

INFLUENCE OF AVAILABILITY OF BANKING SERVICES ON WOMEN ECONOMIC EMPOWERMENT IN KENYA

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Abstract: The primary objective of this research was to investigate the influence of availability of banking services on the economic empowerment of women, specifically within the context of Murang'a County, Kenya. A descriptive research design was utilized, focusing on ten women's groups in Murang'a County, which together comprised a total of 474 members. Thus, the target population for the study was 474 individuals. To ensure that all respondents were adequately represented, a quota sampling method was employed, allowing for effective representation from the ten selected groups. Participants were chosen using a simple random sampling technique, resulting in a sample size of 217 individuals. Data collection was primarily conducted through questionnaires. To validate the research methodology, a pilot study was carried out with 22 participants from a women's group in Kiambu County. The quantitative data were analyzed descriptively, employing measures such as mean and standard deviation, while inferential analysis was used to examine the relationships among the variables. The findings were presented in tables and figures. The study concluded that there exists a positive and significant relationship between availability of banking services and women's economic empowerment in Kenya. The study concludes that availability of banking services enable women to save money, access credit, and make investments that help them start or expand their businesses, increase their income, and ultimately achieve financial independence. The study recommends that the banks should focus on increasing the number of bank branches and ATMs by setting up more bank branches and ATMs in these areas, making it easier for women to access banking services without having to travel long distances.

Keywords: Availability of banking services, Women Economic Empowerment, Financial Inclusion.

1. INTRODUCTION

Empowering women to fully take part in every part of the economic processes and at every level is very important in the development of a strong economy, determine a more steady and full participation in monetary life in all areas and at all levels is essential for developing significant areas of expertise, creating more stable and equitable connections, accomplishing the globally concurred improvement objectives, feasible turn of events and common freedoms, working on the personal satisfaction of ladies, men and families and society, and promoting business performance and goal (Buvinic & Furst-Nichols, 2016). It is especially important to increase women's financial inclusion (United Nations, 2015). According to Demirguc-Kunt, Klapper, Singer, and Van Oudheusden (2015), it is vital for the empowerment of women towards the alleviation of poverty in providing to women whose income is low globally with financial resources that are effective and that they can afford in making their savings and acquiring loans. As a result, in the larger financial inclusion of women, a gender-based financial system is needed to handle the unique requirements and challenges experienced by women, supported by a regulatory environment that is inclusive.

The Organisation for Economic Co-operation and Development (2018) show that women's economic empowerment improves access to economic services and employment, as well as financial and real estate services, and other important assets, as well as market skills development and knowledge, are all available. Gender equality is critical in promoting equal economic income for men and women. According to Zakuan and Hassan (2019), economic empowerment for women occurs when all people are treated equally in all aspects of their lives, including having equal value and being handled in a way that ensures equal outcomes. This increases the likelihood of meeting international and national commitments outlined in the SDGs.

Financial inclusion, according to Sarma (2008), refers to the accessibility, utilization, and advantages that all economic participants can obtain from the formal financial system. Additionally, Sarma (2008) states that an inclusive financial system operates by effectively distributing valuable resources, thereby reducing the cost of capital. Further, admittance to proper financial inclusion can fundamentally work on everyday financial administration. A comprehensive financial inclusion can assist with lessening the development of unlawful, frequently shifty wellsprings of obligation. Thus, a comprehensive financial system promotes efficiency and prosperity by facilitating a variety of efficient financial services and promoting safe and secure savings methods.

It is of great importance in increasing accessibility and utilization of financial services that are of better quality in order to foster the inclusive expansion of the economy and reduce poverty. A number of studies indicate that through participation of people in financial system, they increase a likelihood of succeeding, they become more knowledgeable in the management of risk, launching a business or investing in one, and paying for large expenses like a home renovation or a child's education (Ashraf & Yin, 2018; Dupas & Robinson, 2018b, Cull, Ehrbeck & Holle, 2019). Therefore, it is important in empowering women and reducing poverty through provision of effective financial tools that low-income women all over the world can afford to make their savings, borrow, pay or receive payments and manage risk.

Porter, Widjaja, and Nowacka (2015) state that digital financial services have expanded opportunities for millions of women globally. More women than in 2014 have access to a bank or mobile service account—over 240 million more than in 2014. Women's resilience to financial, economic and health attacks is enhanced by their increasing participation in the formal economy. According to Kofman and Payne (2020), many governments have implemented explicit policies aimed at increasing financial inclusion, which are commonly referred to as national financial inclusion strategies. These policies can improve women's digital access and use finance by taking a comprehensive, inclusive approach that includes all relevant stakeholders in the public, private, and technology sectors. As a result, It can be argued that having access to and using responsible digital financial services (DFS) can help women become more economically powerful, which in turn promotes gender equality and overall poverty reduction..

George and Thomachan (2018) assert that offering affordable banking services to economically disadvantaged and low-income populations can facilitate their access to essential financial services such as savings, credit, insurance, and bank accounts. Additionally, Sharan and Dale (2019) contend that delivering financial services to women significantly promotes their social and economic development. There is a broad consensus that access to financial services through investment plays a crucial role in fostering both social and financial progress, ultimately contributing to comprehensive development. Sharan and Dale (2019) also find that while women benefit from financial services by saving time and gaining access to useful products; they can also assist in the formation of positive circles in which women invest resources in developing household skills.

In recent years, financial development has placed a premium on inclusion and economic growth philosophies and programs of India. The inclusion aims to provide funding to the poorest members of society, which promotes social development and, as a result, facilitates investment and the country's economic growth (Shetty & Hans, 2018). According to studies, women account for more than 70% of those who benefit from the financial inclusion agenda. Self Help Groups (SHGs) are an essential means of involving women in the process of inclusion, and are a major driver of India's financial movement as well as many other developing countries. Many efforts and shared experiences have been seen to lead to the empowerment and resilience of women in the capital, which has led to a more promising future for women and their communities (Gwalani & Parkhi, 2014; Demirgüç-Kunt & Singer, 2017; Kapoor, 2019).

The empowerment of women is a top priority on Uganda's current development agenda. For instance, Eton, Fabian, Benard, Edaku, and Dennis (2018) note that in many nations, the empowerment of women is regarded as an essential element of sustainable development. Various strategies are employed by governments and organizations to enhance women's

empowerment. Access to microfinance services, for example, plays a significant role in promoting human rights and sustainable development. To restore public trust in Ugandan financial institutions, the government must therefore intensify monitoring, regulation, and supervision of financial service providers. The implementation of social safety nets arising from the use of digital financial services (DFS) is essential to guarantee both the financial inclusion of women's rights and the empowerment of women. Access to credit serves as a crucial facilitator of women's empowerment, enhancing their livelihoods and contributing to a more equitable and sustainable society.

2. LITERATURE REVIEW

Theoretical Literature Review

Cognitive Development Theory

According to the cognitive development theory of Jean Piaget, a Swiss psychologist, children's intelligence changes as they grow. According to this theory, children's gender learning is primarily organized and regulated by their gender identities. Children form a stereotype in gender in relation to the environment they are exposed to and live in. Upon the achievement of gender maturity, or the perception that the gender is fixed and cannot be changed, the value accorded is positive and struggles to behave in a manner that are in line with such a belief. According to Bussey and Bandura (1999), most of children's behavior is aimed at confirming their gender identity. When children learn about their gender, they reach gender maturity.

Gender constancy, as defined by Kohlberg (2016), is the awareness that gender is a persistent quality linked to fundamental biological traits and independent of superficial characteristics such as hair length or clothing style. Slaby and Frey (2015) assert that gender constancy consists of three distinct levels of gender. The least developed types of gender knowledge include gender identity, stability, and consistency, moving up to the most developed. Gender identification is the understanding that the gender of an adult is the same as it was when they were young, and will remain the same as they get older. Gender consistency is the third and last element of gender constancy which means that the child now understands that gender remains the same despite changes in appearance, clothing, or activities.

The theory is pertinent to the research since it shows that empowering women is one potential strategy for providing the nutrition and early learning that children require to reach their full development and growth potential. Given the positive associations with key parenting outcomes such as early learning and nutrition, Women's empowerment and children's cognitive development may be related. The connection between empowering women and the literacy of children and early learning was moderated by family wealth and women's education.

Empirical Literature Review

Allen, Carletti, Kuhl, Tian, Senbet, and Valenzuela (2021) conducted a study on improving access to banking services in Kenya. The research primarily concentrated on the operations of Equity Bank., which is a leader in private commercial banks with a specialization in micro-finance, bank service accessibility within the country by applying surveys for households and penetration of bank's data at district level between 2006 – 2009. According to the study, equity bank's presence significantly impacted utilization of bank account and access to loans to the households, particularly to the lower income population, without employment and less educated and also those who did not have a homestead.

Iqbal, Roy, and Shamsul (2018) examined how banking services and poverty reduction in Bangladesh vary across regions by analyzing sub-district administrative data. The study had a linkage using descriptive statistics and regression models to the banks mapping regionally to poverty occurrence. Even in the rural sample, the results from the regressions indicated that bank service accessibility was strongly linked with reduction of poverty. However, when it comes to services of the bank, the deposits made had significantly affected reduction of poverty and loans accessed did not have any effect.

In 2020, Teka conducted a research study utilizing structural equation modeling (SEM) to investigate the factors influencing the adoption of online banking services by bank customers in Ethiopia. Specifically, a sample of 420 genuine customers utilizing online banking services was selected for this research. Relevant information was collected by implementing a carefully designed questionnaire. Analysis of data was done by using structural equation modeling, whereby it was discovered that perception in use, ease of use, attitude on electronic banking, control behavior, subjective norms, intentions,

knowledge and internet connectivity availability were all discovered to have a favorable impact. On the other side, perceived danger has a very negative effect. Boinett & Njoroge (2022) in a study on women leadership and economic empowerment in Kajiado County found out the financial inclusion by leaders enables women empowerment.

3. RESEARCH METHODOLOGY

A descriptive research design was utilized, focusing on ten women's groups in Murang'a County, which together comprised a total of 474 members. Thus, the target population for the study was 474 individuals. To ensure that all respondents were adequately represented, a quota sampling method was employed, allowing for effective representation from the ten selected groups. Participants were chosen using a simple random sampling technique, resulting in a sample size of 217 individuals. Data collection was primarily conducted through questionnaires. To validate the research methodology, a pilot study was carried out with 22 participants from a women's group in Kiambu County. The quantitative data were analyzed descriptively, employing measures such as mean and standard deviation, while inferential analysis was used to examine the relationships among the variables. The findings were presented in tables and figures.

4. FINDINGS

The study sought to assess the influence of availability of banking services on women economic empowerment in Kenya. The respondents were asked to indicate whether banking services were available to them. All the respondents agreed that banking services were available to them with majority (97.4%) of the respondents agreeing that availability of banking service influence the women economic empowerment in Kenya while 2.6% of the respondents were on contrary. The findings are presented in Figure 4.1.

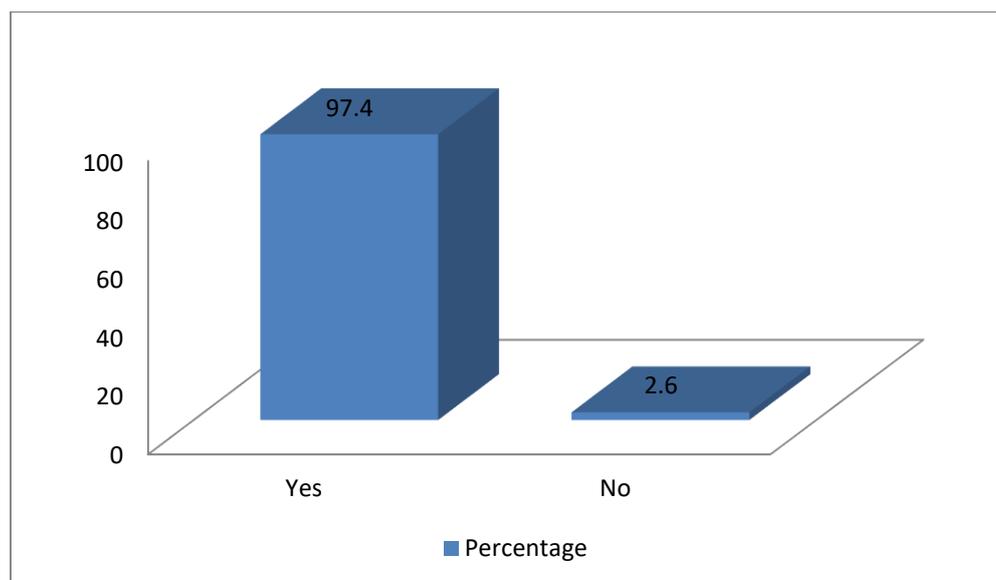


Figure 1: Availability of Banking Services

The respondents were asked to state the way in which the availability of banking services influenced the women economic empowerment in Kenya. The following are the responses given by the respondents;

'Women are able to start and grow their own businesses, invest in education and healthcare for themselves and their families, and build a more secure future for themselves by having access to savings accounts, loans, and other financial products. Banking services have helped to increase financial literacy among women in Kenya, enabling them to make more informed decisions about their money and investments. This has improved their economic status and also given them a greater sense of independence and control over their financial lives. The availability of mobile banking services has made it easier for women in rural areas to access financial services, reducing the barriers of distance and transportation that may have previously prevented them from utilizing traditional banking services. This has opened up new opportunities for women to participate in the formal economy and contribute to the overall economic development of the country'.

The respondents were given list statements regarding the influence of availability of banking services on women economic empowerment in Kenya. The descriptive statistics results obtained are presented in Table 1.

Table 1: Availability of Banking Service

Statement	M	SD
The services of an inclusive financial system are easily available to women	4.42	0.477
The bank outlets are available that women can access a finance	4.46	0.449
There are many physical bank branches that women can access a finance	4.49	0.509
Access to the use of financial services by women can benefit society and the economy.	3.70	1.300
Aggregate mean and standard deviation	4.27	0.684

The results illustrated in Table 1 indicate that generally the respondents agreed on statements regarding the influence of availability of banking services on women economic empowerment in Kenya as indicated by aggregate mean and standard deviation score of 4.27 and 0.684 respectively based on likert scale. The finding concur with the findings of a study by Gachemi (2018) which focused on role played by the women's groups in women's economic development in Magutu Division, Nyeri County, Kenya. Women's groups in Magutu Division, according to the findings, have come up with a number of activities for income generation in improving their income, their operations are governed by rules and regulations and show how the groups are committed to these activities that are geared in improving their economic status.

The respondents agreed on the following statements; there are many physical bank branches that women can access a finance (M=4.49, SD=0.509), the bank outlets are available that women can access a finance (M=4.46, SD=0.449), the services of an inclusive financial system are easily available to women (M=4.42, SD=0.477) and access to the use of financial services by women can benefit society and the economy (M=3.70, SD=1.300). The finding concur with the findings of a case study of the Langa sub-region in northern Uganda was used in the research by Ethan, Fabian, Benard, Edaku, and Denis (2018) which sought to examine the connection between financial inclusion and women's empowerment in Uganda. The study discovered that financial support appeared to be scarce, and that some of these firms' regulations, supervision, and monitoring were lacking, causing many women to lose their savings with such firms

Regression Analysis Results

Table 2: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.880	.774	.756	1.009

Table 2 displays information revealing that the adjusted R-square value is 0.756 (75.6%), which clarifies the degree to which women's economic empowerment in Kenya is affected by availability of banking services. As a result, the remaining 0.244 (24.4%) is linked to factors that have not been thoroughly investigated.

Table 3: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	201.645	1	201.645	256.89	0.002
	Residual	151.489	193	0.785		
	Total	353.134	194			

Table 3 displays information showing that the calculated p-value is 0.002, which falls below the established threshold of 0.05. Moreover, the analysis demonstrates that the F value of 256.89 surpasses the mean square value of 201.645. Meeting these criteria confirms the accuracy of the model.

Table 4: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.503	.209		2.407	.002
	Availability of banking services	.799	.116	.3678	6.888	.003

The dependent variable is predicted to be 0.503 when availability of banking services is kept constant. The regression coefficient indicate an improvement in availability of banking services would improve women economic empowerment in Kenya by 0.799

The resultant equation, as outlined in the following description, was as follows;

$$Y = 0.503 + 0.799X_1 + \varepsilon$$

Whereby Y= Women economic empowerment

X₁= Availability of banking services

The study found that availability of banking services had apposite significant influence on women economic empowerment in Kenya ($\beta = 0.3678$, $p = 0.002$). The finding concur with the finding of a study by Aziz, Sheikh, and Shah (2021) which examined the impact of financial inclusion on women's empowerment in South Asian countries. The study discovered that gender was at a larger extent linked to financial service usage. The study also discovered that the nations that had restrictions had limited their women interest in working for their living and also had a lesser likelihood in having a bank account as compared to men.

5. CONCLUSIONS

The study concludes that availability of banking services enable women to save money, access credit, and make investments that help them start or expand their businesses, increase their income, and ultimately achieve financial independence. By opening a savings account, women are able to set aside money for future expenses, emergencies, or investments, helping them to build a financial cushion and achieve their long-term financial goals. This not only provides women with a sense of financial security, but also allows them to plan for the future and take control of their financial well-being.

6. RECOMMENDATIONS

The study recommends that the banks should focus on increasing the number of bank branches and ATMs by setting up more bank branches and ATMs in these areas, making it easier for women to access banking services without having to travel long distances. Promote the use of mobile banking and digital financial services by providing women with access to mobile phones and educating them on how to use these services. Improve the financial literacy among women through targeted financial education programs that provide women with the necessary knowledge and skills to understand and navigate the banking system. Banks can develop gender-responsive banking products that cater specifically to the needs and preferences of women.

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