018; Jejeebhoy & Sathar, 2001; Jejeebhoy, 2000; Balk, 1997) [13, 20]. While these proxy variables are important and are ideally associated with well-being, they may not exhaust the multifaceted concept of subjective well-being. In spite of these

studies and their recommendations, subjective well-being among women remains a challenge, suggesting that there is still extra that needs to be done. This study sought to fill this knowledge gap.

2.1 Specific Objective

To investigate access to credit influence on subjective well-being of women employees in the County Government of Kakamega.

3.3 Research Hypothesis

The alternative hypothesis for this study was that there is a significant relationship between access to credit and subjective wellbeing of women employees in the County Government Kakamega.

4. Capability Theory

Sen (1985), defines capabilities as what people are able to do or able to be - the opportunity they have to achieve various lifestyles and as a result, the ability to live a good life. Central to the capability approach is the concept of functionings. This encompasses various states of human beings and activities that a person can undertake (Sen 1979). Examples are; being well nourished, being housed in a particular kind of house, having obtained a specific education, being literate, consuming a specific amount of goods, choosing particular leisure activities, consumption of energy for heating, and participating in the labor market. Relevant to this study is the fact that access to credit is considered an integral part of the above listed functionings and if well provided for then the Sustainable Development Goal 5 of achieving gender equality and empowering all women and girls may be realized.

Sen (1997), argues that economic inequality is not necessarily the same as income inequality. The reason for this is that knowledge about people's income in itself does not tell us about other things that matter for their wellbeing. People may be restricted in their choices as a result of discrimination, customs, moral codes, political regime, climate, infrastructure, transport, organization of healthcare, etc. This study focused on female employees who seem discriminated against in terms of access to credit opportunities compared to the males. Sugden (1993) asserts that although Sen is not entirely clear in some of his writings, a reasonable interpretation might be that a normative evaluation of well-being should depend upon both the individual's achieved functionings and his or her capability sets, where the capability set represents the extent of freedom, whereas the achieved functionings measure aspects of welfare other than freedom. The concept of freedom emphasizes the importance of empowering people to help themselves, and of focusing on individuals as the actors of their own development (Stiglitz *et al.*, 2009). This study focuses on how access to credit opportunities enhances subjective wellbeing among female employees which makes this theory well anchored in this study. Sen argues that, in analyzing well-being, we should shift our focus from 'the means of living', such as income, to the 'actual opportunities a person has', namely their functionings and capabilities (Sen, 2009). Capability theory is closely linked to this study since access to credit provides opportunity for entrepreneurship which enhances subjective wellbeing.

4.1 Literature Review

Microcredit has become an increasingly popular strategy for improving the social, economic and health status of women in the developing world. Individual loans lead to a greater amount of financial autonomy and decision-making power, whereas solidarity loans excel at building social connections and community affiliation (Norman, 2013). Extreme income disparities undermine social stability and solidarity. Even worse, high inequality makes poor institutions very difficult to improve, because the few with money and power are likely to view themselves as worse off from socially efficient reform, and so they have the motive and the means to resist it. High inequality may also lead the poor to support populist policies that can be self-defeating (Todaro & Smith, 2010) ^[19]. Children who are better fed and better educated are more likely to grow into healthy, economically productive adults. Government involvement is necessary to regulate interest rates and prevent malicious money lending, as well to provide the education and social policies that will maximize the benefits of lending programs for women and their children (Norman, 2013).

In Uganda, women own 38% of all registered enterprises but access only 9% of formal finance. In Kenya, despite owning 48% of micro and small enterprises, women access only 7% of credit. While lack of access to finance is a widespread problem for all firms, studies show that women entrepreneurs identify it as the single biggest constraint on expanding their businesses. In one survey in Uganda, nearly all female-headed households reported a desire to expand their agricultural activities, but they lacked the funds to purchase the necessary inputs, such as fertilizer or pesticide, or to hire extra workers. The lack of finances and influence undermines women's power to access business opportunities like tenders (Africa Development Bank, 2015) ^[11].

Norman (2013) in his study on micro-credit and the discourse of empowerment has shown that microfinance is particularly effective in building professional and community affiliation among women, and that affiliation is especially important for women living in rural areas. This affiliation should be used to foster collective community action and participation in the political process among women. As women become more united and involved in the political process, they may pursue broader policies that affect the structural factors of inequality such as property rights, access to birth control, and economic opportunity.

5. Research Design

Creswell (2013) ^[4] asserts that a descriptive research design is used when data are collected to describe persons, organizations, settings or phenomena. Research design is the organization of conditions for collection and analysis of data in a way that purposes to combine relevance to the research resolution with economy in practice (Kothari & Garg, 2014) ^[10]. According to Kothari and Garg (2014) ^[10] social science research designs are classified as descriptive/diagnostic or exploratory. Descriptive research design was used in this study. This design is appropriate for this study since Zikmund (2003) note that descriptive research design is intended to produce statistical information about the aspects of the research issue (in this case subjective well-being among

women) that may interest researchers and policy makers.

5.1 Target Population

Target population is the entire group of individuals to which researchers are interested in generalizing their conclusions (Castillo & Cross, 2008) [13]. Target population includes all the members real or hypothetical set of people, events or objects to which researchers wish to generalize the results of their research (Singleton & Strait, 2010) [17]. The target population for this study included 1078 female employees in the county government of Kakamega drawn from different Departments.

5.2 Sample and Sampling Technique

According to Kothari (2010) [9], a sample is a section of a population that is selected for examination and analyses and used to make inferences to the population from which it is obtained. Sampling technique is the process of selecting respondents that constitute a sample (Kothari & Garg, 2014) [10]. In deriving the sample from the sample frame, Yamane (1967) [21] statistical formula was employed as follows:

$$N = N / (1 + N (e)^2)$$

Where;

N: Sample size

N: Population under study

E: Margin error (0.05)

1: Constant

A margin error of 0.05 was used to compute the sample size, which according to Yamane (1967) [21] gives the largest sample size at a given confidence level. Substituting the margin error of 0.05 and the target population of 1,078 in the formula above gives a sample size of 291. The proportionate sample sizes for each stratum were computed on the basis of the size of the stratum and the target population. This study therefore used a sample population of 291 respondents for data collection.

5.3 Data Collection Instruments

According to Denzin and Lincoln (2000) [5], a data collection instrument is a document containing questions presented in a systematic, highly precise fashion. Data collection instrument refers to the device used to collect data such as a paper questionnaire or computer assisted interviewing system (Sekara & Bougie, 2010). The instrument that was used for data collection was a structured questionnaire. A questionnaire was preferred in this study because it allowed for collection of standardized data which was easier to analyze, in addition to enabling access to a bigger group of respondents cost effectively (Zakimund, 2010) [22].

5.4 Data Collection Procedure

Data collection is the process of gathering and measuring information on targeted variables in an established systematic fashion that enables one to answer relevant questions, test hypotheses, and evaluate outcomes (Sekara & Bougie, 2010). According to Leedy and Ormrod (2010) [11] people are also

more truthful while responding to the questionnaires due to the fact that their responses are anonymous. Self-administered questionnaires were used for primary data.

5.5 Data Processing and Analysis

Qualitative data was converted to quantifiable forms by coding using SPSS text editor (Mugenda & Mugenda, 2003) [14]. According to Saunders, *et al.* (2007) [16], quantifying qualitative data means converting it into numerical codes so that it can be analyzed statistically. Data collected was sorted, cleaned and coded and then analyzed using Statistical Package for Social Sciences (SPSS version 25). Following Ijaiya *et al.* (2009), descriptive statistics was used in this study to describe the socio-demographic characteristics of the respondents. The most commonly used tool to measure well-being is a proxy variable such as real income or resource availability (OECD, 2013) [15]. However, well-being is a multidimensional concept and therefore can be better understood while looking at multiple indicators. OECD (2013) [15] advises use of income, consumption and wealth as indicators for wellbeing. This study therefore used the possession of household assets and the seven-day food expenditures per household as quantitative indicators of subjective wellbeing. Alternative hypothesis was tested using chi-square statistics at 0.05 level of significance for 2-tailed test. This is because it is the most suitable inferential statistical tool which can determine whether significant relationship exists or not (Cohen *et al.*, 2011).

6. Reliability Results

The reliability tests for the questionnaire in this study gave an overall Cronbach's coefficient alpha of 0.785. This value depicted that the value of Cronbach's alpha is above the suggested value of 0.7 thus the study was reliable. This means that there was an acceptable degree of consistency among the responses against each item.

6.1 Data Analysis

There was a significant relationship between the County government easily guaranteeing women employees for bank loans and asset possession by women employees ($\chi^2 (1) = 113.587, p < 0.01$).

Table 1: Relationship between the County Government Guaranteeing Women Employees for Bank Loans and Asset Possession

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	46.392 ^a	16	.000
Likelihood Ratio	48.233	16	.000
Linear-by-Linear Association	9.738	1	.002
N of Valid Cases	219		

11 cells (44.0%) have expected count less than 5. The minimum expected count is .58.

There was also a significant relationship between access to credit and property rights for women and asset possession by women employees ($\chi^2 (1) = 113.587, p < 0.01$).

Table 2: Relationship between Access to Credit and Property Rights for Women and Asset Possession

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	96.973 ^a	16	.000
Likelihood Ratio	83.014	16	.000
Linear-by-Linear Association	15.078	1	.000
N of Valid Cases	219		

A. 12 cells (48.0%) have expected count less than 5. The minimum expected count is .35.

7. Summary of Findings

This study was conducted on the hypotheses that access to credit has a significant influence on subjective well-being of women employees in the county government of Kakamega. Comparing provision of car loans for women employees and asset possession, the researcher established that there was a significant relationship ($\chi^2 (1) = 113.587$, $p < 0.01$). It therefore implies that giving car loans to women county employees results in asset possession leading to enhanced subjective wellbeing. On whether they easily access loans, there was a significant relationship between the County government easily guaranteeing women employees for bank loans leading to increased asset possession ($\chi^2 (1) = 113.587$, $p < 0.01$). While investigating the relationship between provision of a mortgage scheme for women employees and the quality of food in the households, the study established a coefficient of correlation (r) as 0.207, $P < 0.01$ at 95.0% confidence level. This indicates a significant positive relationship between provision of a mortgage scheme for women employees and the quality of food in the households. Based on these findings, we do not reject the alternative hypothesis since the study discloses that political representation has a significant relationship on subjective well-being.

8. Conclusions

The conclusion of the study was drawn from study findings after testing the study hypothesis which was derived from the study objective. The hypothesis was that there is a significant relationship between access to credit and subjective well-being of women employees in the county government of Kakamega. The alternative hypothesis was not rejected as the study results implied a significant relationship. Ability to access credit ensures grade completion of women and their children. Access to credit also leads to higher weekly consumption and possession of assets.

9. Recommendations

The County Government of Kakamega needs to encourage access to credit by women through provision of mortgage, easily guaranteeing women bank loans and creation of county savings and credit cooperative. The study findings showed several achievements through credit access. These include: grade completion of women and their children with access to credit; ability to participate in politics; possession of assets; improving their bargaining power among others. As a result there is improvement in consumption and well-being.

10. References

1. Africa Development Bank. Africa Gender Equality Index, Abidjan, Cote d'Ivoire. ADB, 2015.
2. Bary T. An analysis of Bank's problem on loans. Norges Bank Economic. 2015; 1(78):65-76.
3. Castillo M, Cross P. Of mice and men: Within gender variation in strategic behavior. Games and Economic Behavior. 2008; 64(2):421-432.
4. Creswell JW. Research design: Qualitative, quantitative, and mixed methods Approaches, (4th Ed.), London: Sage Publications, 2013.
5. Denzin N, Lincoln Y. (Eds.) Handbook of qualitative research, London: Sage Publications Inc, 2000.
6. Golla AM, Malhotra A, Nanda P, Mehra R. Understanding and measuring women's economic empowerment: Definitions, framework and indicators. Washington, DC: International Center for Research on Women, 2011.
7. Kivoi DL. Factors impeding political participation and representation of women in Kenya. Humanities and Social Sciences. 2014; 2(6):173-181.
8. Klugman J, Hanmer L, Twigg S, Hasan T, *et al.* Voice and agency: Empowering women and girls for shared prosperity. Washington, DC: World Bank, 2014.
9. Kothari CR. Research methodology; methods and techniques. (3rd Ed.). New Delhi: New Age International Publishers, 2010.
10. Kothari CR, Garg G. Research methodology; Methods and techniques. (3rd Ed.). New Delhi: New Age International Publishers, 2014.
11. Leedy PD, Ormrod JE. Practical research: Planning and design. (9th Ed.). Upper Saddle River, NJ: Prentice Hall, 2010.
12. McGregor JA, Sumner A. Beyond business as usual: What might 3-D wellbeing contribute to MD Gmomentum? IDS Bulletin. 2010; 41(1):104-12.
13. Mudi BI, Waswa J. Analysis of political representation effects on subjective well-being of women employees in the county government of Kakamega. International Journal of Academic Research and Development. 2018; 3(6):33-37.
14. Mugenda A, Mugenda O. Research methods; Quantitative and qualitative approaches. Nairobi: African Center for Technology (ACTS), 2003.
15. OECD. OECD framework for statistics on the distribution of household income, consumption and wealth: OECD, 2013.
16. Saunders M, Lewis P, Thornhill A. Research methods for business students. Edinburgh: Prentice Hall.
17. Singleton R, Straits B. Approaches to social research. (5th Ed.). New York: Oxford University Press, 2010.
18. Tinkler L, Hicks S. Measuring subjective well-being. Social Indicators Research Journal. 2013; 114(1):73-86.
19. Todaro M, Smith C. Economic development. New York: Addison-Wesley, 2010.
20. Waswa J, Mukanzi, C. Assessment of employment opportunity effects on subjective well-being of women

employees in the County Government of Kakamega, Kenya. *The International Journal of Humanities & Social Studies*. 2018; 6(10):67-72.

21. Yamane T. *Statistics: An introductory analysis*, (2nd Ed.). New York: Harper and Row, 1967.
22. Zakimund WG. *Business research methods*. Florida: The Dryden Press, 2010.