

Effect of the National Development Fund on the Economic Empowerment of Persons with Disabilities in Kiambu County

¹ISAAC WAMBUA MUINDE, ²Dr. MARGARET OLOKO

Abstract: This research sought to investigate the effect of the National Development Fund on economic empowerment of persons with disabilities in Kiambu County. The specific objectives of the research were to determine how income, wealth, skill development and business practice have affected economic empowerment. Descriptive research design and snow ball sampling was used to come up with a sample of 30 respondents from 10 groups registered with the NCPWD Kiambu county office. Data for this study was collected from primary data sources using interviews and a semi-structured questionnaire. The data was then analyzed after being checked for validity and reliability, it was then edited, coded and thereafter sorted in accordance to similarity of responses to various questions. The research findings revealed that only 20% of the beneficiaries of the fund had experienced some form of empowerment but the majority of persons with disabilities were still disadvantaged in terms of their ability to acquire income, wealth, develop their skills and improve their business practices. The study also revealed that provision of funds to persons with disabilities with the aim of empowering them is worthwhile but not entirely sufficient. The study therefore concluded that the NDFPWD had improved the lives of persons with disabilities although only to a small extent. Empowerment was not sustainable in most cases due to the inadequacy of the amount of money given, insufficient training or skill development and the lack of monitoring and support services. The research therefore recommends that the National Council for Persons with Disabilities and Ministry of finance should increase the amount of money given to persons with disabilities so as to enable them to carry out the intended projects, ensure that the intended beneficiaries are adequately trained and equipped with relevant skills to be able them to successfully undertake various income generation activities, coming up with timelines to ensure that those who apply for the funds get them in a timely manner and don't have to wait for long as was the case in the study, and finally the council should establish monitoring, evaluation and support systems for those that receive the funds so as to ensure proper utilization of the funds and promote sustainability.

Keywords: National Development Fund on economic empowerment of persons with disabilities (NDFPWD).

1. INTRODUCTION

According to the World Bank, One billion people, or 15 percent of the world's population, experience some form of disability. On average, persons with disabilities as a group are more likely to experience adverse socioeconomic outcomes than persons without disabilities, such as less education, worse health outcomes, less employment, and high poverty rate, (World Bank, 2014).

In Kenya 43.4% of the population live below the poverty line (CIA, 2014). When analyzing multidimensional poverty in developing countries, it was established that in Kenya whilst 52 % of individuals without disability were poor, 67% of individuals with disability were poor – representing a 15 per cent difference (Mitra et al, 2012)

The National Development Fund for people with disabilities:

The National Development Fund for people with disabilities was established under Section 32 of the Persons with Disabilities Act and operationalized in 2010. The Fund provides grants to Community and Self Help Groups for Economic Empowerment or Revolving Fund Schemes. These grants aim to help Persons with Disabilities gain self-sufficiency in generating income and to enable them to gain the skills and experience to access the loans required to grow their business (NCPWD, 2014).

Statement of the Problem:

The Government of Kenya through the Persons with Disabilities Act (2003) established the National Development Fund for Persons with Disabilities (NDFPWD) in order to economically empower persons with disabilities by enabling them to access funds for starting or growing their business ventures. The basic theory is that access to funding empowers persons with disabilities by putting capital in their hands and allowing them to earn an independent income and contribute financially to their households and communities (Cheston, 2002). However according to (ANDY, 2012), positive impacts of the devolved funds are few given the period that the funds have been operational. There is lack of extensive research to establish whether this fund has had any significant effect on the economic empowerment of persons with disabilities especially in Kiambu County, Kenya.

Objectives of the study:

To examine how income affects economic empowerment.

To determine how business practice affects economic empowerment.

2. LITERATURE REVIEW

This chapter reviews related information concerning people with disabilities and economic empowerment. It comprises of both theoretical and empirical reviews of literature on economic empowerment. The theoretical review focuses on literature on the theories that exist while the empirical review emphasizes more on literature about the dependent and independent variables.

Theoretical Literature:***Resource dependence theory:***

This theory is viewed in the light that empowerment is an interactive process which occurs between the individual and his environment, in the course of which the sense of the self as worthless changes into an acceptance of the self as an assertive citizen with sociopolitical ability. The outcome of the process is skills, based on insights and abilities, the essential features of which are a critical political consciousness, an ability to participate with others, a capacity to cope with frustrations and to struggle for influence over the environment (Kieffer, 1984).

Hierarchy of needs theory:

This research is also linked to the hierarchy of needs theory based on the work of Abraham Maslow who postulated that everyone has five basic needs, which constitute a hierarchy. The needs are in ascending order beginning with the most basic and comprise of physiological, safety, social, esteem and self-actualization needs. The assumptions of the theory are that lower level needs must be satisfied before higher level needs become motivators and that once a need is satisfied, it no longer serves as a motivator (Organ & Bateman, 1991). It therefore follows that persons with disabilities cannot be empowered unless their lower level needs have been met. Once their physiological needs have been satisfied they can move on to the next level of needs which are safety needs, social needs and esteem needs where we find the need for power. For persons with disabilities to be economically empowered, the NDFPWD must enable them to be able to satisfy their basic needs and other needs that are lower in the hierarchy.

Expectancy theory:

The expectancy theory proposes that people will behave based on their perceived likelihood that their efforts will lead to a certain outcome and on how highly they value that outcome. The expectancy theory implies that economic empowerment can be influenced by the expectations of persons with disabilities. They may perceive that despite getting funding from the NDFPWD they may never be able to start successful projects and become entrepreneurs creating reliable sources of income and employment for themselves and others to end the poverty cycle and powerlessness.

Empirical Review:***Income:***

The 2011 World Disability Report, jointly published by the WHO and World Bank, claims that over 15% of the world's population is made up of disabled people, with a disproportionately high number of them living in poverty. It is also well documented that PWDs earn significantly less than the non-disabled (WHO, 2012, Mitra and Sambamoothi, 2006). One of the reasons that so many disabled people are living in poverty is the difficulties that they face in earning a living, due

not only to particular impairments that they may have, but also to a wide range of barriers that exist within society and effectively bar them from opportunities to participate as productive citizens. While according to Ingstad & Grut lack of bodily and/or mental functioning may deprive the individual of access to income and subsistence, education and social participation. In this way, people with impairments are hindered in obtaining a good living standard, or may be deprived of an already achieved standard of living (Ingstad & Grut, 2007).

The research concurred with ANDY (2012), who concluded that the funds contribute in providing improved income earning opportunities for the disable though they also pointed out that positive impacts of the devolved funds were few given the period that the funds had been operational. In their study they established that 34% of persons with disabilities who successfully got devolved funds used them for the purpose that they had intended.

Business practice:

It is estimated that for each person with disability employed by a company in developing countries, four more generate their own income through self-employment, most of them in the informal sector, (Handicap International, 2006). Disabled people are likely to face specific barriers to entering and sustaining entrepreneurship in addition to the general barriers, each of which requires a specific policy response. Some of these barriers, arguably, are very deep-rooted social-structural constraints imposing severe limits on life chances for certain groups of disabled people. Barriers can be summarised under the following subheadings:

Disabled people often experience difficulties financing new start-ups due to limited personal financial resources (savings, home ownership), which, in turn, are partly due to poor education, lower employment rates and the concentration of disabled employees in low-paid occupations; poor credit rating after long-term benefit receipt; disinterest/discrimination on the part of banks; lack of accessible information on sources of grants and loans (Kitching, 2014).

A lack of access to funding is a major obstacle for anyone wanting to set up a business. For a person with a disability, particularly a disabled woman, it is usually even more difficult, given the frequent lack of collateral. Many potential lenders wrongly perceive people with disabilities to be high risks for loans. Credit markets can prevent people with disabilities from obtaining funds for investment (Cornell University, WHO & World Bank, 2011).

Increased labour costs – some entrepreneurs with disabilities need to hire assistants to help them undertake tasks that many people without disabilities may be able to do on their own (e.g. moving merchandise, inputting data into computer software), which increases their labour costs and puts them at a competitive disadvantage (Roni, 2009).

According to Caswell (2003), PWDs supported with both grant and loans, are likely to succeed better than those who only have access to loans. Experience with the supervision of the economic integration scheme in Nigeria showed that it does not necessarily take large sums of money to make a difference in the lives of majority of PWDs living in the rural areas. PWDs also need technical support from community based rehabilitation programmes in order to succeed with their income generating activities. Areas of support include; elaborate business plan, teach basic bookkeeping, monitor progress, evaluate execution process and advise on areas that need to be improved upon. PWDs should also be encouraged to cultivate the habit of saving, either with the programmes or with local community banks. This provides relief in time of any hiccup, helps in case of expansion and raises the status of PWDs (Malcolm, 1996).

3. RESEACH METHODOLOGY

The researcher used a descriptive research design aimed at collecting data from persons with disabilities in Kiambu County who had accessed the fund in the first three years after its establishment. Questionnaires were distributed to 30 respondents and out of this sample 100% of the questionnaires were returned. On receiving the questionnaires, the researcher established if they were duly completed. The data on the questionnaire was then coded, classified and summarized for analysis. Descriptive analysis was then done to describe the population and test the objectives. This enabled the researcher to obtain percentages and accounts of beneficiaries' opinions on the issues being researched.

4. RESULTS AND DISCUSSIONS

This chapter presents data analysis, findings and discussion of the study in line with the Research objectives. The research intended to analyze the effect of the National Development Fund on the economic empowerment of Persons with Disabilities in Kiambu County. It analyzes this by considering the economic activities that the persons with disabilities were engaged in before and after receiving the NDFPWD. The average income of the beneficiaries before and after receiving the fund was then analyzed and variations derived.

Before accessing the NDFPWD, only 36.7% of the respondents said they were involved in decision making at the family level while the remaining were not involved. This is shown in table 4.1. This concurred with Rowlands (1997) statement that economic empowerment was defined by the ability to obtain an income that enabled participation in economic decision making. According to the findings, those that were involved in decision making before the NDFPWD were those who had some form of income either through employment, farming or had small businesses.

Table 4.1: Participation in decision making before NDFPWD

Decision making	Frequency	Percentage (%)
Participated	11	36.7
Didn't participate	19	63.3
Total	30	100

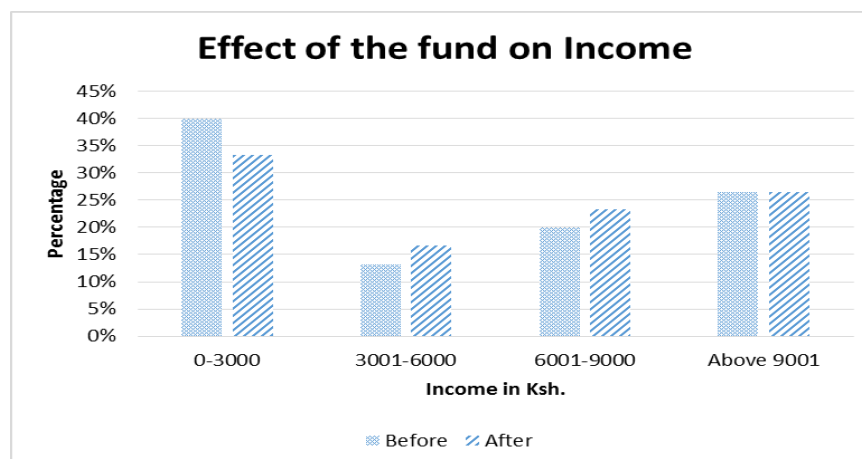
As shown in table 4.2, 43.3% of the respondents reported that they were involved in decision making after accessing the funds and being able to earn an income as a result. The respondents said they had been empowered because they now had the right to determine choices in their lives unlike previously where decisions were made for them because they did not have any income or if they did the income was neither consistent nor adequate.

Table 4.2: Participation in decision making after NDFPWD

Decision making	Frequency	Percentage (%)
Participate	13	43.3
Don't participate	17	56.7
Total	30	100

According to the findings, the amounts received through the NDFPWD ranged between Ksh. 50,000 for the group that received the smallest amount and Ksh. 225,000 for the group that received the highest amount. The mode amount given to the groups was Ksh. 200,000. It was also established that 80% of the groups used the funds to offer revolving funds to their members while 10% engaged in farming activities and the remaining 10% engaged in small business such as the production of crafts. At the individual level, the study revealed that 40% of the respondents were unemployed before they accessed the NDFPWD, 13.3% were employed, 20% engaged in farming and the remaining 26.7% operated small businesses. After receiving the funds, those that were unemployed were reduced to 33.3%, those that were employed remained at 13.3%, those that engaged in farming increased to 23.3% while those that operated small businesses increased to 30%.

The average income that the activities generated per month was used to group the respondents into 4 broad categories. These categories were as follows; the unemployed whose average monthly income was below Ksh. 3,000.00, the unskilled earning Ksh. 3,001-6,000, the semi-skilled earning Ksh. 6,001-9,000 and the skilled earning above Ksh. 9,001. Majority of the unemployed comprised of youth (between the ages of 18-25) and the elderly (those above the age of 60). They did not have a constant source of income, depended on erratic casual jobs to make a living, and had primary education and below. They lacked formal training and had no professional skills that would have enabled them to acquire jobs. From the findings, provision of the NDFPWD seems to have led to improvement in the economic activities engaged in and incomes of the recipients as shown in figure 4.1.



How business practice affects economic empowerment

As shown in table 4.3, the fund had a minimal effect on business practice. Only 20% of the respondents reported to have experienced an improvement in their businesses as a result of receiving the funds. In a study on Microfinance and women's economic empowerment, Skarlatos (2004), pointed out that between 86 and 95 percent of female clients reported that microcredit loans had a positive impact on their business operations. In this study however, business practice had only a small effect on economic empowerment resulting from low investment of funds in income generating activities, failure to separate business and personal expenses, poor record keeping, low product diversification and marketing.

Table 4.3: Effect of the funds on business practice

Effect	Frequency	Percentage (%)
Improved	6	20
No change	24	80
Total	30	100

As can be seen in table 4.4 not all funds obtained through the NDFPWD were invested in the business. The diversion of the funds to other projects thus greatly affected their ability to achieve their purpose. Only 20% of those that received the funds invested the funds income generation activities the remaining 80% used the funds for other purposes as shown in the table below. According to the respondents, it was not possible to invest the funds in income generating activities because they had other more pressing needs that needed to be met first before they could think of investing the funds in other activities.

Table 4.4: Investment of funds by recipients

Area Invested	Frequency	Percentage (%)
Business	3	10
Farming	3	10
School fees	9	30
Household Expenses	12	40
Other projects	3	10
Total	30	100

According to the findings, there were two modes of investment for groups that received the NDFPWD, one was investment as a group and the other investment as individuals. Group investment was geared towards the empowerment of the entire group and individuals shared their knowledge, skills and experience for the success of the groups whereas individual investment was more self-centered and aimed at individual empowerment. As shown in table 4.5, 20% of the recipients invested the funds as a group by carrying out group projects while the remaining 80% shared the funds among the members in the form of revolving funds.

Table 4.5: Mode of investment

	Frequency	Percentage (%)
As a group	2	20
Individually	8	80
Total	10	100

The advantage of dividing the funds among the members as revolving funds was that each member got an equal amount to invest in a project of their own choice and avoid conflicting interests that are associated with group dynamics. However this greatly reduced the investment ability of the members as the capital was reduced when shared equally among the members and therefor limiting the magnitude of projects the members could undertake to empower themselves. Using this approach the amount received by each member ranged from Ksh. 5000 to 12500. This is illustrated in the table 4.6.

Table 4.6: Mean amount of funds dispersed to members through revolving funds

Group	No. of Members	Amount Granted	Mean
A	30	200,000.00	6666.667
B	18	225,000.00	12500
C	10	50,000.00	5000
D	25	160,000.00	6400
E	17	200,000.00	11764.71
F	20	200,000.00	10000
G	15	150,000.00	10000
H	22	200,000.00	9090.909
I	18	150,000.00	8333.333
J	16	200,000.00	12500
Total	191	1,735,000.00	9083.77

On the other hand, those that invested as a group benefited through enhanced participation by all stakeholders which played a huge role in the achievement of individual and group goals. It also facilitated collective business engagement, marketing support and business linkages. The findings concurred with those by Opiyo (2014) when researching on the contribution of the youth enterprise fund in empowerment of the youth in Kangundo County where it was found that empowerment occurred more in groups as compared to individuals. This was attributed to three factors which were the formation of social networks, social capital and individual incubation.

5. SUMMARY OF THE STUDY

The findings of the study were that only a few of the respondents (20%) had experienced an increase in their income as a result of the fund. However the majority (80%) had not experienced any change in income. The 20% who had experienced an increase in income comprised of members whose groups had invested the funds in a group project like crafts or farming. This enabled them to do more with the money available to them as compared to dividing the money among members of the group. This implies that income had a very small effect on economic empowerment as the majority of the respondents did not experience a positive change in income.

The respondents (100%) were in agreement that funding had an effect on business practice but the National Development Fund for persons with disabilities had not brought about any significant change in their business practice. This was attributed greatly to the small amount they were able to obtain as capital compared to the amount they had requested and so they could only change minor aspects of the business like the size and colour of products for those that were involved in crafts.

Overall, 80% of the respondents said that they had not been empowered by the fund. This was because their income had not changed, they had not been able to accumulate wealth through acquisition of new assets and increase savings. The beneficiaries had also not benefited from new skills through the fund as only a few people were able to attend the training that was offered to those that were to receive the funds.

6. CONCLUSION

Providing persons with disabilities with the National Development Fund has provided them with a platform for improvement by enabling them to engage in income generating activities. This has reduced unemployment levels among persons with disabilities and enabled them to acquire some skills that they could use to acquire employment or start and manage their own businesses. However, the empowerment has not been sustainable and has been largely undermined by the stagnation of the activities persons with disabilities have taken up due to the insufficient amount provided.

This study found that the NDFPWD has introduced small advantages in an attempt to make the lives of persons with disabilities better in line with empowerment. Persons with disabilities had taken up a number of activities with the money given, creating jobs and therefore empowering themselves. These findings confirmed the study's assumption that provision of the NDFPWD had a small effect on empowerment of persons with disabilities.

Findings from this study revealed that provision of funds to persons with disabilities with the aim of empowering them is worthwhile but not entirely sufficient. The study concluded therefore that, the NDFPWD had improved the lives of persons with disabilities although only to a small extent. Empowerment was however not sustainable in most cases due to the inadequacy of the amount of money given, insufficient training or skill development and the lack of monitoring and support services.

7. RECOMMENDATIONS

Based on the findings of the study, the researcher came up with the following recommendations which if implemented would make the NDFPWD more effective in the empowerment of persons with disabilities.

1. The National Council for Persons with Disabilities (NCPWD) and the Ministry of Finance should capitalize on these findings to increase the amount of money given to persons with disabilities so as to enable them to carry out the intended projects.
2. The NCPWD should ensure that the intended beneficiaries are adequately trained and equipped with relevant skills to enable them to successfully undertake various income generation activities.
3. This findings should be used by the national council to develop monitoring and evaluation or follow-up and support programs for the groups or individuals that access the funds. This would ensure that the funds are used for the purpose that they were intended and are not diverted to other areas.
4. The NCPWD in conjunction with the Ministry of Finance should use these findings to come up with timelines to ensure that those who apply for the funds get them in a timely manner and don't have to wait for long as was the case in the study.

REFERENCES

- [1] Achieng', P. & Karanja, P. (2013). *Factors Hampering Uptake of Entrepreneurship Among Persons with Impairments in Kenya: A Survey of Entrepreneurs with Disabilities*. International Journal of Arts and Entrepreneurship Vol.1, Issue 5, .
- [2] AFUB. (2007). *State of Disabled People's Rights in Kenya*. Nairobi: African Union of the Blind.
- [3] ANDY. (2012). *Baseline Survey on the impact of Youth Enterprise Development Fund*. Nairobi: Consumer Trends Limited.
- [4] Cheston, S. (2002,). *Empowering Women Through Microfinance*. USA.
- [5] Christian, Z. A. (2013). *Disability and labour force participation in Cameroon*. International Journal of Human Resource Studies , 1.
- [6] CIA. (2014, March 13). *CIA World Factbook for Kenya*. Retrieved November 24, 2014, from CIA World Factbook Website: https://www.cia.gov/library/publications/the-world-factbook/geos/print/country/countrypdf_ke.pdf
- [7] Coleridge, P. (2006). *Disabled People and Economic Empowerment*. Journal for Disability and International Development , 7-9.
- [8] Coleridge, P. (2006). *Disabled People and Economic Empowerment*. Journal for Disability and International Development , 4-10.
- [9] Cornell University, WHO & World Bank. (2011). *World Report on Disability, Chapter 8: Work and Employment*. New York: Cornell University ILR School.
- [10] Driver, N. (2014, May 7). *Graydon blog*. Retrieved from Graydon Web site: <https://www.graydon.co.uk/blog/the-importance-of-separating-business-and-personal-expenses>
- [11] Drucker, P. F. (2005). *Innovation and Entrepreneurship*. New York: Harper & Row Publishers.

- [12] Golla, A.M. (2011). *Understanding measuring women's economic empowerment: Definition, Framework and Indicators*. Retrieved from International Center for Research on Women: <http://www.icrw.org/files/publications/Understanding-measuring-womens-economic-empowerment.pdf>
- [13] GOV.UK. (2014, 02 04). *Empowering Poor People and Strengthening Accountability*. London, London, United Kingdom. Retrieved from UK Government Website.
- [14] Guffey, M. E. & Loewy, D. (2008). *Essentials of Business Communication, ninth edition*. Mason: Cengage Learning.
- [15] Halabisky, D. (2014). *Policy Brief on Entrepreneurship for People with Disabilities*. Luxembourg: OECD/European Union.
- [16] Handicap International. (2006). *Good Practices for the Economic Inclusion of People with Disabilities in Developing Countries*. Geneva: Handicap International.
- [17] Ingstad, B. & Grut, L. (2007). *See me, and do not forget me, People with disabilities in Kenya*. Oslo: SINTEF Health Research.
- [18] Kitching, J. (2014). *Entrepreneurship and Self-employment by people with Disabilities*. Washington: OECD.
- [19] Kolstad, I. & Wiig, A. (2009). *Education and Entrepreneurship*. Michelsen Institute.
- [20] Lord, J., & Hutchison, P. (1993). *The Process of Empowerment*. Canadian Journal of Community Mental Health , 5-22.
- [21] Mairura, C. (2011). *The Influence of Business records on Business Performance*. Journal of Language, Technology & Entrepreneurship in Africa Vol. 3 No. 1 , 133-144.
- [22] McQuerrey, L. (2015, January 6). *Small Business*. Retrieved from Chron Web site: <http://smallbusiness.chron.com/keep-business-expenses-separate-personal-58229.html>
- [23] Mercadante, K. (2013, August 16). *Home: Entrepreneurship*. Retrieved from Investor Junkie Website: <http://investorjunkie.com/30563/benefits-separating-business-personal-finances/>
- [24] Mitra, S. P. A. (2013). *Disability and Poverty in Developing countries*.
- [25] Mugenda, (1999) *Research methods: Quantitive and qualitative approaches*: Olive M Publication: Nairobi Acts 1999 256p.
- [26] Mwangi, M. W. (2013). *Factors that Affect the Success of Physically Challenged Entrepreneurs in their Business Activities: A Survey of Thika Municipality - Kiambu County, Kenya*. International Journal of Academic Research in Business and Social Sciences , 281.
- [27] National Coordinating Agency for Population and Development. (2008). *Kenya National Survey for Persons With Disabilities*. Nairobi: National Coordinating Agency for Population and Development.
- [28] NCPD. (2008). *Kenya National Survey for Persons with Disabilities*. Nairobi: National Coordinating Agency for Population and Development.
- [29] NCPD. (2013). *Kenya Population Situation Anaysis*. Nairobi: GOK.
- [30] NCPWD. (2014, October 21). *NCPWD:National- development fund for persons with disabilities*. Retrieved November 26, 2014, from NCPWD Website: <http://ncpwd>
- [31] Roni, N. (2009). *Disabled Entrepreneurship: A viable route of opportunity for the disabled*. MMUBS Doctoral Symposium. Manchester: MMU.
- [32] Rowlands, J. (1997). *Questioning Empowerment: Working with Women in Honduras*. Oxford: Oxfam.
- [33] Roxin, H., Berkmüller, H., Koller, P., Lawonn, J., Pooya, N., & Schappert, J. (2010). *Economic Empowerment of Women through Microcredit*. Berlin: Humboldt Universität zu Berlin.

- [34] Seelman, K. D. (2008). *Technology for individuals with disabilities: Government and market policies*. In M. M. S., The engineering handbook of smart technology for ageing, disability and independence (p. 63). Pittsburgh: University of Pittsburgh.
- [35] Skarlatos, K. (2004). *Microfinance and Women's Economic Empowerment: Bridging the Gap, Redesigning the Future*. WCCN , Working paper series No. 1.
- [36] Thomas, P. (2005). *Disability, Poverty and the Millennium Development Goals: Relevance, Challenges and Opportunities for DFID*. DFIB.
- [37] Ulimwengu, J. (2009). *Farmers' health and agricultural productivity in rural Ethiopia*. African Journal of Agricultural and Resource Economics , 83-100.
- [38] UNICEF. (2014, March 21). *UNICEF Disabilities*. Retrieved March 24, 2015, from UNICEF WEBSITE: http://www.unicef.org/disabilities/index_65943.html
- [39] Vaziri, D. D. & De Oliveira, D. (2012). *Accessible business process modelling'*. World Academy of science and engineering , vol. 62, pp.129–138.