

# How Women's Financial Exclusion is Affecting Gender Equity in Tea Farming in Singorwet Ward, Bomet County

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## ABSTRACT

Access to finance by women within communities is key to ensuring improved economies and better livelihoods. Having money at hand means women can purchase/ access quality seeds, good farm equipment and efficient technologies. Indeed, money will help women improve their own life style and that of their families (FAO, 2019) The research objectives were to examine the extent of financial exclusion of women in tea farming from the farm all the way to accessing benefits from tea and how it's affecting gender equity. A cross sectional study design was used and a sample size of 532 tea farmers' respondents (comprising of 431 male tea farmers and 101 female tea farmers), 2 directors and 10 farm labourers were involved in this study. Purposive sampling was used to pick two director zones in Singorwet ward and stratified random sampling to pick five tea buying centres within Singorwet Zone and Mugango Zone. Questionnaire, interviews and observation schedule were used for data collection. From the findings, it is evident that women though the majority in the tea farming workforce; are the minority in tea farm monthly pay and bonuses. The study recommends a detailed and close to communities' financial literacy that presents information on owning a tea farm, having a bank account, savings and getting credit from credible sources.

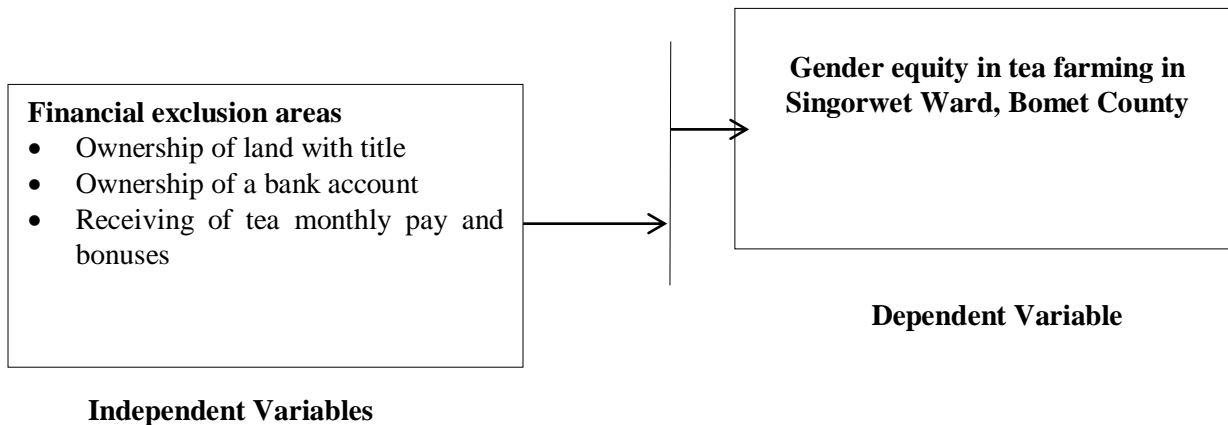
**Keywords:** Gendered tea farms, Financial exclusion, financial equity, financial prowess, Agricultural financing.

## INTRODUCTION

Ensuring financial inclusion for all is an item of focus in the sustainable development goals. It is so because it will help in bringing down poverty rates. Financial inclusion involves ensuring that all adults have access to credits, savings, insurance and other payments in affordable and convenient way (DITC, TNCD, & UNCTAD, 2020). In fact goal number 5 of SDGs emphasize on gender equality and empowering of girls and women. Many institutions agree that financial inclusion of women will boost rural development. Even with this in mind, it has been found out that 1.1 billion women do not have formal bank accounts needed to spur their economic development (Kunt, Klapper, Singer, & Ousdheusden, 2015). Higher disparities are noted in the Middle East and North Africa, followed by the Sub Saharan Africa. These disparities reduce women's chances of making agriculture an investment option. It also minimizes their participation in profitable agricultural markets, their utilization of best technologies and even accessing agricultural inputs (World Bank Group, 2018; FAO, IFAD, & WFP, 2020). The main objectives of the study is to examine the number of men and women who own tea farms, number of men and women who have bank accounts, number of men and women who receive tea monthly pay and bonuses and investigate the reasons for financial exclusion when it comes to earnings from tea The information gathered is meant to encourage all tea stakeholders to have more gender inclusive financial literacy programmes and develop regulations that

will not in any way drive women towards exclusion from benefits.

### Conceptual Framework



### LITERATURE REVIEW

The World Economic Forum’s Global Gender Gap Report states that there is a big relationship between gender equality, prosperity in a country, and economic growth (World Economic Forum, 2019). It thus is so important to ensure that gender mainstreaming is done in policy-making and financial inclusion programs. In many countries, women are marginalized, set aside, and assumed and their contributions are not recognized. They are still considered as a group that runs the home and is not financially active. These perceptions promote their limited access to finance among other assets in agriculture (Dietz, A, Font Gilabert, & Grabs, 2018; Zhang, Dong, Liu, & Bai, 2018). Statistics presented by The Global Findex Database (2014), show an unchanging gender gap in developing countries at 9%.

United Nations (2021) report on economic development in Africa, suggests the idea of building women as a way of building the economy. It states that investment opportunities can best work in areas where women are the custodians of finance. It shows that empowering women financially is changing family welfare as it increases women’s bargaining power. And indeed this is a sign of better living standards and growing economies with gender equity as its foundation. Even with the above realization, women face challenges in terms of accessing finance. They include:

- **Legal-related barriers**

In many countries, the legal regulations seem to favor men over women in terms of owning assets and property. Also, there appear to be legal gaps that restrict women from participating in the labor force as well as in owning large firms. Such limitations mean fewer income opportunities, lower bargaining power, and limited options for accessing credit due to a lack of collaterals (OECD, 2019; UN WOMEN, 2015) (Islam M.S, Ahmed, & Alam, 2014)

- **Lack of awareness of financial assistance**

Even though there are many lending institutions, women seem to be disadvantaged because of their literacy levels. Women compared to men in developing countries are less educated and less aware of existing financial services, financial policies, processes of getting loans, repayments, securities on loan, and utilization of loans for purposes borrowed for. Because of these, they are unlikely to benefit from the available financial options (KIPRA, 2019; Worldbank, 2018). In fact glaring statistics presented by World Bank’s Global Findex report indicate a higher percentage of men having an account with recognized financial institutions compared to a lower percentage of women (72% men and 65% women) (FAO, IFAD,

& WFP, 2020)

- **Cultural Practices**

In most cultures, women have a huge responsibility within the home. Their main duties- unpaid- are the running of the home and child upbringing. These duties are so overwhelming, exhaustive, and time-consuming and thus limit the chances of women moving out of the home to look for paying jobs (Subramanian K.R, 2018). Moreover, such in-home busy schedules are likely to limit women from attending training, furthering their studies, and accessing information. This then reduces their awareness and understanding of available financial institutions and services. And of course, they will not utilize what they are not aware of (Worldbank, 2018; Lewis, Villasenor, & West, 2016; FAO, IFAD, & WFP, 2020)

- **Discriminatory practices**

Women face the challenge of gender-biased policies which include the perception that women are riskier borrowers, the decision by institutions to lend to large businesses and farms rarely owned by women, and sometimes the lack of financial products that match women’s needs and ideas. Additionally, there are thoughts that women should focus on primary responsibility of caregiving because they may not balance other engagements with caregiving. In some other countries, especially the Middle East categories, women cannot have an account with a financial institution without an approval by a male authority (CGAP, 2017; GSMA, 2014)

## METHODS AND MATERIALS

### Data Collection and Analysis

Primary and secondary methods of data collection were used. Questionnaire and interviews were used during primary data collection. The tools that were used in the study include questionnaires, interviews and observations.

Data collected was edited to check for any incomplete questions and presentation of inconsistent answers. After this, data was coded and summarized and then the analysis of the data was undertaken. Analysis was done using Statistical Package for the Social Sciences version 25 for quantitative data analysis and QDA Miner Lite version 1.4.1 for qualitative data analysis.

## RESULTS AND DISCUSSION

### Access to Financial and Allied Services in Tea Farming

The summaries of the findings were as summarized in Table 4.1.

Table 4.1: Access to and Control over Financial Services in Tea Farming

Benefits accrued from tea		Men		Women		Both	
		F	%	F	%	F	%
1)	Access to fertilizers	182	35.7	154	30.2	174	34.1
2)	Access to finances	174	34.1	0	0	336	65.9
3)	Access to processed tea leaves	0	0	0	0	510	100
4)	Control over fertilizers	356	69.8	0	0	154	30.2
5)	Control over finances	359	70.4	0	0	151	29.6
6)	Control over processed tea leaves	185	36.3	325	63.7	0	0

Results from tea farmers questionnaire shows men were largely in access of fertilizers and finances with a proportion of 35.7% and 34.1% respectively whereas 30.2% were women who had access to fertilizers and no woman solely accessed finances. Women were dominant 63.7% in control over processed tea leaves but on access both gender was evident. Men had control over fertilizers and finances with 69.8% and 70.4% respectively and this fact was largely reported by factory managers and directors who introduced social dynamics and financial literacy to curb this inequality. The findings confirm what was presented by (M.S, N., Soire, & Otero, 2017) that men seem to take the larger share of registered farmers at the tea buying centre level and this translates to who is to earn from the tea sales.

Due to the realization by the Tirgaga Tea factory that women benefit minimally financially from tea, they have initiated a program to take women through financial literacy. The program is termed social dynamics and financial literacy. The focus of the trainings is access and control over family resources, development of budgets and importance of savings.



Plate 4.1: Observed women receiving financial literacy

### Effect of Access to Financial Services in Tea Farming on Gender Equity

The study utilized Chi-square test of association based on crossed-tabulation of gender equity indices and access to and control of financial services in tea farming. The study sought the relationship between dependent and qualitative variables and inferential statistics components were conducted in this study including Pearson correlation and chi-square test as summarized in Table 4.2.

There was significant association between all gender equity indices and access to and control of financial services in tea farming. For access and control over fertilizers,  $X^2 (2, N=510) = 187.614^a, P=0.000$  and  $X^2$

(1, N=510) = 43.074<sup>a</sup>, P=0.000 respectively. On access and control over finances,  $X^2(1, N=510) = 56.014^a$ , P=0.000 and  $X^2(1, N=510) = 249.701^a$ , P=0.000 respectively. No statistics are computed because who has access to processed tea leaves accrued from tea is a constant and with control over processed tea,  $X^2(1, N=510) = 58.129^a$ , P=0.000.

**Table 4.2: Chi-square Test on Access to and Control over Financial Services**

Gender equity indices		Pearson Chi-Square	Likelihood Ratio	Degree of Freedom (df)	Asymptotic Significance (2-sided)	N of Valid Cases
1)	Access to fertilizers	187.614 <sup>a</sup>	201.462	2	0	510
2)	Access to finances	56.014 <sup>a</sup>	78.71	1	0	510
3)	Access to processed tea leaves	.a				
4)	Control over fertilizers	43.074 <sup>a</sup>	59.24	1	0	510
5)	Control over finances	249.701 <sup>a</sup>	249.826	1	0	510
6)	Control over processed tea leaves	58.129 <sup>a</sup>	78.049	1	0	510

**Note: a. No statistics are computed because who has access to processed tea leaves accrued from tea is a constant.**

**Number of men and women who have tea proceeds bank account/ those who receive monthly tea earnings and bonuses.**

**Table 4.3: Bank account status/ those who receive monthly tea income and bonuses**

Gender	Tea Farmers		Factory Staffs		Directors		Farm Laborers	
	F	M	F	M	F	M	F	M
With account	40	400	23	20	0	2	2	2
Without an account	57	13	0	0	0	0	6	0
Total	97	413	23	20	0	2	8	2

**Source: Research data (2019)**

From the findings it is evident that women make the larger percentage among tea farmers and laborers in the unbanked category. Those women employed in tea factories have bank account since it is a requirement to allow one get their monthly salary. The respondents that have bank accounts enjoy the benefits of tea through their accounts. It is of importance to note that men take the larger share in monthly income from tea and other related benefits except tea leaves that has more women on the receiving end. The findings confirm what is presented by (Lewis, Villasenor, & West, 2016) that more women do not have bank accounts because they miss the requisite documents like national identity cards needed for account opening. The earnings by men is also evident in (Mohan, T., 2017) who states that farming is male headed, male controlled and decisions as well as income are largely male.

## CONCLUSIONS

Financial inclusion is key to ensuring active participation of both men and women in agriculture. If women are given chances to register and have a tea leaf number, there is a likelihood that they will get more involved in proper management of tea farms for even better yields. Tea factory management should develop flexible policies that allow quick registrations, transfer of shares for a spouse that passed on to a widow, election of Directors based on one one vote, so that more women participate. It is the hope of the researcher that in future more women may participate fully and benefit as well in tea farming.

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