Assessing the effect of unsecured credit to livestock traders: a case study of Garissa livestock market

Submitted by
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DECLARATION

This Dissertation is a product of my own work and is not the result of anything done in collaboration. It has not been previously presented to any other institution. I agree that this dissertation may be available for reference and photocopying, at the discretion of the University.

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ABSTRACT

Livestock trade and marketing is an integral component of the livelihood of the pastoral communities of northern Kenya. Livestock production and trade forms a major social and economic occupation for a greater proportion of the population in pastoral region of northern Kenya. The general objective of the study was to assess the effect of unsecured credit to livestock traders in Garissa livestock market. The specific objectives were to establish if livestock traders were aware of unsecured credit in Garissa, to establish if culture had an effect to accessing unsecured credit in Garissa, to establish if security affected access to unsecured credit in Garissa, to establish if religion had an effect on accessing unsecured credit in Garissa and finally to establish the effect of livestock trade on the social welfare of livestock traders in Garissa. The research design is case study for the Garissa livestock market and the population of study was 300 livestock traders of different livestock trading volumes or capacity, diverse background and origin while the target population was 120 active livestock traders operating at Garissa livestock market and drawn from 5 subgroups making up the county of Garissa. The sample size was 36 respondents, and sampling method used was stratified sampling method. The questionnaire and interview guide were the tools used for data collection. Data analysis was done using the SPSS statistical tools. The data analysis process comprised both inferential and descriptive statistics where the mean and standard deviation of the findings were established together with correlation and regression results being presented accurately by the use of tables, graphs and figures. The findings showed that access to unsecured financial credit influences the change in the volume of livestock traded at the Garissa livestock market. Various factors were also established to affect access to unsecured credit and hinder the rate of trade at the livestock market in Garissa. These factors include lack of security, shortage of credit facilities, religious inclinations and cultural values among the dominant Somali community. The study recommends that all stakeholders in livestock trade should come up with appropriate measures and strategies to enable livestock traders access unsecured credit and thus improve and increase their livestock trade. The study also recommends the following set of measures as aimed at ensuring that livestock trade improves the economy of pastoralists and other livestock traders in Garissa and the surrounding areas, these include; setting up livestock revolving fund to cater for livestock traders at the periphery markets, improving other livestock terminal markets and making them

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accessible from far flung areas of northern Kenya. Abolishing hefty taxes levied by the local authorities and other government agencies to livestock traders, setting up of more sharia compliant credit facilities near livestock markets, improving internal security and applying stringent security measures are also recommended.

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