ABSTRACT

Agriculture is the prime mover of the Kenyan economy. Rapid agricultural growth is a key to achieving the country’s developmental and social goals. Women are responsible for 50% provision of staple food in Kenya directly or indirectly from incomes they earn from various sources to take care of their families. Access to resources to develop their agricultural activities have remained a constraint mainly because they have less access to information, technology, land, inputs and credit. That is why in the Vision 2030, under the Social Pillar, it has a mandate to institutionalize the Women Enterprise Funds and increase overall amounts and efficiency in projects launched by its beneficiaries.

Small-scale women farmers need production capital a scarce resource to improve their production. The inadequacy in financing and credit arrangements to women farmers in Kenya impede development of agriculture and rural sectors. The provision of credit can encourage the farmers to use modern technologies and procure inputs for farm use, thus bringing them to a higher level of productivity and increasing their incomes. This study sought to address the factors influencing access to credit by small scale women tea farmers in Kenya and in order to address the research gap, this study worked to establish the influence of the proposed variables; farmer characteristics, institutional factors, tradition and Custom/ Discriminatory Cultural Practices, collateral requirements and risk factors.

The broad objective of the study was to establish the factors influencing access of formal credit by small scale women tea farmers from Nduti tea factory, Thika District, Kiambu County. The specific objectives of this study were; to find out the effect of farmer characteristics on formal credit access by small scale women tea farmers in Nduti tea factory, Thika District, to establish the influence of institutional factors on formal credit access by small scale women tea farmers, to investigate the influence of cultural Practices on formal credit access to small scale women tea farmers, to establish the effect of collateral requirements on formal credit access to small scale women tea farmers and to investigate the influence of risks associated on formal credit access to small scale women tea farmers in Nduti tea factory, Thika District respectively.

The research study used a descriptive research design approach. The population of the study was small scale women farmers holding a green leaf number. The sample size of the study was 117 of the population at the time of the study. The data was collected using a questionnaire and an interview schedule as the only data collection tools. Quantitative data collected by using a questionnaire was analyzed by the use of descriptive statistics using the Statistical Package for Social Sciences (SPSS) and presented through percentages, and frequencies.

On farmer characteristics, the study established that most of the women tea farmers had acquired good education having reached college level and had enough knowledge on issues related to tea farming. Besides, respondents indicated that they preferred the institutions of their choice on grounds that; they received better customer care services, they got less interest loan (Saccos), they got time extensions on repayments, they were trained on the usage of the formal credits, they received bonuses on early repayments while others said that the institutions were always free to handle their budgets. This implies that not all who applied for the formal credit got an equivalent amount as indicated in their applications. The main reason for application of a loan being rejected
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Published on Department of Sociology and Social Work (https://sociology.uonbi.ac.ke)

was due to; default of previous loans, poor timing of application, incomplete application forms, credit history, non-guaranteed application. Majority of the respondents were also in agreement that the main description of women's social situation in the village is that they are never equal to men, women are not entitled to any collaterals as a title deed, it is the sole role of the husband to control the tea farm, that most women were in total control of their tea farm and that like some do not have any bargaining access to the necessary resources in their land. On collateral requirementsmajority of the respondents access. the study established that house and house goods was the most popular, animals land,, vehicles and agricultural equipments household goods as well as the animals in the farm forms the highest part of collaterals to access formal credit. On the extent of the effect majority of the respondents said that; guarantors, car log books, good credit history, copy of business license, KRA pin, land title and household goods are required by financial institutions to a very great extent on matters regarding formal credit access respectively suggesting that to small scale women tea farmers, house and

on Risk factors: The study was to find out whether respondents experience any type of risk in access or management of formal credit in the tea farm.Respondents stated that some of the risks involved are poor weather which affect yields, high interests charged and short durations given affect the in access or management of formal credit among the small scale tea farmers in Thika district. According to the findings, majority of the respondents strongly agreed that small scale women tea farmers have no other option than to risk in taking the formal credit. Majority of the respondents were also in agreement that the repayment interest is high making it hard, the agricultural output is lower than expected making it difficult to repay the formal credit accessed and that the climate condition changes is anticipatable thus sometimes repaying at a loss. Other respondents moderately agreed that there are no risks hence they need to take the formal credit to buy farm inputs.

The study concludes that most of the respondents had applied for funds from various institutions which most of the lending institutions in the region included; Faulu, Equity Bank, Mwalimu and Murata Saccos limited, KCB bank, Family bank, K-rep bank and each of the financial institutions had its own characteristics preferred by respondents. The study concludes that small scale women tea farmer's experienced different type of risks in access or management of formal credit in the tea farm which range from; poor weather which affect yields, high interests charged and short durations given. Most small scale women tea farmers had collate-able assets for the use in formal credit access and that house and household goods were the most popular. The study also concludes that major role of women was to pluck and sell the tea leaves in a nearby centre, cook for the workers if there, remove weeds from the tea bushes and apply fertilizer when time is due but not to be involved in financial and business a matter which well fits to men as a custom/tradition.

The study recommends that the farmers need to make use of the mobile services such as M-Pesa, M-Shwari, M-Kesho, Pesa Pap, use of Pay bill and Bank agencies. It is the sole role of the managers in to revise all areas of their aspect to make them favourable to the small scale women tea farmers to access formal credits. The study recommends that the institutional managers as well as those in the tea industry organize training programmes to the small scale farmers in general so as to help them cope with or counteract with the risks that come by limiting their ability to repay their loans because of the losses. There is a need for the institutions to consider the only collaterals they would have in order to help them achieve access credit Gendered issues related to conflicts in land and other assets be addressed by the relevant authorities like the government so as to explain fully the position of a woman in the society and household.

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