GENDER INEQUALITY AND ITS IMPLICATIONS ON ECONOMIC GROWTH IN KENYA

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DECLARATION

This research project is my original work and has not been presented for a degree in any other University or any other award.

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DEDICATION

This research project is dedicated to the children of Adhama who reminded me about the value of education.

ACKNOWLEDGEMENTS

First and foremost, I thanks to God for my excellent health and sound mind. He has accompanied me on this journey. For his encouragement and assistance, my supervisor, Dr. Stephen Gitahi, has my eternal gratitude. Additionally, I want to express my gratitude to my family, friends, and classmates for their words of support, which enabled me to persevere.

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ABBREVIATIONS AND ACRONYMS

GDP	Gross Domestic Product
GII	Gender Inequality index
MDG	Millennium Development Goals
SDG	Sustainable Development Goals
UK	United Kingdom
UNDP	United Nations Development Programme
WHO	World Health Organization

OPERATIONAL DEFINITION OF TERMS

The Gender Inequality Index (GII) - Three main factors are used by the complete Gender Inequality Index (GII) to evaluate gender disparities. First, it looks at adolescent birth rates and the maternal mortality ratio to assess reproductive health. Second, it assesses empowerment by looking at the educational attainment of adult women and men over 25, as well as the representation of women in legislative seats. Finally, it takes into account the labour force participation rate of men and women aged 15 and over, which shows how involved they are in the job market (UNDP, 2014).

The maternal mortality - The ratio is the number of women who die during or per 100,000 live births within 42 days of a pregnancy termination for reasons linked to the pregnancy (WHO, 2019).

The adolescent birth rate - The total births to females between the ages of fifteen and nineteen per thousand girls in the same age group.

The share of seats in parliament - The proportion of seats in the national parliament occupied by women. It includes the proportion of women in Kenya's senate, county assemblies, and national legislature.

The population with at least some secondary education - Refers to the percentage of those over 25 who have completed secondary school, even if they haven't finished it.

The labour force participation rate - A figure that indicates the percentage of people aged 15 and over who are of working age, employed, or actively seeking employment. It is computed by dividing the total number of people in the labour force by the total number of people of working age.

ABSTRACT

Despite its extensive socioeconomic effects, gender inequality remains a significant worldwide concern. The study's objective was to determine the relationship between gender inequality and Kenya's economic growth. Time series data on all variables investigated, including the gender inequality index, fertility rate, female labour market participation, investment, population growth, literacy level, and female loan availability, were used in this non-experimental analysis. The data covered the years 1995–2023. The Autoregressive Distributed Lags (ARDL) method was used to analyse the data. Despite looking at various theories, the study was centred on the Solow growth model since it takes labour and human capital into account. The study incorporates gender-specific labor and education dimensions, feminist economics, and endogenous growth theories to understand the impact of gender inequality on Kenya's economic growth. The study reveals that gender inequality in Kenya is influenced by fertility rate, women's literacy, and political representation. Higher fertility rates increase inequality, while improved literacy and political representation reduce it. Economic growth is influenced by gender inequality, investment, labor force participation, and literacy. Addressing gender disparities is crucial for long-term economic development. The results demonstrated that political representation, women's literacy, and the pace of reproduction are all factors that have a major impact on gender disparity in Kenya. Fertility rate and gender inequality in Kenya are favourably connected. The study also discovered that Kenya's economic growth is strongly impacted by the gender inequality index, investment level, labour market activity, and literacy level. The study also showed that while the gender inequality index has a negative influence on economic growth, women's literacy and labour market involvement have a statistically significant positive impact.

CHAPTER ONE

INTRODUCTION

1.1 Background

In general, the word "gender" refers to the distinctions that society makes between girls, boys, women, and men (Kimani & Kombo 2009). Gender is defined by the World Health Organisation (WHO) as the constructed characteristics, such as attitudes, roles, and interactions, that exist both within and between groups of men and women. It differs depending on the society. It may change at any time. Although the terms "gender" and "sex" are frequently used interchangeably, they can occasionally refer to distinct ideas. "Sex" refers directly to a person's characteristics as established by their body.

Gender inequality is the treatment of people constructed on their gender. It encompasses forms of disparity, such, as access to essential social services like education and healthcare, unequal participation in political leadership and involvement in economic decisions-making, both at the national and household levels. Discriminatory practices regarding equal employment opportunities, uneven legal protection, a prevailing preference for male offspring, increased poverty rates among households headed by female and the presence of violence against female; These examples highlight the ways in which gender inequality becomes evident in society (Kiriti Nganga & Tisdell 2010).

Gender disparity remains throughout the life cycle of women, according to the Global Sustainable Development Report (2019). Girls face limited educational opportunities, particularly in STEM subjects, while women encounter obstacles in the job market, including lower wages that contribute to lower participation rates. Furthermore, due to their longer life expectancy compared to men, women are disproportionately impacted

by the absence of adequate long-term care safeguards, especially in their older years (Sachs, Schmidt-Traub, Kroll, Lafortune & Fuller, 2019).

In addition to being a fundamental human right, advancing gender equality is also essential to building a cohesive, productive, and sustainable society (United Nations, 2019). It is imperative that women and girls be granted opportunities to receive quality education, access resources, engage in political discourse on par with men and boys and have an equal shot at employment leadership roles and decision making, across all domains (UN Women, 2019).

Gender equality has been a focus of attention globally and locally. The movement for gender inequality gained momentum with the 1975 UN Conference on Women, followed by the 1976 – 1985 UN Decade for Women which initiated a global conversation on achieving gender parity. The 1980 Copenhagen Conference on the Decade for Women further moved the gender equality efforts from focusing on health, employment and education to areas such as property ownership. The 1995 United Nations Conference resulted in the establishment of the Nairobi Forward Looking Strategies, which aimed to advance women's empowerment and attain gender equality. Additionally, the Sustainable Development Goals (SDGs), which were established in 2016, and the Millennium Development Goals (MDGs), which were created in 2000, have consistently placed gender equality as a major objective for all nations.

Kenya has been a steadfast advocate for human rights accords that address gender inequality, such as the Beijing Declaration and Platform for Action of the Fourth World Conference on Women in 1995 and the 1979 Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW). Along with these accords, Kenya

has accepted the Solemn Declaration on Gender Equality in Africa and African Union Agenda 2063.

Kenya has attempted to alleviate gender disparity by enacting national legislation. Adopted in 2000, the National Policy on Gender and Development is one noteworthy policy. A framework for addressing gender inequalities is also provided in Sessional Paper No. 2 on Gender Equality and Development. Gender equality is also acknowledged by Kenya Vision 2030, a development program launched in 2008. This strategy plan recognises the importance of gender equality in the nation's economy. In addition, Kenya's national development plans, such as the Medium-Term Plans for 2008–2022 and the Economic Recovery Strategy for Wealth Creation (2003–2007), emphasise how crucial it is to give both men and women access to resources and opportunities in order to achieve sustainable development.

Furthermore, the 2010 adoption of a new constitution accelerated the progress of the gender equality movement. The code of rights and opportunities for men and women in social, economic, and cultural domains is enshrined in Article 27. The constitution also mandates that no gender should hold than two thirds of the appointed or elected positions, within governing bodies (The Constitution of Kenya, 2010). Kenya has taken initiatives to encourage gender equality and defend women's rights through the enactment of laws. National Land Policy (2009) is one such law that recognizes and upholds women’s property ownership rights. Furthermore, the Matrimonial Property Act (2013) is relevant in safeguarding women’s rights to property, both during and after divorce. These legislations exemplify Kenya’s commitment to empowering women and ensuring their fair treatment. To further underline Kenya’s dedication to eradicating inequality practices, the country has also implemented the National Policy for Gender

Based Violence Prevention and Response as well as the National Policy for the Abandonment of Female Genital Mutilation. These policies demonstrate a concerted effort to address issues that disproportionately affect women and girls showcasing Kenya's commitment, to protecting their well-being. By highlighting these measures, it is evident that Kenya has adopted approaches to enhance gender equality, defend the rights of women, and combat harmful practices.

Even with all the efforts it is unlikely that gender equality will be fully realized by 2030. According to trends it may take well, over 200 years to bridge the gap (UNDP, 2019). While we have seen advancements in areas like education and economic participation for women there remains a disparity in more complex domains, particularly, in political involvement. Only half of women participate in the labour market, compared to 75% of men, according to a 2015 MDG study. Furthermore, according to a 2015 United Nations report, women make 24% less money than males on a scale. Furthermore, a Grant Thornton study conducted in 2020 revealed that the highest representation of female executives was recorded in 2019 reaching 29%. This demonstrates a gender disparity within leadership positions. The gender difference is also noticeable in stages of life. According to UNDPs findings, in 2018 90.4% of males receive pensions compared to 87.5% of females in the same age group.

1.1.1Trends in Gender Inequality in Kenya

Gender inequality encompasses aspects that require evaluation through measurements. In this regard the Gender Inequality Index (GII) offers a measure by considering criteria. These criteria include the maternal mortality ratio, teenage birth rates and reproductive health indicators. Additionally, indicators of empowerment are taken into account, such as the educational attainment of these people and the proportion of

parliamentary seats held by women and men over 25 who have completed at least secondary school. Additionally, a measure of their involvement in the job market is the labour force participation of both male and female populations aged 15 and older (UNDP, 2014). The GII is a number between 0 and 1. While 1 denotes ideal gender inequality, zero denotes no gender inequality at all. The GII was introduced in 2010 but estimates for the years 1995, 2000, and 2005 were calculated to enable comparison. The following figure 1.1 shows the trend of Kenya's gender inequality.

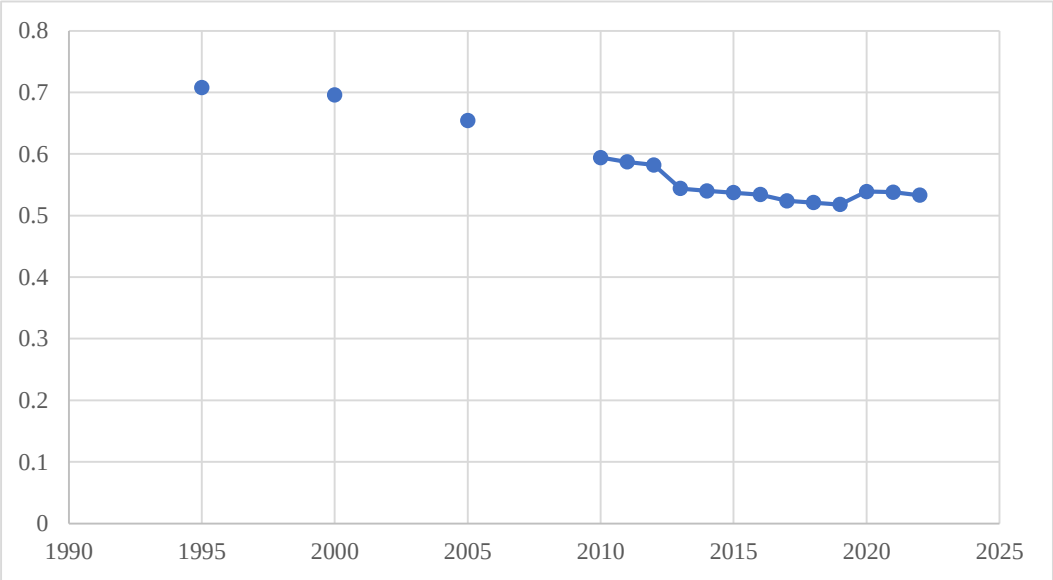


Figure 1.1: Kenya's Gender Inequality Index from 1995 to 2022
Source of data: Human Development Reports (1995 - 2022)

Figure 1.1 indicates reducing of gender inequality in Kenya since 1995. In 2022, Kenya's GII was 0.533 which was higher compared to the global GII (0.462) but slightly lower than the Sub-Saharan Africa GII which was 0.565. Switzerland had the lowest GII of 0.018 and Yemen had the highest GII of 0.820.

Kenya has made strides in improving health by successfully reducing maternal mortality rates and adolescent birth rates. However, it's crucial to keep in mind that,

according to World Bank, WHO, and United Nations Population Fund (UNPF) reports from 2014, improvement has been comparatively slower than in other nations. The maternal mortality rate is the number of pregnant women who die during pregnancy or within 42 days of giving birth from pregnancy-related causes per 100,000 live births. In Kenya this rate has shown a decline from 722 women in 1995 to 342 women in 2017 according to the WHO data published in 2020. The decline can be attributed to concerted efforts directed towards meeting the fifth Millennium Development Goal. This ambitious goal aimed to achieve a 75% reduction in mortality by the year 2015.

Kenya's progress in this regard showcases its commitment, to improving reproductive health outcomes for its population. In 2013, Kenya effected a policy that abolished delivery fees in all public health facilities in a bid to reduce maternal mortality rates by ensuring that women had access to quality health facilities. Additionally, the government put measures such as the adolescent reproductive health policy to reduce the adolescent birth rate (Opiyo & Levin, 2013). Adolescent birth rate is the proportion of births to females between the ages of 15 and 19 per 1,000 girls in this age range. In Kenya, it has reduced from 115.3 births in 1995 to 62.6 births in 2022 (UNDP, 2023)

The percentage of educated women has increased over time, rising from 11.3 percent in 1995 to 254.6 percent in 2022 (UNDP, 2023). However, it is important to acknowledge that there still exists a discrepancy between the ratios of males and women who have attained at an education. The implementation of policies has played a role in this progress. One notable policy is the Children Act of 2001 which emphasizes the right to education for every child. Additionally, the introduction of an education policy, in 2003 has also contributed to these positive changes (Mackatiani, Imbova, Imbova, & Gakungai 2016).

To achieve gender equality in representation, Kenya must strive for a minimum of 33.3 percent of seats to be held by women as mandated by the Constitution. The proportion of women in parliament has increased throughout time. From a 3% in 1995 it has risen to 24.8% by 2023. In the National Assembly as of 2020, women accounted for 18% of nominated seats and 22% of elected seats. Women held an astounding 86% of nominations and almost 27% of elected seats in the Senate. About 34% of members of the County Assembly (MCAs) are women, with 13% of them elected and the remainder being nominated. According to UNDP (2019), women hold 24.2% of the fraction of parliament seats worldwide. Women hold 24.0 percent of seats on average in Sub-Saharan Africa, with significant differences between nations (UNDP, 2013). In Rwanda, women hold 61% of parliamentary seats, while in South Africa, women hold 47% of seats. Women have 43% of seats in Namibia and Senegal, while women make up 42% of elected legislators in Mozambique (World Bank, 2020).

The trend in female labour market participation makes up the third component of the GII. Between 1995 and 2023, women's labour market involvement increased to an average of 62.9 percent, while men's labour market participation increased to 72.6 percent. The rise in women's employment can be attributed to improved educational opportunities and more access to the unorganised sector (Atieno, 2006). Ninety-two percent of women and 87 percent of males in Third World countries are employed in the informal sector. In the informal economy, jobs are often insecure, pay is cheap, and working conditions are bad. According to the Global Sustainable Development Report (2019), poor working conditions coupled with the unpaid domestic chores done by women at a household level and other labour market disparities are stumbling blocks to social and economic advancement. Like many other nations, Kenya has made strides towards closing the gender gap in areas like education. But there are still large

disparities, particularly in terms of economic empowerment and political representation.

1.1.2 Kenya's Economic Growth Trends

Kenya enjoyed an average 5.7 percent GDP growth during the 1960s, which witnessed an acceleration to 7.2 percent in the following decade (1970s). However, the growth rate subsided during the 1980s plummeting to 4.2 percent and further declining to 2.2 percent in the following decade the 1990s. From 1960 to 1979, Kenya experienced a post-independence boom that was only interrupted by the 1970 drought. Kenya's economic performance was comparable to that of some recently industrialized countries in East Asia (Amanja & Morrissey, 2005). This was followed by more than two decades of economic stagnation until 2001, when the country began to show signs of economic recovery (Kimenyi, Mwega, & Ndung'u, 2016).

Figure 1.2 illustrates the growth of Kenya's GDP from 1995, to 2023 in comparison, to the GDP of Sub-Sahara Africa.

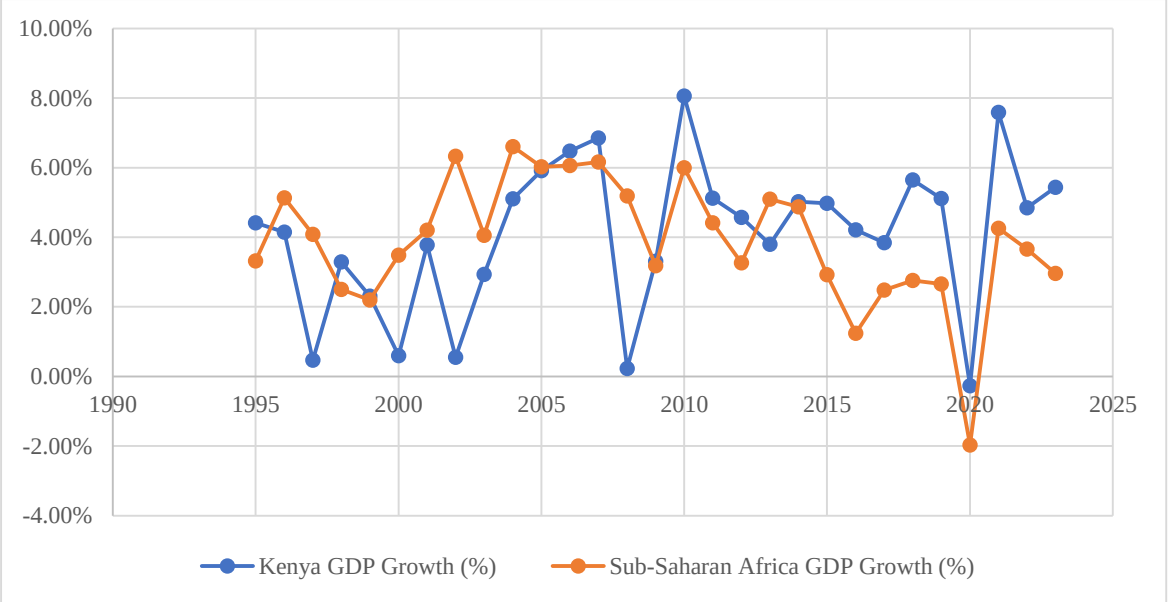


Figure 1.2: Kenya's economic growth rate (per cent) from 1995 to 2023.
Source of data: Central Bank of Kenya (2023) and World Bank (2023).

The figure 1.2 shows that from 1995 – 2009, Kenya's economic growth was mostly lower compared to the Sub-Saharan Africa aggregate but the trend changed in 2010.

In general, Kenya's economic growth slowed between 1995 and 2000. The economy had a dip in 2000, growing at a rate of 0.6 percent. Economic management, inefficiencies in the public sector, the 1997 end of foreign support, and poor climatic conditions are some of the reasons for this underperformance (OECD, 2002).

The growth rate experienced an increase, over the years starting at 2.9 per cent in 2003 and reaching 5.1 per cent in 2004 followed by 5.7 per cent in 2005 6.5 per cent in 2006 and eventually peaking at 6.9 per cent in 2007. This remarkable growth of 6.9 per cent marked a milestone for Kenya representing the greatest growth rate in over two decades. It was a noteworthy five-year acceleration of growth, in Kenya's history (World Bank, 2016). These impressive economic achievements can be attributed to the undertaking of the Economic Recovery Strategy's recommended economic and

structural reforms. Furthermore, the external favourable circumstances also contributed to this performance (Muraguri, Oritz & Soler 2018).

The performance of the previous five years was undermined by the global financial crisis, post-election violence, and drought, which caused the growth rate to drop to 1.5% in 2008 (Kimenyi, Mwega & Ndung'u, 2016). From 2009 to 2013, the growth rate averaged 5 per cent. Kenya's new constitution adopted in 2010 resulted in a new system of political and economic governance that encourages more grassroots investment, stronger accountability, and localized public service delivery (World Bank, 2019). There was a decline in economic growth in 2011 and 2012 due to macroeconomic instability that led to a sharp decline in the Kenyan shilling, political instability because of the 2012 elections, and rising security challenges because of the conflict with Somalia (World Bank, 2011).

Following a rebased GDP, Kenya was classed as a low-middle income country in September 2014. This change in status was a major turning point for Kenya. Between 2014 and 2019, there was an average 5% growth in the GDP. Consistent GDP growth of at least 7% from now until 2030 is necessary to reach the Vision 2030 goal of being an upper-middle-income nation. This is a grand objective, yet it is attainable. Only 12 countries have managed to maintain an annual growth rate of more than 7% for 25 years or more since 1950: the USA, China, India, the UK, Brazil, Venezuela, Mexico, Poland, Thailand, Korea, and Singapore (El-Erian & Spence, 2008).

Good weather, reduced political uncertainty, increased corporate confidence, and steady private consumption contributed to the increase from 4.8% in 2017 to 6.3% in 2018 (African Development Bank, 2019). In 2019, the economy expanded by 5.4%. In Kenya, term economic success faces challenges due, to poverty, inequality, climate

change and the economy’s vulnerability to both internal and external shocks. This observation was highlighted in a report by the World Bank, in 2019.

Both Kenya and Sub-Saharan Africa experienced a negative economic growth in 2020 during the COVID-19 pandemic. This was due to a shock in the economy occasioned by supply chain disturbance hence stagnating the economy during the period. The economy has however been recovering reaching an annual growth of 7.59% in 2021.

1.1.3 Gender Inequality and Economic Prosperity in Kenya

According to Solow's model, labour, capital, and technology all have an impact on economic growth. However, it is crucial to acknowledge that gender disparity can significantly affect the quality of employment, especially when women comprise over half of the global population. As per a report published in 2017 by the European Institute for Gender Inequality, reducing gender disparity would increase the European Union's GDP per capita by 6.1% to 9.6% by 2050. Women would benefit from this boost in employment rates (Maceria, 2017). Furthermore, achieving gender equality could improve economic growth by reallocating women's time and supporting the development of high-quality human capital (Kim, Lee, & Shin, 2016).

Promoting gender equality, in the workplace has been found to have implications, for women’s income levels and the financial burden of raising children. Research conducted by Galor and Weil (1996) suggests that closing gender gaps can affect fertility rates negatively. Reduced gender inequality in education will slow population increase because girls will choose to finish school first, delaying marriage and childbirth. Increased savings per household is one way that a slowdown in population growth would benefit economic growth. This is because women working can contribute to savings and also because of a reduced number of dependants (World Bank, 1984).

Additionally, the more educated a woman is, the fewer children they get which means better resource allocation for their children. This will have a favourable outcome on the human capital of those young ones which will be felt in the next generation (Lagerlof, 2003).

Additionally, gender inequality means that the economy draws from a limited pool of available talent, resulting in inefficient talent allocation. Addressing gender disparities, in labour market participation and admission to education can have an influence, on the pool of talent consequently boosting productivity (Klasen & Silva 2018). In Kenya, there are few females enrolled and able to complete the Science, Technology, Mathematics, an Engineering subject-related courses in the university. The poor performance of females in this area is linked to social-cultural barriers such as gender stereotyping, sexual harassment, and family responsibilities (Mbirianjau, 2018). This is then likely to reduce the talent available in the labour market in those fields.

Gender differences in the workplace might cause women to abandon the labour, affecting overall production in the country (Blackden *et al*., 2007). An inability to integrate women in the work force would result in a 40 per cent drop in per capita-income (Cuberes & Teignier, 2012). Furthermore, if women were prohibited from holding positions it would result in a reduction of over 10% in production per worker. These findings highlight the contributions that women make to the economy and emphasize the importance of opportunities for all individuals, in the workforce. This is because, even if both men and women are equally qualified, female and male labour are not perfect alternatives (Lin & Monga, 2015).

Research conducted by Ahang in 2014 highlights the influence of gender parity, on characteristics of society such as human capital, health and overall welfare. With good

healthcare, women will be more productive because they can enjoy good health and also because they will not have to divide their time between taking care of their sick loved ones at a household level and their work. Swamy *et al*., (2001) contend that women in leadership roles, whether in business or politics, will have a favourable impact on economic performance since they are less corrupt than men. This is because they are more risk-averse, want to leave an honest legacy for their children, and prefer to follow the law. In addition, the presence of women, in politics can impact growth through three factors: the provision of public goods the influence of role models and the quality of politicians. This is based on the assumption that women will prefer public goods, freeing up time for commercial activities, that women in politics will inspire girls and reduce social biases against women, and, finally, that can increase high-quality female politicians who will replace low-quality male politicians, increasing the quality of politicians in a country (Klasen & Silva, 2018). Gender inequality has implications, for growth impacting it both directly and indirectly. The direct connection emphasizes how disparities, between genders hinder the accumulation of capital. On the hand the indirect influence focuses on how gender discrimination affects investment rates, population growth, labour force growth and institutional quality (Ferrant, 2010).

1.2 Problem Statement

By 2030, Kenya wants to change from a middle-income nation to a newly industrialised middle-income nation, according to Kenya Vision 2030. The ultimate objective is to guarantee that every citizen lives a good life in a safe environment (Kenya, 2007). Achieving Vision 2030 requires Kenya to sustain a 10% annual economic growth from 2012 onward. However, while the country reached a growth rate of 8.1% in 2010 – highest since 1915 – this growth has not been sustained due to ongoing structural challenges (Mohajan, 2013).

Achieving gender parity is crucial for economic progress and is consistent with Vision 2030's objective of a high-quality existence for all citizens, as women comprise 50.31% of Kenya's population (World Bank, 2020). Reducing gender disparities in education and labour market engagement, for instance, might boost growth in the economic by reducing population growth and increasing the quality of human capital available (Klasen & Silva, 2018; Galor & Weil, 1996).

Gender disparity persists throughout the life cycle of women. Like many nations, Kenya has continued to put effort to reduce gender inequality in line with global human instruments and policies touching on gender. Kenya's GII thus decreased from 0.707 in 1995 to 0.533 in 2022, signifying a decline in gender equality. Positive progress has been made in helping women catch up in fundamental areas like education and unrestricted economic participation. However, in more developed domains like political engagement, the gender disparity is more pronounced. Efforts to attain gender equality must continue since, in addition to its intrinsic value, it promotes economic growth (UNDP, 2019). In order to hinder Kenya's progress towards its Vision 2030 targets, this study aims to investigate how gender inequality has affected the country's economic growth and identify the obstacles that keep women from fully participating in the workforce and political arena.

1.3 Research Questions

The following research questions serve as the study's compass:

i. What factors contribute to gender inequality in Kenya?
ii. How does gender inequality impact Kenya's economic growth?

1.4 Objective of the Study

This study`s primary objective is to investigate the ways in which gender inequality affects economic growth in Kenya both directly and indirectly. The following are the study's precise aims:

i. To determine factors that contribute to gender inequality in Kenya.
ii. To evaluate the impact of gender inequality on economic growth in Kenya.

1.5 Study Significance

Gender inequality and economic advancement have been linked in numerous studies throughout the years. Addressing gender inequality has been repeatedly shown to have an impact on a country's development. As Kenya works to achieve the MDGs, considerable efforts have been undertaken to lessen gender disparity. There is still opportunity to advance gender equality and achieve Sustainable Development Goal five, which places a high priority on advancing gender balance and female empowerment, according to the Gender Inequality Index (GII) for 2022, which was 0.533. Thus, this study clarifies gender inequality trends and how they affect Kenya's development.

1.6 Study Scope

This study employed time series statistics from 1995 to 2023. The Gender Inequality Index was introduced in 2010. To enable comparability, estimates were calculated starting in 1995. The study concentrated on trends in gender disparity in Kenya since 1995 to ensure there was sufficient data for analysis.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter encompasses a combination of empirical literature along, with a review of existing studies, in the field.

2.2 Theoretical Literature

This study explores the following theories that are relevant to the topic under study.

2.2.1. The Functionalist Perspective

During the mid-20th century academicians explored the perspective concerning gender disparity, which emerged from Talcott Parsons nuclear family model. According to this viewpoint gender inequalities served as a means to distribute labour in a certain manner. The idea was that men would primarily focus on providing for the family while women would assume the role of caretakers, within the household. This distinct gender defined positions were believed to contribute to maintaining stability. The feminist movement critiqued this notion for ignoring women's oppression within the family. This theory can explain why gender inequality persists, particularly in terms of labour market participation. This theory is therefore not a good fit for the current study since it does not represent the current reality where women are not confined to household roles only.

2.2.2. The Conflict Theory

This theory is mostly associated with Karl Marx who argued that capitalism would bring about internal tensions. The conflict theory posits that society is defined by competition for scarce resources among various social groups. As such, gender inequality is a result of men (the dominant group) trying to maintain supremacy and honour at the disadvantage of women (the subordinate group). This theory can explain where gender inequalities have persisted in areas such as political representation.

However, it does not fully show the correlation between gender and economic participation, hence not a good fit for the present study.

2.2.3. Neo-classical Theory

Robert Solow created this economic growth hypothesis in the 1950s. The Solow growth model investigates how output changes over time as a consequence of population increase, savings rates, and technical advancement. The model assumes that population growth is steady and that all consumers save a portion of their earnings and consume the rest. Additionally, the model assumes that all businesses utilize both capital and labour as input factors while employing a shared production function. This production function is represented by the equation $Y = AK^{\alpha}L^{\beta}$ where Y- output level, K - capital, L- labour and A represents the coefficient. It's important to note that the sum of a and b equals 1 suggesting that the model assumes returns to scale.

According to economists who follow the Neo school of thought they argue that an upsurge, in the economy's growth rate stems from a rise in labour supply and an enhancement, in both labour and capital productivity. This theory is flawed because it implies homogeneous capital, which is impossible in today's dynamic environment. Furthermore, decoupling technology from capital is regarded as unachievable because technological advancement is inextricably linked to capital improvements. Gender disparity has an impact on both labour supply and labour productivity. Reducing gender disparities in educational access will improve the pool of talent available in the market, resulting in higher labour productivity (Cuberes & Teignier, 2012).

Furthermore, women who have access to education will have fewer children and focus on providing them with a better life, which maintains the cycle of high-quality labour. If there is less gender equality in the employment market, there will be more high-

quality labour available. According to the Solow growth model, lowering gender disparity can therefore have a positive impact on economic growth.

2.2.4. Adam Smith Growth Theory

Adam Smith developed this theory in his book Wealth of Nations in 1776. The theory states that workers, capitalists, and landlords possess three inputs: labour, capital, and land. The formula for the production function is Y = ‘ (K, L, N), where K is capital, L is labour, and N is land. According to Adam Smith's Growth Theory, economic growth is caused by capital accumulation as well as labour force growth. The model assumes that the supply of land cannot increase, that labour is infinitely available, so wage rates are at subsistence levels, that labour productivity increases through division of labour and an increase in K/L (capital per effective labour), that investment is endogenous - determined by savings, under competitive market, that diminishing returns exist, that the increase in output due to an increase in inputs is less than proportional, and that an invisible hand operates. One of the weaknesses of the model is that it did not consider the scarcity of resources such as land.

This theory does not apply to our study because of the assumption that labour is available in infinite quantity. The theory does not consider the difference in the quality of labour available as well as unemployment. Based on this theory it is suggested that addressing gender inequality may not yield an impact, on growth.

2.2.5. Harrod-Domar model

Sir Roy Harrod initially designed this concept in 1939, and was later improved by Evsey Domar in 1946. This growth model states that the capital output ratio and the amount of saving determine an economy's growth rate. A nation's GDP grows in tandem with its savings. Reducing the capital-output ratio, which can be achieved by increasing

input productivity, will yield the same outcomes. One flaw in this approach is that it implies that increasing savings are the sole way to stimulate growth. This would require poor countries to borrow for there to be growth in their countries. In our study, this model can be used to show the effect of increased savings due to increased employment of females in Kenya especially in the non-agricultural industry over time. This is possible when gender disparities in education and participation in the labour market are eliminated.

2.2.6. Dual Sector economic growth model

The theory put forth by W. Arthur Lewis in 1954 suggests that the growth of a developing economy can be attributed to a shift, in labour between two sectors: capitalist and subsistence. The capitalist sector comprises industries such as manufacturing, mining and plantations where capitalists employ workers and provide compensation using capital. On the hand subsistence farming represents an example of a sector that does not rely on capital. According to this model a developing economy initially has an abundance of labour in the sector. However, as wages become more attractive in the expanding manufacturing sector workers are enticed to move from agriculture to manufacturing.

It assumes that the manufacturing sector offers fixed wages while entrepreneurs within this sector profit by setting prices higher than the fixed wage rate. Furthermore, the theory suggests that these profits are reinvested back into the economy. Worth noting is that W. Arthur Lewis proposed this theory over six decades ago and it has since been subject, to research and refinement. Nonetheless his ideas remain influential in understanding the dynamics of development. According to this theory, Kenya can enjoy economic growth if women shift from the subsistence to the capitalist sectors. It is

possible to make the shift by ensuring equal access to education for all and minimizing gender inequalities in labour-force participation.

2.2.7. Galor-Weil Model

In 1996 Galor and Weil put forth a model that describes an economy with three sources of production: capital, labour (often referred to as 'brain') and physical labour ('brawn'). It is important to note that both genders possess capabilities whereas males have comparatively more physical strength. In an economy where the capital, to worker ratio's low women tend to prioritize childrearing due to an opportunity cost compared to men. However, with the introduction of advancements over the duration the stock of capital per worker increases. Capital and mental labour exhibit a relationship than capital and physical labour.

Consequently, as the economy accrues capital-stock per worker the returns on labour surpass those on physical labour. This leads to an increase in the opportunity cost of childrearing for women as their relative incomes rise. The negative substitution effect on child demand outweighs the income effect resulting in a decline in fertility rates. As fertility rates decrease, the accumulation of capital per worker accelerates triggering a fertility transition and initiating a long-term process of growth. According to this hypothesis reducing gender inequality in terms of education and relative incomes proves beneficial, for achieving growth. The current study however will not differentiate the labour available in the market.

2.3 Empirical Literature

A research by Dollar and Gatti (1999) compared gender inequality over time in several nations. Measures included education, health, marriage, economic and legal equality in society, and women's empowerment (women in parliament). Data from 127 countries

during a five-year period, from 1975–1979 to 1990, were evaluated for the study. It is clear from the report that women in impoverished countries are treated differently than women in developed countries. Additionally, the gender gap in education affects growth. Additionally, improvements in per capita income are associated with advancements in gender equality. This result is in line with other studies conducted in this area. The current study will ascertain how gender inequality affects Kenya's development.

Kiriti and Tisdell (2003) conducted an investigation, into the gender disparity, poverty and indicators of development in Kenya. Their study involved an analysis of data from human development indices spanning the years 1970 to 2000. Various aspects, including poverty rates, education and literacy rates, female representation in institutions of power, life expectancy, GDP per capita Human Development Index, Gender Related Development Index and the Gender Empowerment Measure were meticulously examined in the research. The findings revealed a trajectory in poverty predominantly affecting women. As per the reports analysis the heightened poverty levels among women stemmed from gender disparities in the labour market decision making within families and access to and management of economic and social resources. However, the study did not explicitly investigate the influence of these inequalities, on Kennya’s growth. This is what the present study aims to delve into and unravel.

In the north and central Meru regions of Kenya, Naituli, Wegulo, and Kaimenyi (2006) investigated the entrepreneurial characteristics of micro and small-scale women-owned businesses. Formal education, ownership of additional revenue-generating businesses, and business training were the variables used. The findings revealed that women's

choice of business activity was influenced by their degree of education and business training. Women also needed help raising their initial funding. According to the survey, the obstacles women encounter in micro and small-scale businesses result from gender inequity. The new study intends to broaden the scope of gender disparity in Kenya.

Blackden, Canagarajah, Klasen, and Lawson's (2007) study sought to investigate how gender inequality affects a nation's ability to develop. To demonstrate how an imbalance in gender representation in formal sector employment and education impedes progress, the researchers used nation regression analysis. The study made clear that differences in access to productive resources and land had an impact on modernisation, investment, and production. Women's capacity to fully engage in and profit from Africa's development and poverty alleviation initiatives is further limited by inequality and a heavy demographic burden. The effects of gender inequality in Kenya will be the specific focus of this study.

Klasen and Lamanna (2008) looked at how the economic development of emerging countries was impacted by gender inequality in the workplace and in education. The researchers used panel regression and cross-country regression studies from 1960 to 2000 to investigate this relationship in the Middle East, North Africa, and South Asia. Their study demonstrated that growth in these domains was impacted by gender disparities in employment and education. The study specifically discovered that gender inequality reduces human capital, which obstructs advancement. Thus, the purpose of this study is to ascertain whether similar processes hold true in Kenya.

Ward, Lee, Baptist, and Jackson (2010) sought to demonstrate how more gender equality might boost economic growth in underdeveloped nations. Various factors such, as capital, physical capital, the rule of law, competitive markets, macroeconomic

stability, infrastructure, openness, to trade and investment and higher agricultural productivity were considered essential in determining growth. According to the study, reducing gender disparity can influence economic growth by boosting human capital, labour productivity, and agriculture production. This study aims to see if the findings apply to Kenya as a developing country.

Using a metric known as the gender inequality index (GII), Ferrant (2010) focused on investigating gender disparity in developing countries. By using correspondence analysis (MCA), the researchers created this index with the intention of bringing attention to the issues surrounding gender disparity. The study employed Seemingly Unrelated Regressions (SUR) using the GII as a component to more thoroughly examine the connection between gender disparity and economic progress. The report emphasises how gender inequality affects growth. It demonstrates how the immediate and indirect consequences of gender inequality, such as lower investment and demographic and institutional ramifications, impede growth. Understanding the direct and indirect effects of gender inequality on Kenya's growth is the aim of this research.

Cuberes and Teignier (2012) looked into how per capita income and total productivity were affected by gender disparities in entrepreneurship and labour force participation. The developed method was based on the notion that women and men were equally capable. Cross-country statistics are analysed in the study. If women were prohibited from engaging in entrepreneurship, the average output would drop by almost 12%, according to the research findings. A shrinking skill pool is the cause of this decrease. Additionally, there would be a 40% drop in per capita income if all women were completely excluded from the labour sector. This emphasises the value of women's inclusion in a variety of fields and the impact they have on society. It is important to

note that these results highlight the negative effects on productivity and personal wealth of keeping women out of the workforce and from entrepreneurship. Moreover, the output per worker would decrease by 10% if all women were excluded from leadership roles. This thesis shows that differences in labour force participation between genders hinder economic progress. The model's presumption that men and women have equally allocated talent will be used in this investigation.

In their study Agenor and Canuto (2013) aimed to investigate the lasting consequences of gender equality initiatives, on Brazil's growth. To assess the effects, they employed a gender focused Overlapping Generations model that examined aspects such as women's distribution of time, between employment raising children enhancing capital and managing household tasks. The data came from two experiments. The first was a program aimed at increasing access to essential infrastructure. Simultaneously the second initiative focused on implementing a "pay, for work" policy to address gender bias within the job market by actively enforcing anti-discrimination laws. The research findings illustrated that fostering gender equality in Brazil, where external factors related to infrastructure can influence how women allocate their time and negotiate resources within their families can have an effect on term economic growth, human capital development and overall health outcomes. To that end the current study aims to assess the implications of promoting gender equality, in Kenya.

A study by Indingasi (2015) examined the connection between gender inequality and Kenya's educational and labour force participation growth. To do this, the study employed the Autoregressive Distributed Lag model. Analysis was done using time series data from 1990 to 2012. The results demonstrated that gender inequalities in schooling had an effect on both short-term and long-term growth. Contrary to the

study's conclusions, it was discovered that gender differences in labour force participation had no appreciable effect on growth. Building on these results, the current study intends to assess indicators of gender inequality and conduct a more thorough investigation into education and labour force participation.

Onunga (2015) looked into the connection between gender inequality, financial development, and economic growth in Kenya. To make this correlation, they looked at data from 1980 to 2012 using the Autoregressive Distributed Lag (ARDL) model. The findings demonstrated that, like financial advancement, eradicating gender inequity boosted economic growth. Building on these findings, the current study will look into how gender disparity and Kenya's economic growth are related. The study also suggested for adequate measures to reduce gender inequality among the members of the society. This is because equality between gender ensure equal opportunity for all in terms of employment opportunities, property ownership and knowledge acquisition.

Hakura *et al*., (2016) did a study that focused on analysing economic growth, gender differences, and inequality in Sub-Saharan Africa. Data from 1990 to 2015 was analysed using panel regressions, which contrasted Sub-Saharan Africa with countries that are rapidly developing. The study found that growth is hindered by gender-related legislative limitations, financial disparity, and gender inequality. The study suggests that in order to promote long-term prosperity, governments in Sub-Saharan Africa should concentrate on lowering wealth and gender inequities. The current study tries to examine how lowering gender inequality affects Kenya's economic growth.

In their study published by Kim, Lee and Shin (2016) explored the link between economic development and gender disparity. Their study concentrated on how women divided their time between market occupations, domestic work, raising children, and

schooling. The researchers developed a model that illustrated the relationship between gender inequality and economic growth by analysing level data from Asian nations and carrying out several policy trials. Their research indicates that attaining gender equality in the economy will significantly boost both total and per capita income. Furthermore, according to their model, the benefits of eradicating gender inequity will only increase over time. Through an analysis to ascertain the possible influence of eliminating gender imbalance on the nation's economic growth, this inquiry seeks to investigate whether similar trends apply in the Kenyan setting.

The impact of gender inequality on impeding progress was examined in a study by Klasen and Silva (2018), which highlighted the impact of gender inequality on economic growth and examined how it affects development. The study concluded that future research should concentrate on understanding men's role in maintaining gender inequality, analysing gender inequality from a historical perspective, and distinguishing between acquired and desired fertility. It is noteworthy that some of the study's hypotheses were included in the research project.

In order to ascertain if more gender equality fosters economic growth, Betray *et al*., (2020) analysed the proportion of women employed in industries in countries with high and low levels of gender inequality. The study found that an industry's value-added (and labour productivity) growth rates are 1.7 percentage points faster in countries with lower gender inequality than in those with higher gender inequality. This is particularly true for sectors of the economy where a greater proportion of workers are women. The study concluded that gender disparity had an effect on real economic results. The study used GII as a measure of gender inequality, just like the current study does. The current

study aims to comprehend how gender inequality and Kenya's economic growth are related.

Giron and Kazemikhasragh (2022) investigated the impact of gender disparity on economic growth using data for developing and less developed countries in Asia and Africa from 2010 to 2018. Panel vector auto regression analysis and the Arellano-Bond model were used in the study. The findings show that the Gender Inequality Index and economic development are negatively correlated. Examining the relationship between Kenya's economic growth and the gender disparity index is the aim of the current study.

2.4 Overview of Literature

Theoretically, more labour, money, savings, and resources like land are the main drivers of economic expansion. While the theories concur on these aspects, they differ on how the different elements work together to generate long-term growth (Blackden *et al*., 2007). The model served as the underpinning for the study since it takes labour and human capital into account. Both the amount and quality of labour available in the market are impacted by gender inequality (Ward *et al.*, 2010). Global economic growth is negatively impacted by gender disparity, according to the examined empirical studies.

The research findings also emphasised the factors that contribute to gender inequality, such as the fertility rate, the way women balance work and childcare, employment opportunities, the representation of women in positions of decision-making, and the ownership of assets like capital and land (Agenor & Canuto, 2013). Investigating these causes of gender inequality in Kenya was the main goal of our most recent study. Furthermore, a thorough review of the literature showed that gender inequality has

long-term effects that are substantial. Thus, the main aim of the current study was to evaluate how gender inequality affects growth in the Kenyan environment.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

The theoretical framework, model specification, variable definition and measurement study area, target population, data analysis methodology, and time series properties are among the components of the study design that are discussed in this chapter.

3.2 Study Design

This study's goal is to evaluate how gender inequality affects Kenya's economic development. This study used a non-experimental methodology since the variables being examined are unmanageable. Since there are many interconnected elements that affect gender disparity and economic growth, it is impossible to isolate them, which is why the non-experimental approach is the best option for this study. The study made use of annual data from 1995 to 2023 to carry out the study.

3.3 Theoretical Framework

In Chapter Two, several economic growth theories and models were discussed. This study is based on Robert Solow's 1950s neoclassical theory of economic growth. The hypothesis suggests that an economy's growth rate is influenced by two factors: an increase, in supply and improved labour and capital productivity. This hypothesis is relevant to our investigation, as existing studies indicates that gender disparity affects both the quantity of labour supply and labour productivity. Gender imbalance in schooling can have a detrimental impact on the quantity and quality of labour available. Furthermore, unequal access to resources, including land, by gender can have an impact on capital productivity, which slows economic growth. The production function that follows is used to demonstrate the Solow model:

Y = **A *f* (K, L) …**……..……3.1

Let us consider a model where Y represents the output, A represents development, L represents labour and K represents capital. By utilizing a Cobb Douglas production function, we can express the model as follows:

Yt = Kt^α (AtLt)^ (1 α) 3.2

Here t denotes time. The output (Y) will experience changes over time solely based on variations, in the production inputs, capital (K) technological progress (A) and labour (L). The impact of A and L is multiplicative. The product of A and L represents labour (AL). Moreover, it is important to note that 0 < α > 1 signifies returns to scale within the equation. The parameter α indicates the elasticity of capital whereas 1 α represents the elasticity of labour. It is expected that both L and A will grow exogenously at rates n and g respectively. Consequently, effective labour within the economy (AtLt) will exhibit growth rate of (n+g).

Furthermore, the capital stock experiences depreciation over time, at a rate denoted by δ. It's worth noting that only a fraction of the output denoted as cYt is used for consumption, where 0 < c > 1. The remaining portion of the output is saved for investment purposes. Therefore, the saved amount can be calculated as s = (1. C)Yt.

Investment can be represented by the equation:

dKt/dt = sYt. ΔKt..... 3.3

In addition, let’s consider k = K/AL as the capital stock, per labour unit and y = Y/AL as the output per labour unit. Under the supposition of returns to scale the output, per labour unit can be expressed as follows:

$$y_t = \frac{Y_t}{A_t L_t} = \frac{K_t{}^{\alpha} A_t L_t{}^{1-\alpha}}{A_t L_t} = k_t{}^{\alpha} \quad \text{.....3.4}$$

Equation 3.3 can therefore be written as follows;

$$\frac{dKt}{dt} = sk_t{}^{\alpha} - (n+g+\delta)\,kt \quad \text{.....3.5}$$

Where $sk_t = sy_t$ and denotes the actual investment per unit of effective labour. $(n+g+\delta)$ The amount of investment required to keep k from dropping is referred to as the break-even point. In the long term, k tends to converge to a steady-state k*, which is expressed as follows: kt sk_t= (n+g+) kt

Therefore, at steady state, $k^{*} = \left\{\frac{s}{n+\delta+g}\right\}^{\frac{\alpha}{\alpha-1}}$ 3.6

Likewise, steady-state $y^{*} = \left\{\frac{s}{n+\delta+g}\right\}^{\frac{\alpha}{\alpha-1}}$ 3.7

3.4 Model Specification

According to Todaro & Smith (2006), the neoclassical theory states that three factors—an increase in capital, an upgrade in technology, and a rise in the number and quality of labor—are necessary for output growth. The quantity of labour increases due to population growth and the quality of labour increases due to an increase in education levels. Capital increases due to the increase in savings and investments. Gender inequality has a direct and indirect impact on economic growth since it influences both the amount and quality of labour as well as capital accumulation. Gender discrimination was proxied using the Gender Inequality Index (GII). This is due to the fact that the GII is a composite metric that incorporates a number of gender inequality characteristics.

The analytical method was utilised to address objective number one, which is to explore the causes of gender inequality in Kenya. As illustrated in equation 3.8, the study ran a regression on all determinants of gender disparity discovered in the empirical literature presented in chapter two using data from 1995 to 2023.

$$GII = \alpha_0 + \alpha_1 FR + \alpha_2 FLP + \alpha_3 FLL + \alpha_4 FER + \alpha_5 FPR + \alpha_6 FAL + e \quad \ldots\ldots\ldots\ldots 3.8$$

Where GII is Gender inequality, FR is fertility rate, FLP is female's labour market participation, Female's literacy levels, FER is female's employment rate, FPR is female's political representation and FAL is female's access to loans.

In order to address objective two, which focuses on understanding the impact of gender inequality, on economic growth in Kenya this study employed a model derived from Ferrants (2010) study. The estimation of this model will be carried out using both Squares (OLS) and Three Stage Least Squares (3SLS) methodologies. This will allow us to effectively measure both the indirect effects of gender inequality, on growth.

$$GDP_t = a_o + a_1 INV_t + a_2 POPG_t + a_3 LFG_t + a_4 GII_t + e_{1t} \quad \ldots\ldots\ldots\ldots 3.9$$

Where t represents time, GDP represents GDP growth, INV represents investment, POPG represents population growth, LFG represents labour force growth, GII represents the Gender Inequality Index, and e represents the error term. To estimate equation 3.9, the OLS method was utilized. The findings demonstrated the direct impact of gender disparity on Kenya's economic growth.

3.5 Definitions and Measurement of Variables

Table 3.1: Definition and measurement of variables

Specific Variable	Description	Measure
Economic Growth	A growth in a country's capacity to generate products and services.	GDP growth rate
Investment	Denotes the process of capital formation, encompassing the total value of capital goods, including fixed capital assets and produced stocks, within an economy over a specific period.	GDP as a percentage of gross fixed capital formation.
Population growth	Refers to a rise in the overall population of a nation.	Population growth rate
Labour force growth	Denotes a rise in the number of employed persons as well as those who are unemployed but looking for work.	Labour force growth rate
Gender Inequality	It refers to individuals being treated unequally because of gender disparities.	Gender Inequality Index (GII)
Fertility rate	A woman who lived to the end of her reproductive years and had children in accordance with the present age-specific fertility rates, the total fertility rate would equal the number of children she would have.	The overall rate of fertility
Female's labour market participation	When women actively participate in the workforce, whether through paid employment, self-employment, or any other type of profitable economic activity, this is referred to as female labour market participation.	The proportion of Kenyan women working as a percentage of the country's overall workforce
Female's literacy levels	The percentage of girls over 15 in a population who are proficient readers and writers is known as the female literacy rate.	Female's literacy rate
Female's political representation	Female political representation refers to the presence and active involvement of women in political decision-making processes and institutions at various levels, including local, regional, and national governance structures.	Share of women in political seats

3.6 Study Area and Target Population

Annual time series data from 1995 to 2023 were used in this investigation. The entire population of Kenya, which grew from 26,878,347 in 1995 to 55,339,000 in 2023, was the target of the statistics.

3.7 Data Analysis

Equations 3.9 through 3.12 were estimated using Ordinary Least Squares. Equation 3.9 estimates show how gender inequality directly affects economic development. The estimation equations 3.10, 3.11, and 3.12 show how gender inequality affects investment, population growth, and labour force growth. The regressions also examined the direct effects of gender inequality on economic growth through population growth, labour force expansion, and female investment levels. To achieve the two objectives, the study employed an ordinary least square on equations 3.9 and 3.10.

3.8 Time Series Properties

3.8.1 Stationarity Test

Stationarity is a situation in which the variables have mean equals to zero and a constant variance over time. A stationary test must be performed to guarantee that the results are statistically sound and economically useful. The stationarity test was performed by the study using the Philip Perron test and Augmented Dickey Fuller (ADF). Both tests were used to ensure that both the means and variance are constant over time to avoid chances of getting spurious results.

3.8.2 Co-Integration Test

To assess the link between the variables in the study, a co-integration test was performed. The Johansen test was preferred because it enables for the examination of several co-integrating relationships.

3.8.3 Correlation Analysis

The test was conducted Spearman's Moment of Correlation. This was necessary to ensure that all the study variables were not highly correlated with one another before any estimation to achieve the study objectives is performed. The analysis was normally done after converting the variables into natural logarithm except those variables which are in ratio, index and or percentage form. The variables that showed a high degree of correlation were excluded from the model's estimation. However, the test revealed that none of the variables were highly associated, so they were used to analyse how gender disparity affected Kenya's economic growth.

3.9 Diagnostic Tests

To make sure the error term is independent of the study's exogenous factors and that the data is distributed evenly over the time series period, diagnostic tests were conducted. Normality, stability, multicollinearity, heteroscedasticity, serial correlation, and lag length selection were the diagnostic tests that were performed.

3.9.1 Normality Test

The Histogram-Normality test was used to administer the test. The test was required to make sure that the study's variables were dispersed equally across the course of the investigation.

3.9.2 Stability Test

The test was conducted using CUSUM test in order to specify the model and to ensure the model used is good for the analysis

3.9.3 Multicollinearity Test

Multicollinearity among the independent variables is present when the coefficients are greater than 10 and absent when they are less than or equal to 10. The test was conducted using the Variance Inflation Factor (VIF). During the test, it was established

that there was no multicollinearity because the coefficients were less than or equal to 10 hence chances of getting spurious results were minimal.

3.9.4 Heteroscedasticity Test

When the error term's variance varies with time, it is said to be heteroscedastic. The Breusch-Pagan-Godfrey test was used, and in order to prevent non-statistical outcomes, it was essential to make sure that the residual variance remained constant over the course of the test.

3.9.5 Serial Correlation Test

When the model is mis-specified by leaving out a crucial variable, the error term and the regressors in the estimate model are associated, which results in serial correlation in time series data. Breusch-Godfrey methods were used to conduct the test. The test was run at a significance level of 5 percent.

CHAPTER FOUR

EMPIRICAL RESULTS AND DISCUSSIONS

4.1 Introduction

The chapter presents description of the study variables, stationarity tests, correlation, diagnostic tests and empirical findings per objective.

4.2 Descriptive Statistics

Table 4.1 displays descriptive statistics that quantify central tendency, including the study's mean, standard deviation, minimums, and maximums.

Table 4.1: Descriptive Statistics

Variable	Observations	Mean	Standard Deviation	Minimum	Maximum
Labour Force Participation (%)	29	47.04293	2.999249	41.77	51.806
Labour Force Growth	29	-0.33586	0.305433	-0.91	0.35
Gross Domestic Product (%)	29	4.062069	2.177222	-0.3	8.1
Female Unemployment Rate (%)	29	3.705414	1.096253	2.945	6.342
Population Growth (%)	29	2.616897	0.219953	2.23	2.99
Investment (%GDP)	29	18.89517	2.149961	15.39	23.88
Gender Inequality Index	29	0.602448	0.075606	0.502	0.704
Women Political Representation	29	11.82246	7.698919	2.754814	22.87415
Fertility Rate (%)	29	4.370448	0.770684	3.118	5.459
Female Labour Participation	29	70.96114	0.498796	70.078	72.086
Female Literacy Level (000)	29	190.0862	133.4639	61.1	496.4

Source: Study Data Computations

According to the findings, the average female labour force participation rate is 47.04 percent, with a standard deviation of almost 3.0 percent. Between 41.77 and 51.81 percent of people participate. This suggests that during the study period, the percentage

of working women was somewhat less than 50%. The labour force growth rate is declining at a decreasing rate, with a maximum growth of just 0.35 percent, according to its negative mean value of -0.34 percent. The growth rate is insufficient to advance gender equality in the workforce. On average, 70.9% of Kenyan women are either employed or actively seeking employment. With a mean of 3.71 percent and a standard deviation of 1.10 percent, the average unemployment rate for women in Kenya during the study period was 3.71%, with a range of 2.95 percent to 6.34 percent.

Over the course of the study, the GDP increased by an average of 4.06 percent, with the lowest growth being -0.3 percent and the highest growth being 8.1 percent. A supply chain disruption during the COVID-19 pandemic in 2020 startled the economy and caused it to stagnate, resulting in negative growth. 2010 saw the highest GDP growth rate of 8.1 percent because to the implementation of economic stimulus programs outlined in the second medium-term economic plan (MTP-II).

The gross fixed capital formation as a proportion of GDP showed an investment level of 18.90 percent with a mean value of 2.15 percent and a maximum of 23.88 percent, whilst the population growth rate was 2.62 percent with a maximum value of around 3.0 percent. The gender inequality index ranged from a minimum of 0.5 to a maximum of 0.7, with a mean value of 0.6 more than half. Therefore, a higher inequality score denotes gender disparity or unequal opportunities across all domains of human development.

Women's political representation, which gauges active political activity, had a mean of 11.82 percent, a minimum value of 2.75 percent, and a maximum value of 22.87 percent. Also, the two-third gender rule, which is enshrined in the 2010 Kenyan constitution and other international regulations, was not put into practice. Women's

participation in all socioeconomic and political activities within the economy is impacted by the fertility rate, which throughout this time had a mean of 4.4 percent with a low of 3.1 percent and a high of 5.5 percent.

This means that each woman gives birth to at least four children and up to six. Finally, there has been a notable development in the literacy level of women in the economy, with a mean of 190,086 women completing secondary school education nationwide, compared to a minimum of 61,100 women and a maximum of 496,400 women.

4.3 Stationarity Test

According to Dickey Fuller (ADF), a unit root test was used for the test. According to Phillips and Xiao (1998) and Stock (1994), the existence of a unit root indicates non-stationary. While the alternative hypothesis asserts that the variables are stationary, the null hypothesis contends that they are not. The analysis rejects the null hypothesis of non-stationarity if a unit root is found; otherwise, it is unable to reject the alternative hypothesis of stationarity of the variables under investigation. The test was performed at both levels, following the initial difference, and at the intercept, trend, and intercept. The test was also conducted using a 5% threshold for statistical significance. If a variable's t-statistics P-value was greater than 0.05 at the five percent significance level, it was deemed non-stationary; if it was less than 0.05, it was deemed stationary. The test results are displayed in table 4.2.

Table 4.2: Unit Root Test

Variables	Level	t-Statistics	P-value
Labour force Growth (I1)	Intercept	-4.685	0.0001
	Intercept & Trend	-4.67	0.0008
Gross domestic Product (I0)	Intercept	-4.818	0.0001
	Intercept & Trend	-5.365	0.000
Gross Fixed Capital Formation %GDP (I1)	Intercept	-6.439	0.000
	Intercept & Trend	-6.248	0.000
Gender Inequality Index (I1)	Intercept	-5.213	0.000
	Intercept & Trend	-5.106	0.0001
Women Political Representation (I1)	Intercept	-5.565	0.000
	Intercept & Trend	-5.471	0.000
Female Labour Participation (I1)	Intercept	-5.527	0.0454
	Intercept & Trend	-5.435	0.000
Female Literacy Level (I1)	Intercept	-3.978	0.0015
	Intercept & Trend	-5.929	0.000
Labour Force Participation (I1)	Intercept	-4.249	0.0005
	Intercept & Trend	-4.549	0.0013
Female Employment Rate (I1)	Intercept	-4.651	0.0001
	Intercept & Trend	-4.542	0.0013
Population Growth rate (I1)	Intercept	0.16	0.0969
	Intercept & Trend	0.221	0.0996
Fertility rate (I1)	Intercept	-3.654	0.0048
	Intercept & Trend	3871	0.0133

Source: Study data computations

The findings indicate that all research variables were stationary at the 5 percent statistical level, with the exception of the population growth rate, which continues to exhibit a unit root even after a second difference. With the exception of the gross domestic product, which was stationary at level, stationarity emerged after the first

difference (I(1)). This suggests that all of the study's variables were employed to meet both the general and particular goals of the investigation.

4.4 Correlation Analysis

The Spearman Moment of Correlation was used to conduct the analysis. Before doing any estimation to meet the study objectives, it was required to make sure that none of the study variables had a high correlation with one another. The analysis is normally done after converting the variables into natural logarithm except those variables which are in ratio, index and or percentage form. Since all the study variables were in form of ratio, index and percentages, the test was conducted without any conversion. The test was conducted at 5 percent significant level.

The general rule is that if the correlation coefficient is less than 0.8, it means that the variables are not highly associated, and if it is larger than 0.8, it means that the variables are highly correlated. The findings show that every variable had a correlation coefficient of equal to or less than 0.8, with the exception of women's political representation, which was excluded from the model's estimation because its correlation coefficient was more than 0.8. Table 4.3 presents the findings.

Table 4.3: Correlation Analysis Matrix

Variables	Labour force Growth	Gross domestic Product	GFCF %GDP	Gender Inequality Index	Political Representation	Fertility rate	Labour market Participation	Women Employment Rate	Pop Growth rate	Literacy Level
Labour force Growth	1.000									
Gross domestic Product	0.1683	1.000								
GFCF %GDP	-0.0712	0.2468	1.000							
Gender Inequality Index	0.1953	0.121	0.0889	1.000						
Political Representation	-0.1902	-0.1447	-1534	-0.9009	1.000					
Fertility rate	-0.5777	-0.173	-0.179	0.0544	0.0579	1.000				
Labour market Participation	-0.0781	0.4183	-0.083	0.003	0.0555	0.0436	1.000			
Women Employment Rate	0.37	0.0737	-0.007	0.2977	-0.1479	0.2625	-0.1666	1.000		
Population Growth rate	-0.1499	-0.1784	-0.035	-0.1541	0.0189	-0.262	0.1221	-0.7657	1.000	
Literacy Level	0.5559	0.2089	-0.100	0.1047	-0.0484	-0.340	0.011	0.5366	-0.6249	1.000

Source: Computations from study data

The findings show that while certain variables had a favourable connection, others had a negative one. The impact of gender disparity on economic growth in Kenya from 1994 to 2023 was examined using correlation coefficients that were less than or equal to 0.8, with the exception of women's political representation.

4.5 Lag Length Selection

Optimal lag length was selected using various criteria (Akaike Information Criterion, Schwarz Information Criterion, Hannan-Quinn Criterion, Final Prediction Error and corrected version) as proposed by Akaike (1981), Chow (1981), Hannan and Quinn (1978) and Liew (2004) to obtain maximum lag length for the model. The results are presented in table 4.4

Table 4.4: Lag Length Selection

Lag Length	LL	LR	df	p	FPE	AIC	HQIC	SBIC
0	-63.392				6.90E-08	6.20804	6.30737	6.60299
1	65.389	257.56*	64	0	3.50E-10	0.574885	1.46885	4.12948
2	.	.	64	.	-1.7e-42*	.	.	.
3	5828.7	.	64	.	.	-490.843*	-488.559*	-481.759*
4	5745.72	-165.95	64	.	.	-483.628	-481.343	-474.544

Source: Computations from study data

The results show that based on the three criteria (AIC, HQIC & SBIC), the optimal lag length is three, therefore, the study selected 3 lag lengths. This was necessary to take care of any lagged variables in the dataset.

4.6 Diagnostic Tests

The tests were conducted after estimation. The tests include; heteroscedasticity, normality, serial autocorrelation, multicollinearity tests.

4.6.1 Heteroscedasticity test

The Breusch-Pagan-Godfrey test was used to administer the test. To determine whether the erroneous term was homoscedastic, the test was required. Table 4.5 presents the findings.

Table 4.5: Heteroscedasticity test

Model	F-statistics	P-Value	Chi-Square	P-Value
Model 3.8	1.1425	0.3789	9.0965	0.3342
Model 3.9	1.640	0.1789	10.250	0.1749

Source: Computations from study data

The significance level for the test was set at 5%. The F-statistic values were 1.1425 and 1.640, both of which were greater than 0.05 at the five percent significance level, with corresponding probabilities of 0.3789 and 0.1789. The study's alternative hypothesis was that the error term's variance was constant, while the null hypothesis was that it wasn't. The findings showed that the variance of the error term is constant, indicating that the model was dependable for examining the factors influencing gender inequality in Kenya and the relationship between gender inequality and economic growth in the nation. Because the P-values for the F-statistics in models 3.8 and 3.9 are both higher than 0.05, the study cannot rule out the null hypothesis.

4.6.2 Serial Correlation Test

The Breusch-Godfrey method was used to conduct the test. To determine the connection between the estimate model's independent variables and the error term, the test was required. The results are displayed in Table 4.6.

Table 4.6: Serial Correlation LM Test

Model	F-statistics	P-Value	Chi-Square	P-Value
Model 3.8	3.0522	0.0922	7.344	0.0614
Model 3.9	0.7817	0.4718	2.205	0.3321

Source: Computations from study data

The findings show that, at the five percent significance level, both the F-statistic and Chi-Square probability are more than 0.05. The alternative hypothesis states that there is serial correlation between the independent variables in the study, whereas the null hypothesis states that there is none at all. The model was perfectly suited for analysing the impact of gender disparity on economic growth in Kenya because the results showed that the P-values were more than 0.05 at the five percent significant level. As a result, the analysis was unable to rule out the null hypothesis that serial correlation did not exist.

4.6.3 Normality Test

The Histogram-Normality test was used to conduct the test. To determine the residual's distribution throughout the data set, the test was required. The results are displayed in Figures 4.1 and 4.2.

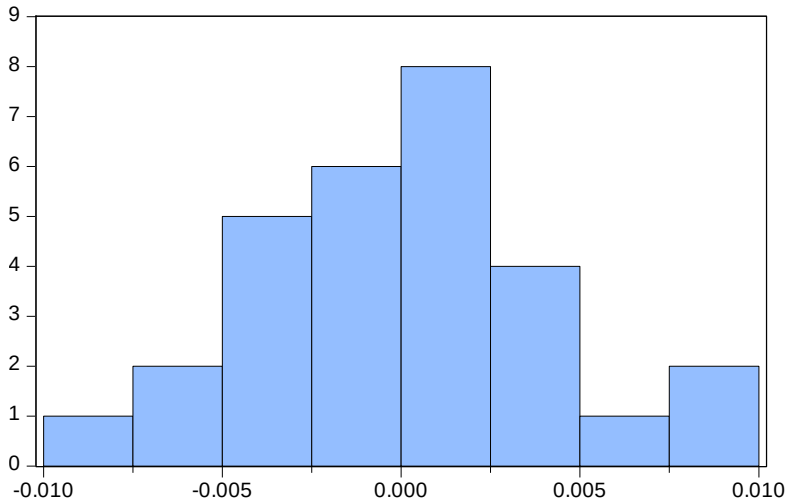


Figure 4.1: Normality test- model 3.8

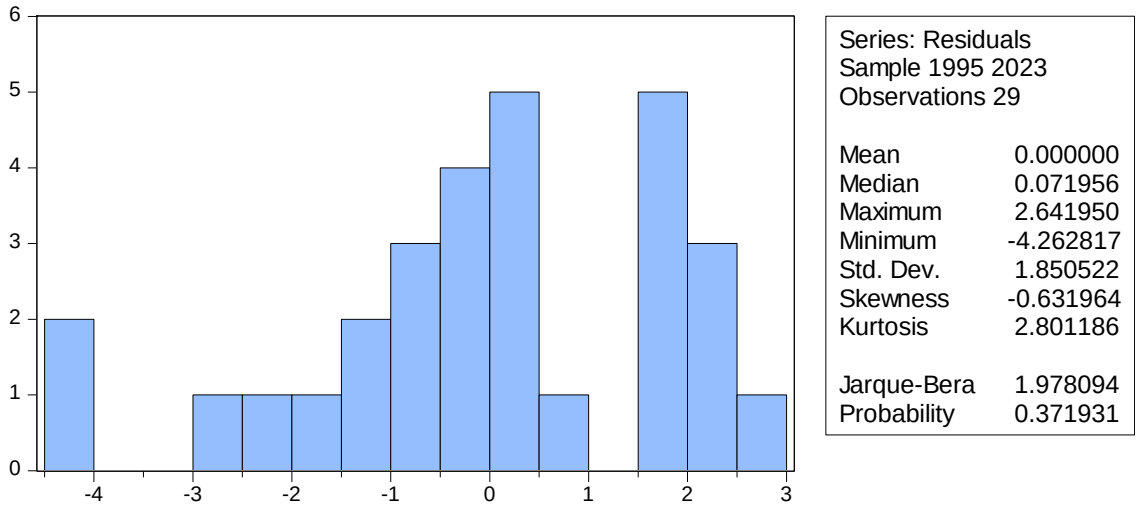


Figure 4.2: Normality test- model 3.8

The findings in figures 4.1 and 4.2 demonstrate that the P-values of Jarque-Bera are greater than 0.05 at the five percent statistical level, suggesting that the residuals are uniformly distributed and that there was little possibility of obtaining erroneous estimation results. Additionally, the two models' mean values were either zero (0) or very near to zero, which suggests that the mean values are accurately fitted and support the model's even residual distribution.

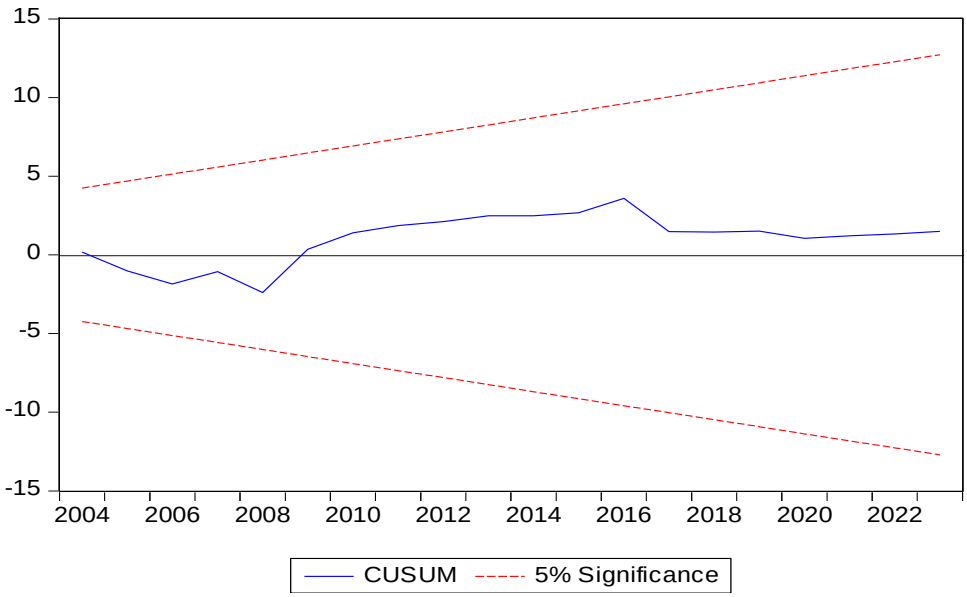
4.6.4 Multicollinearity test

To determine the link between the independent variables in the two models, the Variance Inflation Factor (VIF) was used in the test. Appendices A1 and A2 for models 3.8 and 3.9, respectively, include the results.

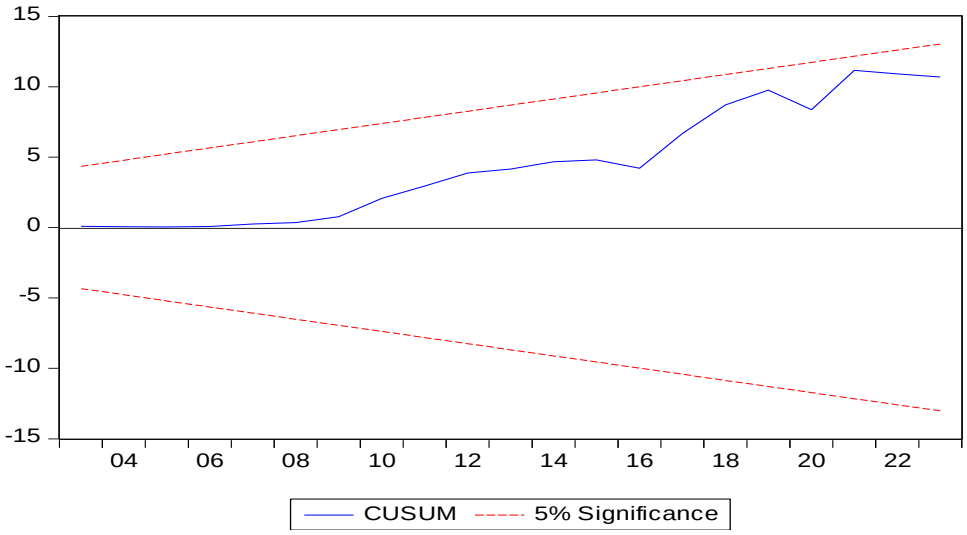
As a general rule, a coefficient of less than or equal to 10 indicates no multicollinearity, whereas a value of more than 10 indicates the presence of multicollinearity. The results show that the coefficients were less than 10. According to the study's findings, there was no multicollinearity, which reduced the possibility of obtaining erroneous results.

4.6.5 Stability Test

The test was conducted using CUSUM test. It was done to establish specificity of the model. Figures 4.3 and 4.4 show the results



Source: Study Data



Source: Study Data

The findings show that, at the five percent significance level, every independent variable's coefficient falls inside the range. This indicates that future changes in GDP can be described by changes in gender inequality in the economy, demonstrating that independent factors can explain future changes in dependent variables.

4.7 Empirical Findings

The purpose of the study was to determine the impact of gender inequality on Kenya's economic growth. The particular goals of the study were to determine the reasons for Kenya's gender inequality and evaluate the impact on economic growth. To achieve the two objectives, OLS was used to evaluate the impacts.

4.7.1 Factors contributing to gender inequality in Kenya

Finding the elements that lead to gender inequality in Kenya was the study's primary goal. The study used OLS to accomplish the goal, and table 4.7 shows the findings.

Table 4.7: Factors contributing to gender inequality in Kenya

Dependent Variable: Gender Inequality Index				
Variables	**Coefficients**	**Standard deviation**	**t-statistics**	**P-value**
Fertility rate	0.2986	0.0576	5.18	0.028
Labour market participation	0.002436	0.003049	0.80	0.434
Literacy level	-0.003954	0.00104	-3.81	0.001
Female unemployment rate	-0.001488	0.001116	-1.33	0.197
Labour force participation	7.54E-06	0.00434	0.15	0.881
Political representation	-0.0437	0.00434	-10.07	0.000
Constant	-0.1355	0.05581	-8.43	0.004
F-Statistics (9, 17)	**20.1**	**R-Squared**		**0.8577**
Probability of F-Statistics	**0.000**	**Adjusted R-Squared**		**0.8151**
Durbin Watson	**1.94**			

Source: Computation from study data

According to the results, the adjusted R-squared was 0.8151, implying fertility rate, female labour market participation, female literacy level, female unemployment rate, female labour force participation, and female political representation account for approximately 81.5 percent of the changes in gender inequality in Kenya. However, other factors outside the purview of this study account for only 18.49 percent of the changes in gender inequality. According to the general rule, a Durbin Watson value above 1.8 indicates the lack of autocorrelation, hence the model was effective in identifying the causes causing gender inequality in Kenya. The Durbin Watson value

was 1.94. Additionally, at the five percent significance level, the probability of F-statistics was 0.000, suggesting that the model was well-suited for analysing the variables that influence gender inequality in the economy. Finally, at the five percent significance level, the constant term's coefficient was statistically significant and negative (-0.01355). This indicates that, despite its small scale, gender inequality would be detrimental if the study had not taken certain aspects into account.

The women's fertility rate coefficient was positive (0.02986) and significant at the five percent significance level. This indicates that a one-child increase in a woman's childbearing age causes a 2.99 percent rise in gender disparity. This is because the gap between the two gender classes would grow if women were unable to actively engage in human development activities including education, health improvement, and income generating.

Because men and women have equal opportunities to earn any given number of years of education, a one-year increase in literacy may also lessen gender inequality in the economy to a minor degree. The female literacy level coefficient, on the other hand, was negative (-4.67E-06) and statistically significant at the five percent statistical level.

However, at the five percent significance level, the coefficient of women's political representation was statistically significant and negative (-0.0437). This means that an increase in women representative in national politics by one percentage point reduce gender inequality by 0.0437 percentage points. This is because setting the number of women and men in election politics ensure equality in representation hence reduction in gender inequality in the economy. The findings are in line with Hakura (2016) gender legislative increases women representation in parliament and elective politics.

The coefficient for the female unemployment rate was found to be negative (-0.00149) and statistically insignificant at the five percent significance level. This indicates that a one-woman reduction in female unemployment lowers gender disparity in the economy by 0.159 percentage points. Women's employment gives everyone an equal chance to engage in economic activity. Similarly, it was determined that both male and female labour market participation were statistically insignificant, meaning they have no bearing on gender disparity in Kenya.

4.7.2 Impact of gender inequality on economic growth

Evaluating the effect of gender inequality on Kenya's economic growth was the study's second goal. The study used linear regression on the study variables to accomplish the goal, and findings are highlighted in table 4.8.

Table 4.8: Impact of gender inequality on economic growth.

Dependent Variable: Gross Domestic Product (GDP)				
Variables	**Coefficients**	**Std. dev**	**t-statistics**	**P-value**
Gender Inequality index	-89.357	23.149	4.86	0.0034
Investment (% GDP)	0.5465	0.1972	2.77	0.0083
Fertility rate	-37.18	27.364	-1.36	0.191
Labour market participation	4.972	1.3409	3.71	0.002
Literacy level	0.03053	0.0074	6.12	0.001
Women employment rate	-0.3124	0.5055	-0.62	0.544
F-Statistics (9, 17)	**12.66**	**R-Squared**		**0.8902**
Probability of F-Statistics	**0.000**	**Adjusted R-Squared**		**0.8715**
Durbin Watson	**2.24**			

Source: Computations from study data

According to the results, the adjusted R-squared value was 0.8715, indicating factors that the current never took into account during the study period account for only 14.85% of the changes in GDP, gender inequality, investment, fertility rate, labour market participation, literacy level, and women's unemployment account for approximately 87.15 percent of the changes. Furthermore, a p-value of 0.000 and an F-statistic of 12.66

indicated that the model was well-suited for assessing how gender inequality affected economic growth. Additionally, the Durbin Watson value was 2.24 points higher than the literature's suggested threshold of 1.8Since it is generally accepted that a Durbin Watson value larger than 1.8 shows that there is no autocorrelation among the independent variables under inquiry, the variables were appropriate for the investigation of the impact of gender disparity on economic growth in Kenya.

At the five percent significance level, the gender inequality coefficient was significant and negative (-89.357). This shows that there is an 89.36 percentage point drop in economic development for every 1% increase in the gender disparity index. According to Indingasi (2015), lowering gender disparities in the economy leads to economic growth in most economies, and the findings are consistent with Onunga (2015), who showed that minimising gender disparity boosts economic growth.

According to the analysis, the investment coefficient as a percentage of GDP is positive (0.5465) and significant at the five percent significance level. This indicates that economic growth is increased by 0.5465 percentage points for every percentage point increase in investment. Over time, investment increases economic growth by adding new capital stock to the current stock, which causes growth to drift upward.

An expansion in women's labour market involvement boosts economic progress by 4.972 percentage points, according to the positive (4.972) and significant (5% level of significance) labour market participation coefficient. This runs counter to Indangasi (2015), who found a negligible impact of women's labour force involvement on economic growth, much as Cuberes and Teignier (2012) found a negative significant association between women's labour force participation and economic growth.

Additionally, the study found that the coefficient of women's literacy level is positive (0.03053) and significant at the five percent significance level, meaning that for every percentage point increase in years of education, economic growth increases by 3.053 percentage points. This is because an educated women is more productive and efficient than less educated women hence contribute more to economic growth. This aligns with Klasen and Silva (2018) findings that educating women increases the quality of talent pool available in the labour market which positively influences the economy. However, the fertility and employment rates of women were not included in the model because they were found to have no bearing on how gender inequality affected Kenya's economic growth.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND POLICY IMPLICATIONS

5.1 Introduction

The section includes the study's summary, conclusions drawn from its results, and policy implications. Furthermore, the section provides information on topics that warrant additional research based on the study's flaws and findings.

5.2 Summary of the Study

Gender inequality is a phenomenon that inhibit growth and functioning of a number of sectors in the economy. The vice manifest itself through education, healthcare, ownership of resources, elective positions, employment opportunities and decision-making. Gender inequality remains in the entire life cycle of human nature where girls have limited access to education while women face limited space in the job market.

The topic has been the centre of discussion at both worlds over and local with the intention of ensuring gender inequality. A number of conferences have been organized to champion girls and women agenda for instance UN decade for women for period 1976-1985 in Mexico which was the genesis of the women conservation. Another conference in Copenhagen in 1980 moved the conversation from health, employment and education to ownership of property. Development strategies such as MDGs, SDGs and Africa Union Agenda 2063 have since put forward gender equality for all nations.

Policies supporting gender equality have been implemented in Kenya. For example, the 2000 national strategy on gender and development, the Economic Recovery Strategy for Wealth Creation, Sessional Paper No. 2 on Gender Equality and Development, and the Medium-Term Plans have all placed a strong emphasis on equal opportunities for men and women in order to promote sustainable progress.

Despite of all these efforts to ensure gender parity in Kenya, gender disparity has a downward trend with the gap continuously widening with gender inequality index higher than the world average but slightly lower than the region. In line with this, Kenya has improved access to health for all by reducing mortality rates, pre-natal deaths and births rates of adolescent girls.

By 2030, Kenya always hopes to become a middle-income nation. In order to do this, the nation has achieved progress in economic growth, which must be at a pace of 10 percent annually. Nevertheless, the economy's poor performance throughout the years has thwarted the transition brought about by gender inequality. Since women make up almost half of the population, any inequity prevents them from achieving goal. Gender inequality index has declined in the country as a result of efforts being put in place to 0.533 in 2023 from 0.707 in 1995 leading to a positive progress in achieving certain aspects of development. Kenya's economy has grown as a result of the decline in gender disparity because both sexes may now take part in the nation's development initiatives. Nevertheless, despite the attempts to guarantee gender equality, the country's economy has grown to the point where it is now a middle-income one among newly industrialised nations. The primary focus of the study is the influence of gender inequality on Kenya's economic growth, which has been examined in light of this different pattern.

The study's first objective was to determine the factors that lead to gender inequality in Kenya. Its second objective was to evaluate the impact of gender inequality on the nation's economic development. The study, which was conducted between 1995 and 2023, is important for development partners and policymakers that support gender equality in all areas of global economy.

The study reviews a number of theories including functionalist perspective theory, the conflict theory, neo-classical theory, Adam Smith growth theory, Harrod-Domar model theory of growth, Dual sector economic growth model, Galor-Weil model, however, the study was anchored on Solow growth model since the theory incorporates human capital and labour into the growth model. Further, a number of literatures were reviewed and the general finding of the literatures is that gender inequality inhibits growth of the economy and that there are various factors that contributes to gender inequality in any economy.

The study employed a non-experimental research approach and used time series data on all variables examined, including the gender disparity index, fertility rate, female labour market participation, investment, population growth, literacy level, and female loan availability. The years 1995–2023 were included in the data. The Autoregressive Distributed Lags (ARDL) method was used to analyse the data. It is significant to remember that both pre-estimating and post-estimation tests were carried out before to estimation in order to prevent the production of erroneous findings.

The study found that fertility rate, level of literacy of women and political representation significantly determine gender inequality in Kenya. However, gender inequality in the nation is negatively influenced by the literacy rate and the number of women in politics, although the fertility rate has a substantial positive correlation with gender disparity. Factors such as labour market participation, female unemployment rate and women in labour force insignificantly determine gender inequality in Kenya. This is because elements that enter gender inequality index are different from these variables.

The study also discovered that Kenya's economic growth is statistically significantly impacted by the gender inequality index, investment level, labour market involvement, and literacy level. The study also showed that while the gender inequality index has a negative impact on economic growth, women's labour market involvement and literacy levels have a statistically significant positive impact.

5.3 Study Conclusion

Finding out how gender disparity impacted Kenya's economic progress was the main objective of the study. Finding the causes of gender inequality in Kenya and evaluating the impact of gender inequality on the nation's economic development were the two primary objectives of the study.

The study found that birth rates, literacy levels, and women's political representation all have an impact on gender inequality in Kenya. Fertility rates have a positive effect on gender inequality in Kenya, but women's political representation and literacy levels have a negative one. On the other hand, gender inequality, investment levels, women's participation in the labour market, and literacy levels all have a significant influence on Kenya's economic growth. According to the study, economic growth is positively impacted by women's literacy, investment level, and labour market participation, but negatively by gender inequality as measured by the gender inequality index.

5.4 Policy Implications

Finding out how gender inequality impacted Kenya's economic progress was the primary objective of the study. The findings suggest that gender inequality hinders Kenya's economic development. Therefore, the government, non-governmental organisations, and civil society should create and implement laws that ensure gender equality in order to foster economic growth. The measure should include equal

employment opportunities and equitable access to health care, education, and other vital services. Furthermore, in order to encourage economic growth, the government should enact rules that ensure equal resource ownership for men and women, given that women are more likely than males to participate in economic activity.

Furthermore, the study showed that investment has an impact on economic growth; consequently, the government must offer incentives to citizens to encourage investment in the economy and guarantee economic growth. The government and other pertinent organisations must support women's education in order to give them equitable access to economic opportunities and the capacity to actively participate in decision-making, as the study also showed that women's literacy level, representation by women, and fertility rate have a negative impact on gender inequality. The implementation of the gender rule in all institutions should be guaranteed by constitutional bodies like the parliament, the judiciary, and women's civic society.

5.5 Areas for further Research

According to the report, gender inequality has an effect on Kenya's economic growth. Therefore, further research is needed to determine the causal relationship between gender inequality and economic growth. Furthermore, more research utilising panel data is required to evaluate and compare the results of the current study, which used time-series data to examine the impact of gender inequality on the economy.

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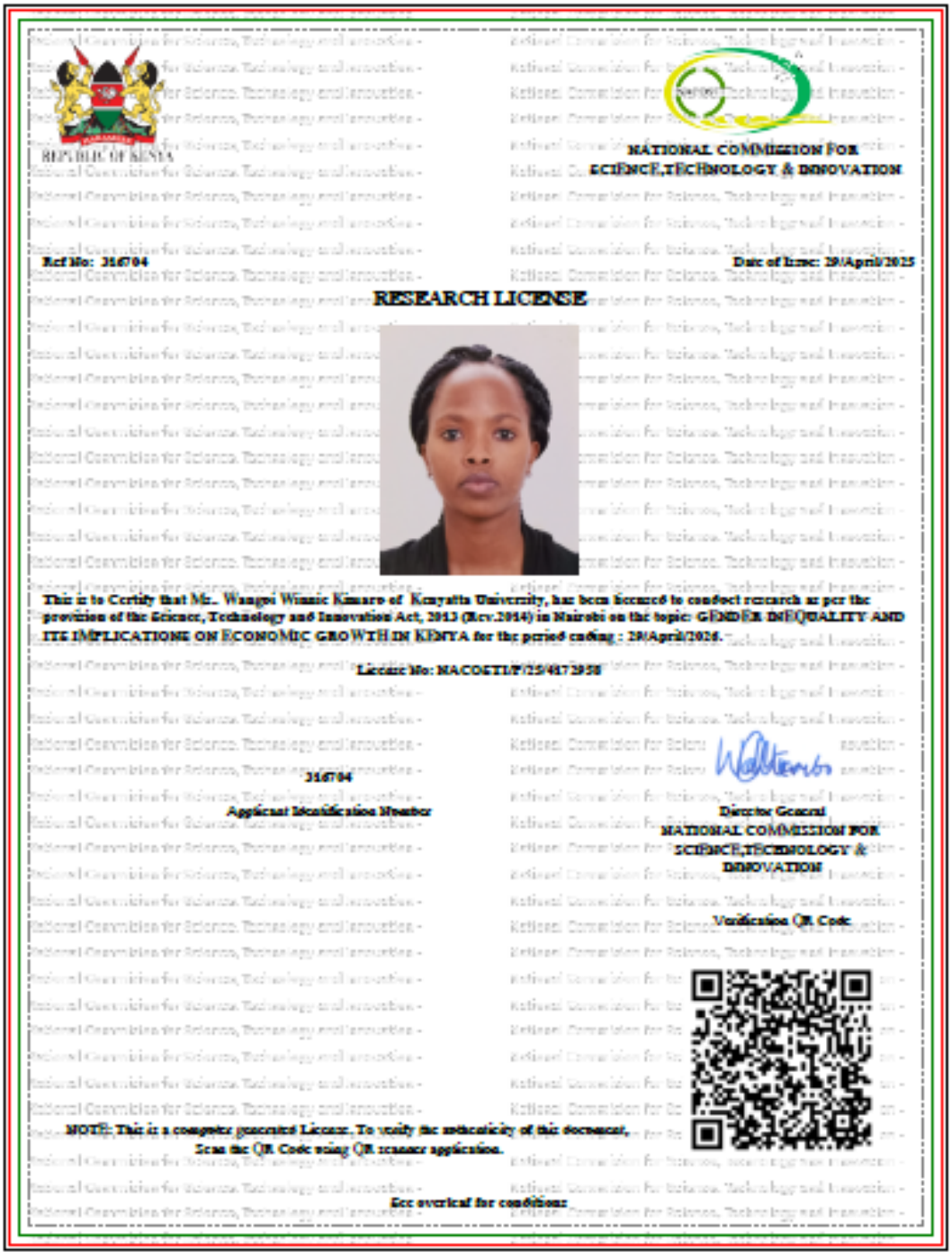
APPENDICES

APPENDIX I: RESEARCH PERMIT



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