IOSR Journal of Business and Management (IOSR-JBM)
e-ISSN: 2278-487X, p-ISSN: 2319-7668. Volume 16, Issue 5. Ver. I (May. 2014), PP 26-32
www.iosrjournals.org

The Role Microfinance in Economic Empowerment of the Youth (Acase of Mombasa County)

[1]Byamuhaya Stanley Omunjalu And [2]Dr.Francis Fondo
[1,2]Jomo Kenyatta University of Agriculture and Technology-Kenya

Abstract: *The practices of microfinance services for the poor have grown immensely since its beginning in the 1970s. It has become one of the most popular poverty reducing strategies in the world. The study used Grameen bank model and development as freedom theory to analyze the effect that microfinance had on poverty reduction. The study aimed at exploring the contribution of microfinance products such as microcredit, micro insurance and micro saving to the youth who make up to more than 60% of the country's population. The contribution involved the role of microfinance in enhancing entrepreneurship development, sighting problems surrounding the credit barriers, and creation of employment through innovative business activities. The research employed descriptive research design using simple random sampling which enables every member of the population to have an equal and independent chance of being selected as respondents and also simplest, most convenient and bias free selection method. The data was collected by use of questionnaire thereafter analyzed using both quantitative and qualitative techniques. The study results showed that MFIs have role to play in economic empowerment of the youth. Loan repayment default was largely a result of non supervision of borrowers by the MFIs, as well as inadequate training of borrowers on utilization of loan funds before they received loans. The study recommended that for sustainability all the costs involved need to be recovered and kept minimum to ensure a continuous sustainable growth of both the MFIs and the youth in poverty alleviation.*
Key Words: *Microfinance, microcredit, micro insurance, micro saving, entrepreneurship development*

I. Introduction

George (2005) refers to microfinance as the provision of financial services to the low income-households and micro and small enterprises provide an enormous potential to support economic activities of the poor thus contribute to poverty alleviation. Microfinance can also be defined as the practice of providing financial services such as micro credit, micro saving or micro insurance to poor or disadvantaged individuals. By helping them to accumulate usably large sums of money, thus expanding their choice and reducing the risk they face.

Rieneke(2010)the concept of microfinance is not new. Savings and credit groups that have operated for centuries include the "susus" of Ghana, "chit funds" in India, "tandas" in Mexico, "arisan" in Indonesia, "cheetu" in Sri Lanka, "tontines" in West Africa, and "pasanaku" in Bolivia, as well as numerous savings clubs and burial societies found all over the world.

Yunus (1998) by establishing Grameen bank in 1983 Muhammad Yunus sought to realize his vision of self support for the poorest people by means of loans on easy terms. The bank has since been a source of inspiration for similar microcredit institutions in over one hundred countries.Grameen bank works on the assumption that even the poorest of the poor can manage their own financial affairs and development given suitable conditions. The instrument is microcredit small long term loans on easy terms. By 2006 Grameen bank had granted more than seven million borrowers microloans, average amount being 100 dollars and repayment being very high. By the end of 2008 the bank had loaned over USD 7.6 billion to the poor and in the same year it had 2100 branches.

Overall, MFIs in Africa are dynamic and growing. Of the 163 MFIs 57 percent were created in the past eight years-and 45 percent of those in the past four. African MFIs appear to serve the broad financial needs of their clients. Unlike trends in most regions around the globe, more than 70 percent of the reporting African MFIs offer savings as a core financial service for clients and use it as an important source of funds for lending. MFIs in Africa tend to report lower levels of profitability, as measured by return on assets, than MFIs in other global regions. Among the African MFIs 47 percent post positive unadjusted returns; regulated MFIs report the highest return on assets of all MFI types, averaging around 2.6 percent (Patricia, 2004).

MFIs vary in legal forms, methodologies and missions but all provide financial services to the poor. MFIs help the poor in setting up businesses, build up assets, consumption smoothing and risk management (CGAP, 2010).

II. Statement Of The Problem

The goal of microfinance is to provide "booster shot", and financing that would lead to the following projected outcomes, self sufficiency for talented youth entrepreneurs, breaking of poverty cycle, facilitating and encouraging entrepreneurial spirit in quest for self reliance and economic empowerment through business expansion and growth. These outcomes cannot be assumed to be automatic because of the challenges facing microfinance industry. Yunus (1998) highlights them as follows, high costs of service delivery, poor infrastructure, and lack of appropriate regulatory oversight, diversity in institutional form, inadequate governance and management capacity, limited market outreach, unhealthy competition, limited access to funds, unfavorable image and lack of performance standards.

Susan (2012) the chief executive officer of Youth Agenda says that "given the low growth of employment in the formal sector, the growth of micro-enterprise provides the best opportunity for youth livelihood". Susan says the Youth Enterprise Development Fund which was meant to enhance youth participation in socio-economic development through the provision of credit to enable young entrepreneurs to access finances to set up or expand business appears to be failing in this mandate. The fund has been dogged by technical, structural and governance challenges since inception and young people do not seem to be benefitting from it as banks and financial intermediaries exploit the interests to lend to their own clients. The procedures and interest charged for accessing the youth fund remain the two biggest hurdles to Youth Enterprise Development in Kenya.

According to Kiberenge(2013)the ksh.6billion Uwezo fund launched by president Uhuru Kenyatta recently is the latest government bid to uplift women and youth through enterprise. Quick look at the past raises questions about thinking behind Uwezo and how different it will be from the previous ones that were marred by mismanagement and debts. The youth enterprise development fund and the women's economic empowerment funds that have been lending to their target groups for the past six years have little to show for it. The two have little impact despite receiving a combined total of ksh.12.5 billions to date.It is feared that haste in Uwezo fund without proper research as well as overlaps with the existing funds could jeopardize it like the defunct Kazi Kwa Vijana which initially was a world bank sponsored project but cancelled in 2011 in amid claims of misappropriation. Critics see this as reactive political gift haphazardly thrust to entice the youth and women exposing them to the abuse by unscrupulous managers.

The big challenge has been repayment spirit and that the amounts lend through MFIs and other intermediaries repayment rate has been 98 percent while money lend directly to the youth repayment rate is below 70 percent this means MFIs and other formal banks have developed strict measures that can ensure 100percent repayment rate (Namuye, 2013).Critics also argue that you cannot achieve different results by doing the same thing that you have always done, Uwezo fund may well be sabotaged by greedy managers as it was the case with defunct Kazi Kwa Vijana and the Youth fund (Kiberenge, 2013).

Susan (2012) recommends that to mitigate these challenges and ensure transparency in the flow of the funds, there is need to allow the MFIs handle the work of disbursement. Beyond minimizing hurdles and providing lowest interest options, Microfinance structures will improve efficiency and effectiveness of the flow of the funds. It is important for the researcher to find substantial proof as to whether it is necessary to institute structures that will enhance micro financing in economic empowerment of the youth.

III. Objectives Of The Study

1. To establish whether microfinance have the required financial capacity (cost-effectiveness of credit operation).
2. To investigate how microfinance increases entrepreneurial competence and culture.
3. To find out products microfinance institutions employ to enable the Youth access credit and accumulate savings.
4. To establish the extent to which microfinance institutions have succeeded in poverty eradication among the youth.

IV. Significance And Scope Of The Study

The value of the study will be of significance to policy makers such as Regulatory and Supervision Management who may use the findings as a basis of formulating strategies to improve on constraints affecting smooth service delivery of MFIs. County Government will equally understand why it may be appropriate to disburse Youth Enterprise Funds through MFIs.

The focus of the study targeted selected MFIs and to establish the products they offer and their preferred clients in particular the youth.

V. Microfinance

Characteristics of Microfinance

CGAP(2010)Empowering small business, the key goal is to provide means of financing that will enable small business to expand, create employment and contribute to national development. This makes microfinance to posses the following features; Target poor clients who do not have access to formal financial sources, mostly collateral free, MFIs go to clients rather than clients going for MFIs, have simplified savings and loan procedures, offers small and repeating loans, repayment considers income from business as well as other sources.

Key Principles of Microfinance

Microfinance is a powerful instrument against poverty. Access to sustainable financial services enables the poor to increase incomes, build assets and reduce vulnerability to external shocks. Microfinance allows poor youth to move from everyday survival to planning for the future, investing in better improved living conditions.
Microfinance is a marginal sector and primarily a development concern for the donors, government and social responsible investors in order to achieve their full potential of reaching a large number of the poor, microfinance should become an integral part of the large financial sector.

Financial sustainability is necessary to reach significant number of the poor people. Sustainability is the ability to cover financial costs so that social benefits to be achieved are greater than the social costs. This would allow for continuous operation of the microfinance in provision of financial service to the poor.

Microcredit is not always the answer, microcredit is not appropriate for everyone or every situation. The poor and the destitute that have no income or means of payment need other forms of support before they can make use of loans. The government and donors before lending should ensure that the poor have access to improved infrastructure, health, training which appropriate tools for poverty alleviation.

Microfinance is about building permanent local financial institutions that can provide financial services to the poor people on a permanent basis. Such institutions should be able to mobilize resources and recycle domestic savings, extend credit and provide a range of services, thus dependence on funding from donors and government will gradually diminish as local financial institutions and private capital market flourish.

Microfinance Institutions in Kenya

The Government of Kenya recognizes that greater access to and sustainable flow of financial services, particularly credit to the low income households and MSEs is critical to poverty alleviation. Therefore, appropriate policy, legal and regulatory framework to promote a viable and sustainable system of microfinance in the country was developed under the microfinance Act of 2006 and microfinance regulation issued there under setting out legal, regulatory and supervisory framework for the industry in Kenya.

The Act became operational on 2nd May; 2008.the principle object of microfinance Act is to regulate the establishment, business and operations of microfinance institutions in Kenya through licensing and supervision. The Act enables Deposit Taking Microfinance Institutions licensed by the Central Bank of Kenya to mobilize savings from the general public, thus promoting completion, efficiency and access. It is therefore expected that the microfinance industry will play a pivotal role in deepening financial markets and enhancing access to financial services and products by majority of Kenyans (MF Act, 2006).

Major players in the sector include, Microfinance Banks i.e. Equity bank and K-Rep bank. Micro finance institutions registered by Central Bank of Kenya with permission to take deposit i.e. Faulu Kenya, Kenya Women Finance Trust, , Small and Medium Enterprise programme Rafiki DTM. Others includes Kenya Small Traders and Entrepreneur Society, Ecumenical Loans Fund, Jitegemee Trust, Kenya post and savings bank, Pride limited, Jamiibora,Makaomashinani,Platinum Credit,Yike,Yehu,Realpeople among others(CBK,2013).

Microfinance and Youth fund in Kenya.

According to John Hatch (2010)"No one ever ended poverty by going bankrupt", MFIs have proven that it is possible to serve the poor successfully while maintaining sustainability. Across the world there are over 10,000 microfinance institutions serving in excess of 150 million customers, and over 100million being the poorest. Global demand stands at 500million families meaning that there is still a long way to go.

Kenya National Youth Policy paper (2006) defines youth as persons resident in Kenya at the age bracket of 15 to 30 years who are about 10.8 million as per 2005 population projection. Out of this 57% are female and they form about 60% of the total active labour force in the country. This takes into account the physical, psychological, cultural, social, biological and political definition of the term.

Statistics gathered by the Government, the Institute of Economic Affairs (IEA) and the United Nation Development Program me (UNDP) shows young people between the ages of 18 and 34 forms over 70 percent of the working age population of about 19.8 million people. More than half of them are unemployed .UNDP sums up unemployment in Kenya as “a Youth problem” (UNDP, 2005).

Youth development Fund was established in January 2007 with an aim of spearheading the general empowerment of the youth in order to reduce risk factors and promote positive factors. The department coordinates and mainstream youth issues in all aspects of National Development as stipulated in the National Youth Policy 2006.The state department empowers youth through provision of accessible appropriate and quality training in technical, vocational, industrial, entrepreneurship and life skills. This is to enable the youth be self – reliant and have necessary skills to steer the country towards the goals of vision 2030.With existing youth and women fund initiated by president Mwai Kibaki operated ksh4.8billion and 5.2 billion. Kazi kwa Vijana had 5.2 billion for which all have been in disposal for the last seven years but many young people still languish in abject poverty (Kiberenge, 2013).

VI. Micro Finance Products And Services

Micro credit (Grameen credit)

The word "microcredit" did not exist before the seventies. Now it has become a business-word among the development practitioners. In the process, the word has been imputed to mean everything to everybody. No one now gets shocked if somebody uses the term "microcredit" to mean agricultural credit, or rural credit, or cooperative credit, or consumer credit, credit from the savings and loan associations, or from credit unions, or from money lenders. When someone claims microcredit has a thousand year history, or a hundred year history, nobody finds it as an exciting piece of historical information. (Yunus, 1998).

Dondo(2001)K-Rep directs lending products includes Juhudi and Chikola both started out as hands off group lending schemes modeled after the Grameen banks in Bangladesh.

According to Rafiki Deposit Taking Microfinance the Grameen microcredit products includes chamaa loan, shariah loans targeting Muslims youth and individual loans among others. This product serves best for those who have indentified business opportunity and ability for repayment as agreed.

Micro saving

John Hatch (2010) Micro savings is another product that is increasingly becoming the mainstream of microfinance operations. MFIs and other professions actors are transforming to formal regulated institutions. MFI offers good voluntary savings services which typically attract more savers than borrowers.

Micro saving consists of small deposits account offered to lower income families or individuals as an incentive to store funds for future use. They are designed just like normal saving accounts although minimum depots are usually waived or very low allowing users to save small amounts of money and not be charged for the services. People who save are better prepared to cope with any unforeseen expenses.

Micro insurance

The third is micro insurance whereby the public sector is expected to assist in building the institutional and intellectual infrastructure to support the development of a healthy micro insurance market in health and agriculture. This is true for agricultural products which are vulnerable to poor climatic conditions.

Churchill (2006) refers to micro insurance as a protection of low income people against specific risks in exchange for low premiums and low caps or coverage. Micro means small financial transaction that each insurance policy generates.

The target group consists of persons ignored by mainstream commercial and social insurance schemes. Products offered include health insurance, contracts covering properties such as assets, livestock and housing. Personal accidents are also covered. The other product is the crop micro insurance which covers against natural calamities whose occurrence could affect agricultural activities.

VII. Poverty Eradication And Sustainability

Yaron(2007)sustainability is permanence. The social goal is not to have sustainable microfinance organizations but rather to maximize expected social value minus social cost discounted through time. In principle, sustainability is not necessary or sufficient for social optimality. In practice, however, sustainable organizations tend to improve welfare the most. Most unsustainable microfinance organizations inflict costs on the poor in the future in excess of the gains enjoyed by the poor now. Sustainability is not an end in itself but rather a means to the end of improved social welfare.

In order to sustain the performance of MFI an increase in productivity and income rather than consumption need to be checked. The amount loan able should equally be increased. Trade off between humanitarian work and commercialization is the concern. To be more self-sustainable it’s better to rely on commercial funds instead of donations.

Dondo(2001) K-Rep Bank must continue to charge its borrowers enough to cover its costs and generate a profit for its owners to ensure institutional sustainability. In this context, its main concerns will be to see that product pricing still covers lender transaction costs, the cost of loan able funds, and provisions for bad debts, while at the same time trying to keep these costs to a minimum

The question asked today is whether microfinance has the potential to serve as an effective strategy to achieve the Millennium Development Goals (MDGs). In a 2003 research paper from the Consultative Group to Assist the Poor (CGAP) argued that microfinance plays an important role in meeting the MDGs principally by; eradicating poverty and training of the youth to enable acquire relevant business skills and competence in whatever projects they may decide to undertake

VIII. Critique Of Existing Literature

Although microfinance has claimed more and more of the aid budget it may not always be the best way to help the poorest. Government and the donors should know whether the poor gain more from small loans than accessibility to good health care, food and infrastructures. Is the support for microcredit a waste or worthwhile? No one knows the appropriate answer. Most measures of the impact of microfinance organizations fail to control what could have happened in the absence of MFIs.The question is whether microfinance is better than some other development projects for the poor as a whole. The performance of MFIs is based on outreach and sustainability, whereby outreach is the social value of the MFIs in terms of the depth, worth to the users, cost to the users and the scope. These also include the financial and organizational strength of the lender and the number of products offered including deposits.

Still, MFIs face many challenges. Operating and financial expenses are high, and on average, revenues remain lower than in other global regions. Efficiency in terms of cost per borrower is lowest MFIs technological innovations, product refinements, and ongoing efforts to strengthen the capacity of African MFIs are needed to reduce costs, increase outreach, and boost overall profitability.

Overall, African MFIs are important actors in the financial sector, and they are well positioned to grow and reach the millions of potential clients who currently do not have access to mainstream financial services

Sustainability is performance. The goal is to maximize expected social value less social cost discounted over time. Sustainable MFIs tend to improve the welfare or the poor .unsustainable MFIs inflicts costs on the poor in excess of the gains expected. Therefore sustainability is not an end in itself but a means to the end of improved social welfare.MFIs must prove to be a powerful instrument in reducing poverty, building assets, increasing incomes and reducing their vulnerability to economic stress. Nonetheless the microfinance industry globally is meeting difficulties as funding dries up, delinquencies rise and skeptics begin to question its efficacy in driving poverty reduction and development.

IX. Research Methods

This chapter outlines the research methodology that was employed by the researcher in carrying out the study. It describes the research design, target population and size, sampling techniques, data collection and instruments that were used and data analysis .The study adopted descriptive survey method because it is efficient in collecting large amounts of information within a short time. The research design does not permit manipulation of the variables as it observes that descriptive survey is the only means through which views, opinions, attitudes and suggestions for improvements regarding of the phenomenon under study. Furthermore intention of survey research is to gather data at a particular point in time and use it to describe the nature of existing conditions.

The researcher applied both qualitative and quantitative data to exhaustively obtain all the pertinent information and drew valid conclusion in line with recommendations. The raw data was classified and tabulated after ensuring that it had been carefully checked for completeness and consistency of information collected. This was followed by analysis and interpretation of findings. The analysis was based on the questionnaires administered and returned. Analysis was done using descriptive techniques and presented in frequency tables. The final data shall be presented in the form of tables, frequencies, percentages, pie charts and bar graphs where applicable.

X. Results And Discussions

The chapter outlines a summary of the findings of the study; deduces conclusions based on the results of the study findings and makes recommendations on other possible areas of further study. From the analysis and data collected the following summary, conclusions and recommendations were made.

The objective of the study was to establish the role of microfinance in economic empowerment of the youth a case of Mombasa county Kenya. The survey targeted three MFIs and 40 respondents among the youth from Kisauni,Mvita,Likoni and Changamwe.

Out of three randomly selected MFIs 11 senior staff members' respondent being a rate of 73%of the population targeted and 32 youth members being a rate of 80% of the targeted population.

From the sample majority of the youth were of male gender making up to 56% of the population sample and majority were above 24 years of age and had attained basic education that was highly needed as a pre-requisite for capacity building.

The study revealed that MFIs engaged youth in some form of capacity building before advancing microloans. From the findings 56% of the youth agreed to the fact that they had been taken through some training before being advanced a loan. This was important in ensuring that money given out was well utilized and only spend according to the indented purpose.

This was reflected by the findings on the business performance after training. It was clear that performance in business management 62%, saving culture72%, investment opportunties43% and financial planning 40% were all rated very good.

The findings further revealed that the youth were impressed by the microfinance products available among different MFIs. It was evident that with 53% respondent saying yes and that although MFIs had different legal forms, methodologies and missions all provide financial services to the poor.

Finding based on MFIs staff from targeted population sample 64% were male while 36% were female. The position held included management, credit officers, customer care officers and others who included cashiers and support staff.

The finding revealed that majority of the staff members had worked for MFIs for more than 6 years hence their work experience them adequately to provide information the researcher was looking for based on the questionnaire administered.

The questionnaire administered revealed that not all the youth who applied for the loans qualified. This was supported by 55% of respondents disagreeing. The reasons for NO response was that majority of them were unable to explain the purpose of the loan applied for, most of them lacked basic business skills hence there was need to train them first.

MFIs were capable of meeting all credit requirements of all their clients this was revealed by 64% yes respondents. The major by MFIs was to increase their loan portfolio at any given time.

With availability of security one had 100 percent chances of qualifying for microloan. This was supported by 73% yes respondents.

XI. Conclusion

1. Continuous training was important in enhancing the capacity building of the youth in enabling them understand why prior skills and knowledge in financial matters was crucial.
2. Business performance-good business management, saving culture, investment opportunities and financial planning impact could only be realized through improved entrepreneurial culture and competence after training among the youth.
3. Accessibility to credit was based on different microfinance products provided by MFIs which included; micro banking, microcredit, microfinance and entrepreneurship development.
4. The findings also confirmed that micro financing influenced economic status, decision making power and knowledge hence was effective in graduating the poor youth and the middle class to higher living standards.
5. From the results we note that MFIs should impress demand driven initiatives that fit their clients' needs and preferences.
6. Availing microfinance services with proper utilization had significant role in economic empowerment of the youth economically which is acknowledged by study findings.

XII. Recommendations

1. Further education is crucial for both the youth (borrowers) and MFIs to enable them improve on their service delivery, resource mobilization and financial utilization.
2. To increase accessibility for microfinance products and services the study recommends that the government, investors and other interested stakeholders should be involved in key decisions affecting micro financing. This would help bring in new ideas which MFIs are able to tap and implement.
3. To comply effectively with the role of empowering the youth economically MFIs need to mobilize the youth, train them on all that involves micro financing in sustaining economic welfare of the youth.
4. MFIs should have simplified designed system of operation that provides efficient and effective services delivery that are accessible and preferred by the youth across the country in enabling them improve their living standards.

5. Sustainability-all the costs involved need to be recovered or kept minimum to ensure a continuous sustainable growth for both the MFIs and the youth in alleviation of poverty and that local based development approach need to impressed through use of locally available resources.
6. Some incentives to be introduced such that good performance both by the youth borrowers and the microfinance staff are rewarded for the job well done particularly in training, loan advancement and loan repayment.

XIII .Limitations of the Study

Generalization of the findings- the study was conducted in Mombasa and its findings may not be applicable beyond Mombasa County.Data inaccessibility- the researcher found it difficult getting information from respondents who found it hard to disclose confidential information.

XIV. Scope for Furthur Research

Since the research was conducted in Mombasa county Kenya a comprehensive research need to be carried out in other counties to determine whether the findings of the concluded study can be relied on.The research concentrated on the role of microfinance in economic empowerment of the youth. Further researcher need to be carried out to find out if reliance on micro financing as a financial tool can effectively reduce poverty levels among the poor.

References

[1]. CGAP (2010), Characteristics of MFIs, Consultative Group to Assist Poor Available on http//www.cgap.org
[2]. CGAP (2003), Research paper on Assisting the Poor and Eradication of Poverty Consultative Group to Assist the Poor Nairobi
[3]. Churchill C (2006), Protecting the Poor; a Microfinance Compendium Geneva ILO.Retrieved from www.ilo.org.com
[4]. Denis L (2010), The Role of Regulation and Supervision of Microfinance Institutions Evidence from South Africa and it's implication for the Development of Non-Deposit Taking Micro Finance Regulations in Kenya. Italy University of Bergamo
[5]. Dondo and Oketch(2001),Microfinance Development in Kenya. Africa Economic Policy paper No.70.Nairobi K-Rep Bank
[6]. Faulu Kenya (2007), Quarterly Monitoring Report; October – Dec 2007.Retrieved from www.faulu.org.com
[7]. George O (2005), Regulation and Supervision of Microfinance Institutions, An essay paper on Regulation and Supervision CGAP, USA University of Maryland March 24th
[8]. John H (2010), The Power to End Poverty. Aaron Oxley. London. Retrieved form http//aaron.oxley@results.org.uk
[9]. Kenya National Youth Policy (2006), Ministry of Youth Affairs Nairobi Government Printer
[10]. Kimenyi M.S (2007),Ten Commandments of Pro-poor Growth in Poverty in Focus Analysis and achieving Pro-poor Growth, International Poverty Centre, UNDP Brazil
[11]. Kimuyu P (2002), Micro-level Institutions and Revenue Generation, Institute of Analysis and Research, Retrieved from http;//www.kippra.org
[12]. Kombo K and Delno L A (2011), .An Introduction, "Proposal and Thesis Writing, Nairobi, Pauline Publication Africa
[13]. Longenecker et al (2006), Small Business Management, An Entrepreneurial Emphasis London Thomson South Western
[14]. Namuye C (2013, June 24th), The time bomb, that is millions of Kenya jobless Youths. Standard and Digital News Kenya Retrieved form www.standardmedia.coke
[15]. Micro finance institutions (2013), Kenya finance directory.www.financeirkenya.com
[16]. Orodho A (2005), Techniques of Writing Research Proposal and Reports Kenyatta University, Kanezja HP Enterprise .Nairobi
[17]. Otenyo H (2013, August 8th), Banks to disburse funds, The Star News paper Nairobi
[18]. Patricia Mwangi et al (2005), Overview of the outreach and financial performance of microfinance institutions in Africa GAP
[19]. Rieneke M.V (2010), Microfinance as a poverty reduction policy New York
[20]. Republic of Kenya (2007), Poverty Reduction Strategy paper, Ministry of Youth Affairs, Nairobi
[21]. Republic of Kenya (2005), Sessional Paper on Development of Micro and Small Enterprise for Wealth and Employment Creation for Poverty Reduction, Ministry of Labour Nairobi
[22]. Sen. A (1999), Development as Freedom, Oxford University Press, Oxford
[23]. Susan K (2012).Youth Fund Turned into Microfinance. A paper presented on Microfinance Youth AGenda.Nairobi.Retrieved from www.youth.org
[24]. Yaron S (2007), Developing Rural Financial Markets, Retrieved from http//www.worldbank.orgwww.grameenbank.org.com
[25]. Yunus Muhammad (1998), Banker of the Poor Micro-lending and the Battle against World Poverty Bangladesh University Press Limited, Retrieved from upl@bangla.net www.bankertothepoor.co