

**FACTORS AFFECTING THE GROWTH OF WOMEN
ENTREPRENEURSHIP IN KIRINYAGA EAST DISTRICT,
CENTRAL PROVINCE, KENYA.**

BY

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**A Research Project Report Submitted in Partial Fulfillment of the
Requirements of the Award of the Degree of Master of Arts in
Project Planning and Management of the University of Nairobi.**

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DECLARATION

This is my original work and has not been presented for examination in any university or any other institution of higher learning for examination.

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This research project report has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

This project is dedicated to my mother Evangline, husband Mutwiri, son Koome and Auntie Winnie who have inspired and encouraged me all the time to work hard to achieve my academic potential.

ACKNOWLEDGEMENT

I wish to sincerely express my deepest appreciation to my supervisor Dr. Lilian Otieno for her immense support and guidance during the development of the research problem and the research proposal. Without her support this project would not have been complete.

I would also like to appreciate the University of Nairobi for giving me the opportunity to study. I express my gratitude to all my lecturers and the staff at the Nyen Extra Mural Centre. I would also like to appreciate the support given by my fellow students and colleagues and more particularly Madam Anne for the encouragement she always gave me. My sincere thanks also go to Mr. Jared Kingoina District Youth Officer for the moral support and encouragement he gave to me.

In addition I will not forget the Moral support and encouragement given to me by the Community Development Assistants in Gichugu Division. I am also deeply indebted to my research assistants and Exodus Computers for burning their fingers typing my work.

Thank you ALL.

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Abbreviations and Acronyms

BDS	–	Business Development Services
CBS	–	Central Bureau of Statistics
CEED	–	Centre for Excellence in Enterprise Development
DMSED	–	Department of Micro and small Enterprise Development
DPOs	–	Disabled Person’s Organizations
GOK	–	Government of Kenya
ICEG	–	International Centre for Economic Growth
IDS	–	Institute for Development Studies
IFC	–	International Finance Corporation
IFP	–	In Focus Programme
ILO	–	International Labour Organisation
K REP	–	Kenya Rural enterprise Programme
KWFT	–	Kenya Women Finance Trust
MDGs	–	Millennium Development Goals
MFI	–	Micro finance Institutions
MLHRD	–	Ministry of Labour and Human Resource Development
MOTI	–	Ministry of Trade and Industry
MOYA	–	Ministry of Youth Affairs and Sports
MSEs	–	Micro and Small Enterprises
NGO	–	Non Governmental Organizations
SEED	–	Boosting Employment through <u>S</u>mall <u>E</u>nterprise <u>D</u>evelopment
SEWA	–	Self-Employed Women Association
SPSS	–	Statistical Package for Social Sciences

- UN** – **United Nations**
- UNIDO** – **United Nations Industrial Development Organization**
- USIU** – **United States International University**
- WEA** – **Women Entrepreneurs Association**
- WED** – **Women Enterprise Development**
- WEDF** – **Women Enterprise Development Fund**
- WEDGE** – **Women's Entrepreneurship Development and Gender Equality.**
- WEs** – **Women Entrepreneurs**

ABSTRACT

The growth and development of women entrepreneurship is in line with the government's pursuit for National Development Agenda that seeks to instill rapid and sustained economic growth and reduce the high incidence of poverty through wealth and employment creation. This study therefore intended to find out the factors affecting the growth of women entrepreneurship in Kinnyaga East District. The literature reviewed showed that the factors affecting the growth of women entrepreneurship included, lack of access to finance, training and skills, education, business networks and markets

The study used descriptive/Survey research design. It was carried on 60 women entrepreneurs who were selected using stratified random sampling and snowball sampling methods. The study adopted questionnaires as the data collection instruments and was administered through the help of research assistants. The data collected was analyzed by the use of descriptive analysis method and presented by use of tables.

The main findings of the study were that the women entrepreneurs were limited in terms of access to resources and therefore they started businesses principally out of economic necessity. Financial availability and accessibility was cited as being one of the major barriers and constraints to women's entrepreneurship growth. The main conclusion from the study was that though credit was available from a number of micro finance institutions the set conditions and terms of payment were said to pose challenges to the women entrepreneurs. The main recommendation from the study was that there is need for the Microfinance institutions and Commercial banks to market their services more widely and make them affordable to the women

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

This chapter contains background to entrepreneurship, women entrepreneurship and specific background of the district being studied. It also covers the statement of the problem, research objectives, research questions that the study seeks to answer, purpose of the study, significance of the study, limitations and the scope of the study

Entrepreneurship has become more of a way of life and an engine for economic transformation among the disadvantaged women. Micro and small-scale enterprises represent an important means of earning income for the women in Kenya (GOK, 1992). They provide a means of livelihood, employment and income to alleviate poverty conditions. The numbers of women in entrepreneurial roles has increased significantly over the last three decades. In the 1990's for instance, their overall share of Micro and small-scale enterprise sector in Kenya grew over 70 percent (GOK, 1999) and women being the majority beneficiaries and implementers. These entrepreneurial women however, appear to still lag behind their male counterparts in terms of enterprise growth, income and in general competitiveness. According to Faleye (1999), women's development is not nearly about reducing poverty by increasing productivity, but also about women's liberation and empowerment. It is noticeable that entrepreneurship development and empowerment are complementing to each other. Women empowerment depends on taking part in various development activities. In other words the involvement of women in various entrepreneurial activities was empowered them in social, economic and cultural fields. The power and access to taking decisions has increased for

women within as well as outside the family, yet women entrepreneurship varies across rural and urban areas.

In recent years the number, size and types of women owned businesses have been undergoing dramatic changes. In the United States of America (USA) alone, between 1987 and 1997, the number of women owned rose by 89% (Haynes, 2000). The Micro and Small Enterprise sector (MSE) has been recognized throughout developing countries as an engine to development through provision of means of livelihood, employment creation and poverty alleviation; hence a vehicle towards fulfilling the Millennium Development Goals (MDGs). The importance of MSEs in social and economic development has been recognized by the International Labour Organization (ILO) and hence the need to support their viability expansion and growth (ILO Report, 2007).

The MSE sector has long been recognized as a vehicle for providing most non-farm employment whilst also an important contributor to Kenyan wealth creation. According to the 2003, Economic survey, employment within the MSE sector increased from 4.2 million in 2000 to 5.1 million in 2002 (GOK Economic Survey, 2005).

According to Kibas (2001) , women play a crucial role in contributing to the development of the economy though they continue to remain on the periphery and their contribution is generally seen as invisible and tends to go unrecognized.

According to the 1999 National MSEs Baseline Survey, there were 612,848 women in MSEs in Kenya and they tended to operate enterprises associated with traditional “stereotype” gender roles such as hairstyling, restaurants and retail shops. A great disparity is noted, however in the type of businesses women choose and incomes generated by the businesses.

Women are concentrated in community social and personal service businesses (Republic of Kenya Report, 1998: 1999: 2000). According to the Department of Micro and Small Enterprise Development (DMSED) in the Ministry of Labour and Human Resource Development in 2002, there were about 2.8 million MSEs employing 5.2 million people (Stevenson and St Onge 2005).

However, even with this growing percentage not many micro-enterprises (70%) of which are women's grow into small-scale enterprises to significantly contribute to employment creation and economic growth. The national average of men working in MSEs is about 51% compared to about 49% for women as evidenced by the table below.

Table 1.1 Percentage Distribution of men and women in MSE Employment

Stratum	Men workers	Women workers
Nairobi and Mombasa	53.8	46.2
Major towns	52.3	47.7
Rural towns	44.2	55.8
Rural areas	53.0	47.0
Total	50.8	49.2

Source: GOK Economic Survey (2005).

Though women form the majority of the population in most parts of the country (Population Census, 1999) they are not equitably represented in economic activities either as employees or owner managers of businesses. According to the Economic Survey of 2005; in 2003 and 2004, men accounted for 70% of wage employment and women for only 30% as shown by the table below.

Table:1. 2 Wage Employment by Sex, 2003 and 2004 ('000)

Gender	2003	2003 (%)	2004	2004 (%)
Men	1216.1	70.4%	1242.4	70.44%
Women	511.2	29.6%	521.3	29.56%
Total	1727.3	100%	1763.7	100%

Source: GOK Economic Survey (2005).

In general women tend to operate smaller enterprises and make less income than men owned enterprises. Their productive activities are concentrated in micro-enterprises that conform to their traditional gender roles such as food processing and garment making for example operating green grocery kiosk, hairdressing among others (Gakure, 2004). Most of the women firms begin small and stay that way (McCormick, 1988; 1993). They use simple technology to produce basic, often low quality goods for the domestic market (Abuodha and King 1993). Expanding a business requires alertness to opportunity, practical creativeness and willingness to take some risks which most women entrepreneurs' lack. The women entrepreneurs often start their businesses at home or at the roadside hence making them less competitive as compared to men owned enterprises.

In Kenya 32 percent of the households are for reasons of death migration or divorce female headed (Government of Kenya, 1989b; UNICEF, 1989; Feldman 1984). In these households, women are not only responsible for daily subsistence but also all the other managerial functions including tasks usually performed by men; therefore entrepreneurship offers a vehicle for the rural women to achieve economic parity alleviate poverty and reduce gender inequalities (Ng'ethe and Wahome, 1987). According to Kirinyaga Development Plan (2002-2008), in Kirinyaga East District the population structure indicates that females out number males. This has been the trend in 3 consecutive census years that is 1979, 1989 and 1999. The

1999 Population and Housing census revealed that there were 155, 142 females compared to 133, 146 males in the labour force cohort.

Most of the rural women provide for their families through subsistence farming and other agricultural activities such as horticultural farming supplemented by petty trade or Micro enterprises. Majority (90%) of these women are engaged in these activities out of necessity given that they have limited choices outside their traditional roles. Most have hardly gone beyond primary education and have very limited or no training. As regards marital status, 80% are married and have families. A number of them have absentee husbands who often work far away from their homes while the rest are either single mothers, separated or widows. Due to challenges faced in providing for families most of them are now engaged in Micro-enterprises (Kirinyaga Development Plan, 2002-2008).

However women owned enterprises have their fair share of challenges and constraints that need to be addressed and specific needs that have to be identified to help them perform better. Therefore, an understanding of women entrepreneurship will have a significant impact on economic development and poverty alleviation.

1.2 Statement of the Problem

African women especially those living in rural communities and the urban poor still face daunting challenges. According to McCormick (2001), women enterprise indicated significant differences in performance vis-à-vis those of the Kenyan men. She noted that their enterprises are smaller, less likely to grow, less profitable and begin with less capital investment than those owned by men.

Devine (1994), noted that although the absolute number of women in self employment has increased in recent years, there still exist significant differences in the levels of new firm creation across genders and the number of women involved in starting business is significantly and systematically lower than that of men.

A number of initiatives have been taken by the government, donors and non-Governmental organizations both local and international to increase the start-up rates and performance of women owned MSEs in Kenya. Nevertheless, women in the sector are still found predominately in low-growth rates, earning lower revenues than their male counter parts (Greene, 2000). For many women, their involvement in business activities has yet to bring them to a point of economic sustainability and advance them in a manner that is beneficial to them and to the economy in general. The overall research problem that was addressed in this study was that despite the efforts to empower women entrepreneurs there still exists a gap between the supply side of opportunities and the demand side, where most women entrepreneurs appear not to have taken full advantage of them. This study therefore sought to find out the factors affecting the growth of women entrepreneurship in Kirinyaga East District.

1.3 Purpose of the Study

The purpose of this study was to identify the factors affecting the growth of women entrepreneurship in Kirinyaga East District. The study sought to examine the role played by the government in enhancing women entrepreneurship. It also investigated the policies, strategies, initiatives and impact of government intervention in the MSE sector with special emphasis on women's entrepreneurship.

1.4 Research objectives

The study was guided by the following objectives: -

1. To find out the extent to which accessibility to credit services affect the growth of women entrepreneurship in Kirinyaga East District.
2. To find out the extent to which availability of credit services affect the growth of women entrepreneurship in Kirinyaga East District
3. To find out how the level of education affects growth of women entrepreneurship
4. To investigate how accessibility to market affects the growth of women entrepreneurship.
5. To find out the extent to which accessibility to business networks influences the growth of women entrepreneurship
6. To investigate how socio-cultural factors affect the growth of women entrepreneurship.

1.5 Research Questions

1. To what extent does the accessibility to credit services affect the growth of women entrepreneurship?
2. To what extent does the availability of credit services affect the growth of women entrepreneurship?
3. To what extent does the level of education affect the growth of women entrepreneurship?
4. How does the accessibility to markets affect the growth of women entrepreneurship?
5. To what extent does access to business networks affect the growth of women entrepreneurship?

6 To what extent does the socio-cultural factors affect the growth of women entrepreneurship?

1.6 Significance of the Study

The findings generated by this research will be used to make recommendations to the government and other policy makers on appropriate measures necessary for promoting the growth of women entrepreneurs in Kenya. The study will also make a positive contribution to the economic recovery strategy for wealth and employment creation to the Kenyan Government. The study aimed at contributing to the understanding of factors affecting the women's performance in business and provide a set of practical suggestions aimed at positively influencing women's entrepreneurship development in Kenya. This will in turn empower the women both economically and socially and increase their power to taking decisions within as well as outside the family

A significant aspect is that it will draw together the literature from entrepreneurship and regional development, to develop a more nuanced and comprehensive understanding of the challenges associated with the needed growth and development of individual entrepreneurs. The study will further contribute to the development of knowledge on the role of business networks in enhancing women entrepreneurship

1.7 Assumptions of the Study

The study assumed that the respondents were truthful in responding to the questions. Secondly the sample size chosen was adequate to help in drawing valid conclusion and the data collection instrument was valid and measured the desired constructs.

1.8 Limitations of the Study

The study intended to cover the six administrative locations in the district that needed a lot of travelling and time and this was overcome by the use of research assistants who assisted in administering the questionnaires. Also through the help of the community development assistants the questionnaires were distributed to the women entrepreneurs in women groups.

Secondly funding for the study was not adequate and friends came in to assist. Thirdly, it took time to secure appointments from the women entrepreneurs sampled because of their busy schedules and therefore prior arrangements were made to counteract this setback.

Finally, though there was concentrated effort to get the questionnaires to all the sampled women entrepreneurs there was no guarantee that they would return them duly completed and therefore interviews were used to minimize this. The findings of the study were limited to Kirinyaga East District and may therefore not be easily generalized.

1.9 Scope of the Study

The primary focus of the study was to draw the respondents from Kirinyaga East District. The study targeted women entrepreneurs engaged in dressmaking, hairdressing, general and retail shops, produce stores and horticultural farming. The study also focused on women entrepreneurs in registered organizations such as self-help groups and societies.

1.10 Definition of Significant Terms

Barriers	-	Factors inhibiting potential entrepreneurs entering into business.
Constraints	-	Factors limiting the growth of women entrepreneurs by Confining them in terms of scale and scope of operation
Micro enterprise	-	Jua kali enterprises with 0 to 5 employees operating in the open, without any fixed worksites.
Woman entrepreneur	-	An entrepreneur, who is the main shareholder, manager and the key decision maker.
Female Owned Enterprise	-	One whose principal shareholder and manager is the woman.
Micro and Small Enterprises	-	Businesses operating in formal and informal sectors of the economy and employing between five and less than 20 employees.
Jua kali	-	Enterprise that employ between 1-49 employees including the owner.
Small Enterprise	-	Enterprise that employ between 10-49 employees

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter briefly outlines the various schools of thought on what constitutes an entrepreneur as relevant to promoting women emerging in this field. Secondly, an analysis will be undertaken of the socio-cultural factors, which facilitate or work against the making of a woman entrepreneur examination of their access to various educational and training resources as well as assessment of the legal constraints, which impede their entry into entrepreneurship.

2.2 Historical and Global Perspective of Entrepreneurship

Entrepreneurship is an emerging concept in Africa, the harsh economic realities of the 1990s leading to declining economic growth rate against growing population rate has meant declining gainful employment opportunities for hundred of thousands of people. The wind of liberalization, privatization and stabilization has led to many corporate organizations downsizing and retrenching their employees. Many of those people have been left with little choice but to go into small-scale businesses or Jua Kali sector. This background has provided a rich avenue for the development of entrepreneurship in Africa. However, the whole concept of entrepreneurship is still little understood by the populace.

Kurriloff (1999), defined entrepreneurship as the characteristics of seeking opportunities, taking risks beyond security and having the tenacity to push an idea through to reality.

This study will adopt Timmons' definitions of entrepreneurship, which states that it is a human creative act that builds something of value from practically nothing. It is the pursuit of

opportunity regardless of the resources or lack of resources at hand. It requires vision and the passion and commitment to lead others in the pursuit of that vision. It also requires a willingness to take calculated risks (Timmons, 1989).

Interest in the development of entrepreneurship and small enterprises in Kenya gained momentum as a possible remedy to the stagnation of economic development and the escalating unemployment problem since the late 1960's and early 1970s. Although there were early attempts by the government to develop entrepreneurship soon after independence (the first National Development plan), the main impetus came from the ILO mission of Kenya in the early 1970s (Report on Employment mission to Kenya 1972).

According to Hagen (1962), an entrepreneur is an individual who conceives the idea of business, designs the organization of the firm, accumulates capital, recruits labour, establishes relations with suppliers, customers and the government and converts the conception into a functioning organization and therefore entrepreneurship involves some level of risk taking.

2.3 Profile of Women Entrepreneurs in Kenya

Most of the Kenyan women entrepreneurs main reasons for going into business ventures include the need for achievement, autonomy and flexibility along with providing for and educating their children (Wanjira Muniyaa and Mureithi 2008). Their study of 2008 revealed that entrepreneurship is becoming an increasingly popular career choice for many Kenyans.

In recent years the Micro and Small Enterprises (MSEs) part of the informal sector has played an increasingly important role in Kenya. According to Ikiara, (2001) and a World Bank report (2001), MSEs are regarded as offering an alternative route to economic growth

especially in the contest of increased poverty and unemployment as well as the advent of economic reforms that have led to the liberalization of the economy.

A survey conducted by Wolf, (2001) in South Africa, Kenya and Tanzania notes that MSEs provide employment to more than 50% of the income earning population. The study estimates that in Kenya small enterprises generates 12-14% of the gross domestic product. Kenya's economic landscape also reflects the dominance of MSEs as the most dynamic aspect of the private sector (ibid).

One significant characteristic of the sector is that it has grown it has also become an important employer of the female labour force in the country. According to the Kenya Rural Enterprise Programme (KREP) and Central Bureau of statistics (CBS) Baseline Survey conducted in 1999, the number of men and women owning Micro enterprises in Kenya was almost equal at 670,727 enterprises owned by men compared to 612,848 owned by women. A great disparity is noted, however in the type of businesses men and women choose, and the incomes generated by the businesses.

Women are concentrated in community social and personal service businesses. (Republic of Kenya, 1998, 1999, 2000). This survey seems to suggest that women may have opted for these types of businesses owing to the low demands in terms of new skills, capital and equipment required to operate in this segment.

Gakure (2004), found that women's productive activities were concentrated in Micro-enterprises that conformed to their traditional gender roles such as food processing and garment making. According to Stevenson and St-Onge,(2005), there are three profiles of women entrepreneurs operating MSEs in Kenya namely those in Jua-Kali micro-enterprises "Very small" micro enterprises and "small scale" enterprises. These are differentiated by

their demographic profiles, extent of previous business experience, needs, access to resources and growth orientation.

The Jua Kali micro enterprises are identified as owners of unregistered (informal) businesses who have little formal education (usually less than secondary school level) and lack entrepreneurial and business knows how. They also have little access to credit with limited awareness of markets and market opportunities. They are constrained by their household responsibilities and marital status for instance, having to obtain permission from their husbands to travel out of town for training or trade fairs.

The “very small” micro enterprises are identified as those registered operating from legitimate business premises and employing 6 to 10 workers. “Small scale” enterprises are identified as being registered operating from legitimate business premises and employing over 10 workers and having at least secondary level education with some previous experience as employees. This segment is constrained by lack of access to finance for various reasons including having no land/property title deeds to be used as collateral for large loans (Stevenson and StOnge, 2005).

2.4 Gender Distribution in Kirinyaga East District

Women form the majority of the population (Population Census, 1999) yet they are not equitably represented in economic activities either as employees or owner managers of businesses. According to Kirinyaga Development Plan (2002-2008), in Kirinyaga East District the population structure indicates that females out number males. This has been the trend in the 3 consecutive census years (1979, 1989, 1999). The 1999 Population and Housing census revealed that there were 155, 142 females compared to 133, 146 males in the labour force cohort.

Women's contribution towards economic growth is enormous but goes unrecognized since only a few are employed in the formal sector; therefore entrepreneurship offers a vehicle for the rural women to achieve economic parity, alleviate poverty and reduce gender inequalities (Kirinyaga Development Plan, 2002-2008).

Most of the rural women provide for their families through subsistence farming and other agricultural activities such as horticultural farming supplemented by petty trade or Micro enterprises. Majority (90%) of these women are engaged in these activities out of necessity given that they have limited choices outside their traditional roles. Most have hardly gone beyond primary education and have very limited or no training. As regards marital status, 80% are married and have families. A number of them have absentee husbands who often work far away from their homes while the rest are either single mothers, separated or widows. Due to challenges they face in providing for families most of them are now engaged in Micro-enterprises.

However women owned enterprises have their fair share of challenges and constraints that need to be addressed and specific needs that have to be identified to help them perform at par, if not better than their male counterparts (Kirinyaga Development Plan, 2002-2008).

2.5 The Concept and Features of Entrepreneurship

According to Still, (1987) the motivations for women and men to start their own business appear to be based on different aspirations because the women are less likely than men to attempt to build empires or enter new markets, which in turn restricts the strong economic motivation attributed to entrepreneurs. It is only women displaying characteristics that are typically associated with male entrepreneurs which are aggressiveness, desire to make money and adequate capital, who can be classified as entrepreneurs (Stevenson, 1990).

The entrepreneurial characteristics can be classified as follows, first is risk taking whereby the nature of becoming an entrepreneur is in itself a high risk undertaking and requires the individual to have a high level of self-confidence and belief in their ability to achieve. Consequently, those people who have attained a high level of belief in their own ability are prepared to take responsibility for their actions and crave achievement and are recognized as most likely to be willing to take the risks necessary to achieve in the role of entrepreneur. Risk taking in whatever form (financial, social or psychological), is recognized as an integral part of the entrepreneurial process and creates a balance between the potential benefit of the venture and the costs process (Hisrich and Peters 1996).

Secondly is internal locus of control which requires a high personal belief in an individual's ability to control his or her own situation and is considered a necessary quantity for the prospective entrepreneur (Cunningham and Lischeron, 1991). This belief in inner control is considered necessary for the entrepreneur to sustain the drive and energy required to first establish and then manage the new venture (Hisrich and Peters, 1996). Finally, is independence which is linked to the belief that to succeed the individual must do things in their own way and in their own time (Hisrich and Brush, 1986). People who display strong independence characteristics often have difficulty in working in the role of employee. Characteristics and traits essential for entrepreneurship can be summarized as below:

Table 2.1: Summary of Characteristics and Traits Essential for Entrepreneurship.

Characteristics	Traits
Self confidence	<ul style="list-style-type: none">- Confidence- Independence- Optimism- Individuality
Task – Result oriented	<ul style="list-style-type: none">- Need for achievement- Profit oriented- Persistence- Perseverance- Determination hard work, drive, energy, initiative
Risk taker	<ul style="list-style-type: none">- Risk-taking ability- Likes challenge
Leadership	<ul style="list-style-type: none">- Leadership behaviour- Flexible (openness of mind)- Resourceful- Knowledge- Versatile

Source: Hisrich and Peters (1996)

2.6 Gender and the Performance of Women's Enterprises

McCormick, (2001) established that there are significant differences in the performance of women's enterprises visa-vis those of Kenyan men. Their enterprises are smaller less likely to grow, less profitable and begin with less capital investment than those owned by men. Not

only is there a great deal of gender segregation by sector (with women dominating in food processing, beer brewing, hairdressing, dressmaking and retail of second-hand clothing while men dominate in metal work, carpentry, vehicle repair, shoe making construction and transport) but women and men operate from different locations with men located at the trading centers, commercial districts or roadside and women operate from home Kibas, (2001).

2.7 Critical Factors of Women Entrepreneurship Development.

According to Scott, (2001) the critical factors that facilitate rural women entrepreneurship development can be classified as follows, first are regulative factors which refer to the different rules of the government that facilitates women entrepreneurship development in rural areas. The government and institutional policies and rules influence both economic and non-economic filed for the entrepreneurs through its actions. The government can provide a facilitative socio-economic setting for women entrepreneurs through minimizing the risks they encounter. Secondly are normative factors which confer rights as well as responsibilities, privileges and mandates. They include both values and norms. Norms refers to the socially standard pattern of behaviour. Rigid social customs and strong religious constraints are creating difficulties for women entrepreneurs in operating their business (Hossain and Rahman, 1999).

Finally are the Cognitive factors that precede behaviour and constitute input into the persons thinking, perception, problem solving and information processing (Luthans, 2005). Cognitive factors are associated with internal issues of women's life and their environmental interaction. Risk assessment capacity is a facilitating factor for entrepreneurship development in any country. According to Luthans, (2005) education and access to information is very

important cognitive factor of women entrepreneurship development in rural areas. Educated entrepreneurs can discharge the entrepreneurial responsibilities effectively.

2.8 Barriers and Constraints to Women's Entrepreneurship

Some of the barriers and constraints faced by women entrepreneurs includes: financial aspects, gender roles, social inequality, entrenched cultural and traditional practices, technology, legal, institutional and policy levels among others (IFC/world Bank 2006; Kibas 2006)

Women's concerns and gender related constraints tend to negatively affect their equal participation at the local, institutional and policy levels. Hence this may lead to failure to utilize the full potential of human resources for wealth creation and employment as one section of the population which forms the majority is left out or only allowed limited opportunities (Kibas, 2006). The specific barriers or impediments for women entrepreneurship development are discussed as follows:-

2.8.1 Access to Credit Services

Access to finance is a key issue for women. Accessing credit particularly for

Starting an enterprise is one of the major constraints faced by women entrepreneurs. Women often have fewer opportunities than men to gain access to credit for various reasons including lack of collateral, an unwillingness to accept household assets as collateral and negative perceptions of female entrepreneurs by loan officers (Macharia and Wanjiru, 1998). The women lack start up capital, lack of awareness of existing credit schemes, high interests rates, and lengthy and vigorous procedures for loan applications among others.

Although more than a quarter of household in Kenya are women-headed only five percent of the women own land in their own name (Feldman, 1984). Owning title deeds as collateral to finance expansion is still a hurdle for most women entrepreneurs, given that property is not usually registered in their names (Karanja, 1996).

Accessibility to initial capital even when available is also a major hurdle for women entrepreneurs. Micro finance institutions (MFIs) and commercial banks choose where they locate, thus excluding entrepreneurs in remote regions. Credit conditions when forming a group, paying membership fees, group registration fees and joining saving plans result in delays in accessing initial capital, thereby worsening the women's household financial burden (Stevenson and St-Onge, 2005; Alila et al, 2002).

MFIs have emerged to provide initial and working capital but their relevance and cost effectiveness is often inappropriate in satisfying the particular needs of potential and operating women entrepreneurs (Government of Kenya, 1999).

According to Charumathi, (1998) the high transaction costs, the rigidity of collateral requirements and heavy paperwork are further impediments to women entrepreneurs. Sometimes credit may be available for women through several schemes, but there are bottlenecks and gaps of these schemes such that a client approaching one institution is sometimes not made aware of the best option for their requirements (Vishwanathan, 2001).

2.8.2 Access to Training, Skills and Education.

The educational level of most women entrepreneurs is very low creating a barrier to them accessing training and other Business Development Services (BDS). Women tend to be less likely to have education and experience relevant to starting and managing a business and thus less potential for success (Namusonge, 2006).

Gaining relevant skills and knowledge can also be more difficult for women since they frequently have double work burden and childcare responsibilities thus making them less able than men to attend formal and informal trainings (Finnegan, 2000). According to Gakure, (1995) women entrepreneurs (WEs) are high school dropouts, and most are concentrated in the lower micro category. McCormick, (2001) states that on average WEs are less educated than their male counterparts and twice as likely as men to be illiterate due to institutional and cultural factors.

As regards the skills level in terms of finance production management, marketing and human resource management, the woman entrepreneurs lack in them because of their lower level of education and the fact that they are less likely to benefit from management and technical skills training programmes due to their double work burden and childcare responsibilities (McCormick, 2001).

2.8.3 Access to Business Networks

Women have fewer business contacts, less knowledge of how to deal with the governmental bureaucracy and less bargaining power. Since most women entrepreneurs operate on a small scale and are generally not members of professional organizations or part of other networks they often find it difficult to access information (Kibas, 2001). According to the MSE Baseline Survey of 1999, there are about 260 organizations, private and public, national and international, government and non-governmental, with support programmes for MSEs in Kenya, but relatively few MSEs used their services. Consequently the women lack equal access to BDS due to their low levels of education and lack of awareness.

Women's businesses are not well represented in industry, trade or business associations, both the leadership and membership of chambers of commerce, business traders and industry associations tend to be dominated by men, with fewer women joining or reaching leadership

positions (Nyerere, 2004). According to Stevenson and St-Onge, (2005) not many WEs use BDS because of cost, access, necessity and availability.

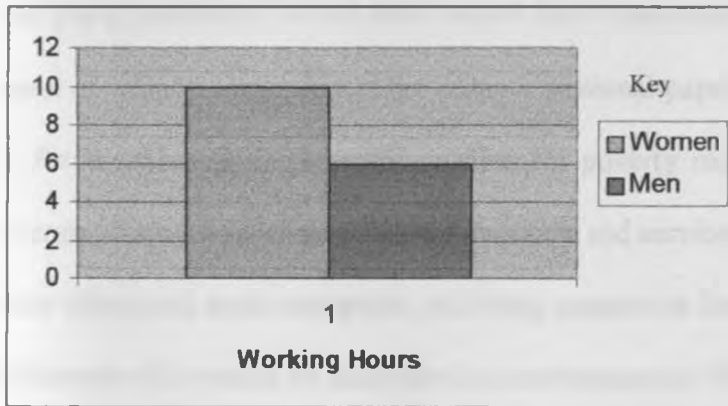
2.8.4 Access to Markets

The ability to tap into new markets requires expertise knowledge and contacts. The women often lack access to training and experience in how to participate in the market place and therefore unable to market goods and services strategically. In addition, they are not often exposed to the international market, and therefore lack knowledge about what is internationally acceptable. Women may also fear or face prejudice or sexual harassment, and may therefore be restricted in their ability to travel to make contacts (McCormick, 2001).

2.8.5 Socio-cultural Factors:

One characteristic that clearly distinguishes most businesswomen from their male counterparts is the added responsibility society often puts upon them in their roles as mothers and wives. The time taken up and the emotional burden created by these dual role responsibilities often interfere directly with the conduct of business for women in ways that do not apply to the majority of men (Anwar, 1992). The often prevailing attitude that the women's place is at home and that her first priority is to look after the home and family constrain many married women from venturing into entrepreneurship (Charumathi, 1998). According to Saito et al.,(1994) women in Kenya are "time poor" due to their dual roles in the household economy and the labour market as mothers, housekeepers, wives and owners/managers. In addition, such dual roles do not give women adequate time to plan and manage their businesses well thus leading to dismal performance or even closure of women owner/managed MSEs. Women's poor performance in MSEs is due to their dual 'role conflict', (McCormick and Pedersen, 1996).

Figure 2.1: Women's Time Burden in Kenya



Source: Saito, Mekonnen, and Spurling, 1994

From the above figure, it is evident that women are burdened with household tasks, such as collecting firewood and pounding grain, which is non-remunerated work, (Were and Kiringai, 2003).

2.9 Government Policies and Regulations

Most women have little access to policymakers or representation on policy-making bodies. The government support of the MSE sector is inadequate which includes development support services such as training, information provision and marketing through exhibitions among others (Gakure, 2005). MSE development comes under the remit of several Kenyan Government Ministries namely the Ministries of Labour and Human Resource Development (MLHRD), Trade and Industry (MOTI), Youth Affairs and Sports (MOYA) and Gender Culture and Social Services (MGCSS), which only have a handful of initiatives which are directly concerned with the development of women's entrepreneurship (Gakure, 2003).

Policy governing MSE development in Kenya has been evolving since the early 1970s with the participation of government and various development partners. According to Gakure, (2003) the policy statements on the MSE sector developed failed to articulate policy for the development of women entrepreneurs for instance sessional paper No. 2 of 2005 “Developing of MSEs for Wealth and Employment creation for poverty reduction”, emphasized gender equity in terms of increasing equal access to resources and services.

Though the Micro and small enterprises Act being enacted in December 2006 to provide for the establishment of a council to facilitate the development of MSEs create a MSE fund and for related purposes the specific issues regarding the development of women’s entrepreneurship have hitherto been either treated lightly or omitted altogether. Some of the few strategies that favour women and their businesses are the Ministry of Trade and Industry allocates at least 30 percent of all loans to WEs and has also established a desk, which handles all issues affecting them. This seems to have less impact due to the fact that most WEs are not aware and lack the information (Central Bureau of Statistics (CBS), August 1999).

According to MCMormick, (2001) women entrepreneurs face strong barriers in obtaining licenses and registering the business in their own name. The lack of awareness on the part of women entrepreneurs of new development within the policy and legal framework acts as a significant constraint (UNIDO, 1995).

2.10 Antecedent Influences

According to Das, (2000) these are background factors such as family influences and genetic factors that affect motivation skills and knowledge. The traits and motivation levels of the WEs combine to provide the framework within which the entrepreneur has to function

(Guthier, 1992; Karki 1993). For success the women entrepreneurs are required to have high scores on efficiency orientation, information seeking, commitment to work contract, persistence and risk-taking (Hada and Shrestha, 1992). The woman entrepreneurs are weak in taking initiative, seeing and acting on opportunities, persuasion, self confidence, systematic planning, assertiveness and problem-solving, (Makokha, 2006).

2.11 Summary of Factors Affecting Women Enterprises

From the summary of the factors affecting the women enterprises shown on table 2.2 it can be concluded that the women are unable to compete at par with their male counterparts due to the fact that they are limited in terms of credit accessibility and availability. Where credit is available the set conditions such as forming groups, paying membership fees and joining saving plans results in delays in accessing the capital. Secondly the women entrepreneurs are limited in terms of accessibility to training and education. This in turn limits their utilization of new technologies such as telephone and Internet in securing market for their products. Thirdly, the women entrepreneurs are restricted to local markets. They face many challenges such as traveling to make new contacts because they need to seek permission from their husbands. Those who make it to regional markets face sexual harassment from their male counterparts.

Finally, the women entrepreneurs are not aware of business associations and those who are aware perceive them to be of little use. This reduces their contacts for new markets and new business opportunities. The older women and women with low levels of education are particularly disadvantaged in terms of utilizing e-commerce and e-trade.

Table 2.2: Summary of Factors Affecting Women Owned Enterprises

Challenges faced by SMEs (women intensive)	Challenges faced by Women-owned SMEs (women exclusive)
<p>Access to Finance</p> <p>Service companies face difficulties due to the nature of their businesses.</p>	<p>Discriminatory national laws</p> <p>Prejudice against women and women-owned businesses.</p> <p>Difficulty in providing collateral (women do not own assets in their own right).</p> <p>Lack of credit/banking history (due to past, informal nature of businesses).</p> <p>Need for credit plus business planning and advisory services.</p>
<p>Access to markets</p> <p>Access to quality, up-to-date information.</p> <p>Contacts through personal networks</p> <p>Small size of businesses</p>	<p>Prejudice against women</p> <p>Difficulty in traveling to make contacts</p> <p>Sexual harassment</p>
<p>Access to training</p> <p>Technical training</p> <p>Training on trade policy and requirements</p>	<p>Training needs are often overlooked.</p> <p>When identified, women's needs may not be met (for example, time of training, content, method of delivery).</p>
<p>Access to infrastructure</p> <p>Need for reliable physical infrastructure (road transportation, air transportation)</p> <p>Need for predicable trade support</p>	<p>Bias against women's businesses.</p> <p>Few or no contacts in the bureaucracy.</p>

infrastructure (knowledgeable bureaucracy, and supportive government mechanisms.	
Access to technology Need for reliable telephone and internet services. Potential for e-commerce and e-trade. Access to electronic banking and transfers. Use of English as the medium of communication through the Internet.	Older women and women with low levels of education and literacy are particularly disadvantaged. Lack of English language skills. Bias against women's involvement in technical matters.
Access to policymakers/ Input into trade policy. Large companies and men can more easily influence policy and have access to policymakers who are their peers.	Most women have little access to policymakers or representation on policymaking bodies. Lack of access to information limits knowledgeable input policy.

Source: Common Wealth Secretariat (2002).

2.12 Conceptual Framework of the Study.

The main objective of the study is to analyze the factors affecting the growth of women entrepreneurship in Kenya. The research shall adopt the conceptual framework illustrated in figure 2.2. The dependant variable identified is the growth of women entrepreneurship, which varies due to the effect of various factors. The structural model indicates that, access to business networks and ideas, access to skills and training/education, availability and accessibility of financial and credit facilities access to markets and social-cultural factors play a key role in influencing the growth of women entrepreneurship in Kirinyaga East District. Equally important are the moderating variables and extraneous variables, which directly or

indirectly influence the dependent and independent variables. These include, the government policies and regulations and the antecedent influences, which include the nature of the women entrepreneurs in terms of attitudes, aspirations, confidence and risk-taking.

Graphical Representation of the Factors Affecting Growth of Women Entrepreneurship

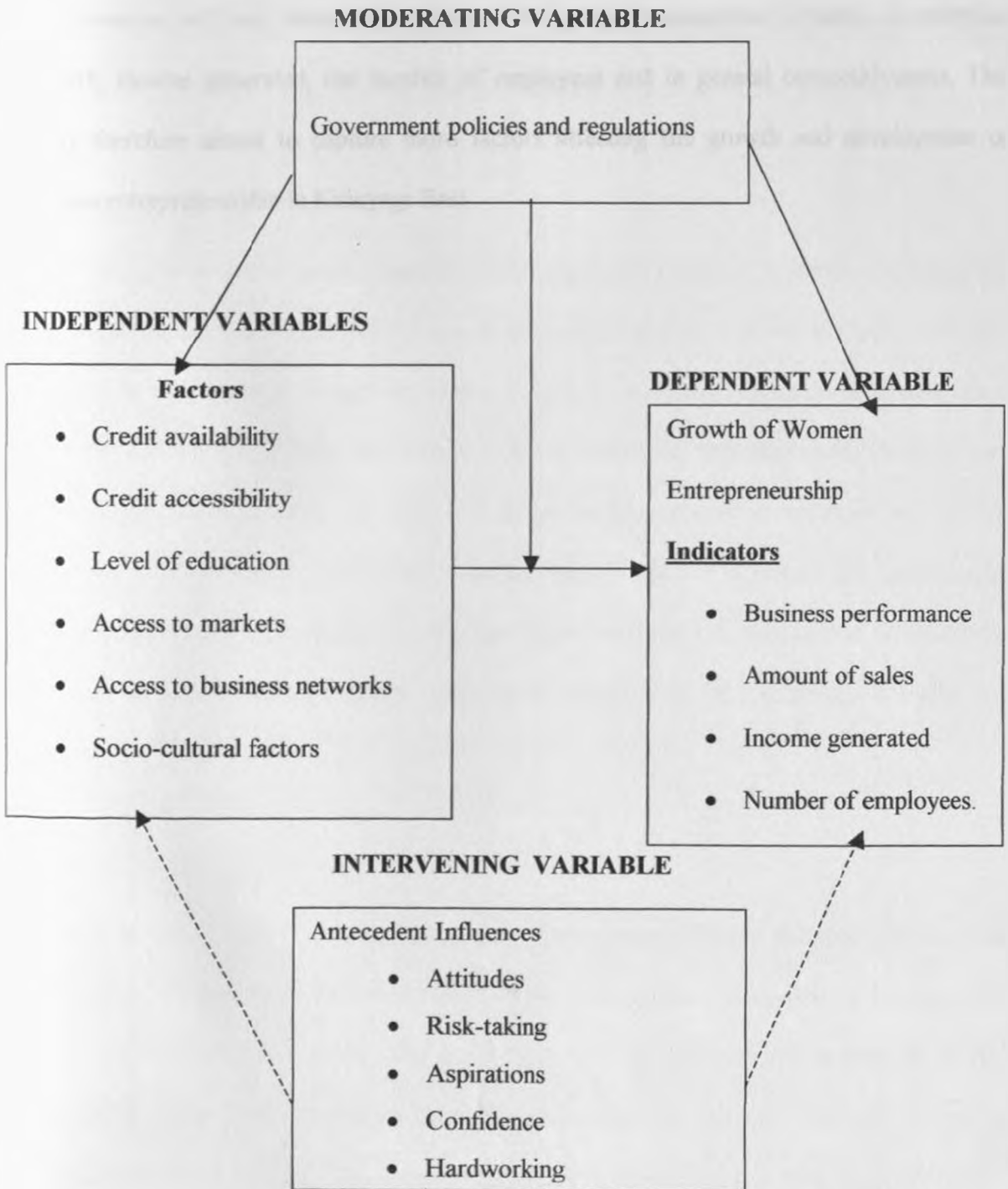


Figure 2.2 Conceptual Framework

2.13 Summary

The literature reviewed showed that the factors affecting the growth of women entrepreneurship are lack of access to credit, low level of education, lack of training and limited access to markets. All these combined factors affect the growth of women entrepreneurs and they therefore lag behind their male counterparts in terms of enterprise growth, income generated, the number of employees and in general competitiveness. This study therefore aimed to capture more factors affecting the growth and development of women entrepreneurship in Kirinyaga East.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter outlines the research design and methodology that was used in the study for the purpose of completing it. It gives details on the research design, target population, the sample and sampling procedure, data collection instruments and data analysis and presentation.

3.2 Research Design

In this study, descriptive survey research design approach was used. According to Mugenda and Mugenda, (2003) a descriptive research determines and reports the way things are and attempts to describe such things as possible behaviour, attitudes, values and characteristics. Schindler and Cooper, (2003) says that descriptive studies are structured with clearly stated investigative questions. Descriptive research design has been chosen in this study because the researcher aimed at finding out of the factors affecting the growth of women entrepreneurship and to establish any relationship between the factors identified. It also helped in describing the state of affairs of the problem under investigation and the relationship between the variables.

3.3 Target Population

The population of interest consisted of all the women entrepreneurs in different fields such as hairdressing; dressmaking, restaurants and hotels, retail shops , wholesale outlets produce stores and horticultural farming. The main focus was on entrepreneurs funded by MFIs, commercial banks and registered women groups funded through Women Enterprise Development Fund (WEDF).The scope of the study focused on micro and small enterprises owned and operated by WEs engaged in various entrepreneurial activities in all the sub-

sectors i.e. trade service and manufacturing. The women entrepreneurs were in a continuous and regular activity that has income or profit as its primary source. The enterprise should have been licensed by local authority and have a physical location.

The financial institutions included organizations that have been granted licenses by the Central Bank of Kenya offer financial services and have special programmes for women.

3.4 Sampling Design

The study used both probability and non-probability sampling techniques to create a sampling frame. In probability sampling, stratified sampling was used different kinds of businesses were included in the survey. In this study the population was stratified into hotels and restaurants, hairdressing and cosmetics, clothing and textiles, general grocery store, stationery/bookstore/printing, retail and wholesale shops and horticultural farming.

Once the strata were identified then non-probability sampling was used, which included snowballing technique where the respondents were asked to identify other women they know have been in business for at least two years in the selected sectors. For financial institutions only those organizations that have been licensed to offer financial services and have programmes tailor made for women were included which were Kenya Women Finance Trust (KWFT) and Equity Bank Limited

Table 3.1: Sampling frame

Strata	No
Hotel and Restaurants	10
Hairdressing and Cosmetics	30
Clothing and Textiles	30
General Grocery	30
Stationery/Bookstore/Printing	20
Retail and Wholesale shops	30
Horticultural farming	30
Others	20
Total	200

The researcher targeted 30% of the population although in descriptive study 10% of accessible population is enough (Mugenda & Mugenda 2003). Therefore the sample frame was shown in the table below.

Table 3.2: Sample Size

Category/Stata	No. in Category	Proportion of Population	Sample size
Hotel and Restaurants	10	30%	3
Hair dressing and Cosmetics	30	30%	9
Clothing and Textiles	30	30%	9
General Grocery	30	30%	9
Stationery/Bookstore/Printing	20	30%	6
Retail and Wholesale shops	30	30%	9
Horticultural farming	30	30%	9
Others	20	30%	6
Total	200	30%	60

3.5 Methods of Data Collection

The study used both primary and secondary data. The questionnaires were used for the purpose of collecting data from the women entrepreneurs. The questionnaire was structured and used both open-ended and close-ended questions. The closed-ended questions aimed at getting quantitative data while the open-ended provided qualitative data. The questionnaire was divided into 3 sections which were section A: personal details, section B: Enterprise growth; section C; Business Environment and Support Services. This enabled the researcher to get sensitive data and was able to reach a large sample economically in terms of time and cost. The questionnaires were administered by the researcher and the research assistants on a drop and collect later basis depending on dates agreed upon on the date of delivery. This enabled the respondents to complete the questionnaire at their convenience and have an opportunity to consult records in order to get more adequate and accurate information. Interviews were conducted to solicit views from the officers of financial institutions offering credit services to women entrepreneurs.

3.5.1 Pilot Study

A pilot study was carried out to test the reliability and validity of the questionnaire. This was done to ensure that any irrelevant question items in the instrument were removed and focused the questionnaire so that the right information was obtained. Piloting was conducted to check the questionnaire content, structure sequence meaning and ambiguity of questions. According to Fraenkel and Wallen (2000) content validity is determined by expert judgment. The researcher amended the interview schedules in consultation with the supervisors to ensure that they addressed all the possible areas of the study appropriately and accurately. This also helped to rectify any inadequacies in time before actual collection of data and thus reduced

biases. The questionnaire was pre-tested by administering it to a sub-sample of six respondents, which was 10 percent of the sample population.

3.5.2 Instrument Validity

The instrument validity was measured by content validity test. This ensured that the measures included an adequate and representative set of items that tapped the dimension and elements of concepts under study. The researcher gave a professional in the field of entrepreneurship and requested him to assess what concept the instrument was trying to measure and determined whether the set of items accurately represented the concept under study.

3.5.3 Instrument Reliability

Reliability was important because it enabled the researcher to identify the ambiguities and inadequate items in the research instrument. This was measured through test-retest technique, where the questionnaire was administered to a group of individuals in similar characteristics as the actual sample. The tests were repeated after one week interval. The scores obtained from both tests were correlated to get the coefficient of reliability. The Spearman's Rank Correlation Coefficient of 0.7 was obtained which meant that the instrument was 70% reliable. Therefore, the research instruments was reliable and consistent to answer the research questions of the study. Ambiguous words and irrelevant items were removed to make the instrument more reliable.

3.6 Data analysis

The raw data collected was first pre-processed. This included editing of data to detect errors and omissions and correct where possible: which involved a careful scrutiny of the completed

questionnaires to ensure that the data was accurate, consistent with other facts gathered and uniformly entered.

Secondly, the researcher coded the data for efficiency in order to reduce the several replies to a small number of classes.

Thirdly, the data was classified on the basis of common characteristics and attributes. After the mass of raw data was assembled, it was be tabulated in form of statistical tables in order to allow further analysis. This in turn facilitated the summation of items and the detection of errors and omissions.

The data was then analyzed by the use of descriptive statistics, which included measures of central tendency (mean, mode, and median). This was to be facilitated by the use of computer software for statistical analysis, which is statistical package for social sciences (SPSS). For qualitative data, use of content analysis to identify patterns, themes and biases was applied.

Finally, the data was stored in soft and hard copies and presented by use of frequency tables.

3.7 Operationalization Table.

Objective/Research Question	Type of variable	Indicators	Measure	Level of scale
<ul style="list-style-type: none"> ❖ To find out how the accessibility and availability of credit services affect the growth of women entrepreneurship in Kinnyaga East District. ❖ To establish whether the access to education and training of the women affect their growth in entrepreneurship. ❖ To find out how accessibility to markets affect the growth of women entrepreneurship. ❖ To establish whether access to business networks influence the growth of women entrepreneurship. ❖ To find out how socio-cultural factors affect the growth of women entrepreneurship. 	<p><u>Independent</u></p> <ul style="list-style-type: none"> ❖ Financial/credit services ❖ Knowledge & skills ❖ Markets 	<ul style="list-style-type: none"> ❖ Loans Borrowed ❖ Qualification of the entrepreneur ❖ Products/services produced 	<ul style="list-style-type: none"> ❖ Amount of loans Borrowed ❖ Entrepreneurs' grades ❖ No. of products /services produced 	<ul style="list-style-type: none"> Ordinal Ratio Ordinal
	<ul style="list-style-type: none"> ❖ Business networks 	<ul style="list-style-type: none"> ❖ Associations joined 	<ul style="list-style-type: none"> ❖ No. of association joined 	<ul style="list-style-type: none"> Ordinal
	<ul style="list-style-type: none"> ❖ Social cultural factors 	<ul style="list-style-type: none"> ❖ Discrimination against women 	<ul style="list-style-type: none"> ❖ Level of discrimination 	<ul style="list-style-type: none"> Nominal
	<p><u>Dependent</u></p> <ul style="list-style-type: none"> ❖ Growth of women entrepreneurship 	<ul style="list-style-type: none"> ❖ Business performance & Development 	<ul style="list-style-type: none"> ❖ Amount of sales ❖ Revenue generated ❖ No. of employees 	<ul style="list-style-type: none"> Ratio Ratio Ordinal
	<p><u>Moderating</u></p> <ul style="list-style-type: none"> ❖ Government policies & regulations 	<ul style="list-style-type: none"> ❖ Availability of government laws & rules 	<ul style="list-style-type: none"> ❖ Availability & Accessibility of Government policies & Regulations. 	<ul style="list-style-type: none"> Nominal
	<p><u>Intervening</u></p> <ul style="list-style-type: none"> ❖ Women entrepreneur Background 	<ul style="list-style-type: none"> ❖ Willingness to take risk ❖ Capacity to plan ahead ❖ Capacity to innovate. 	<ul style="list-style-type: none"> ❖ Level of risk taking, planning & innovation 	<ul style="list-style-type: none"> Interval

3.8 Ethical Issues

Before undertaking the research in the field, an informed consent was obtained from the respondents, allowing them to participate voluntarily to the study. The aims and objectives of the research were explained before and after undertaking the research, which helped in attaining an informed consent from the respondents. The researcher also maintained utmost confidentiality about the respondents. Before embarking on the field the researcher met all legal requirements and made prior appointments for the interviews.

3.9 Summary

This chapter highlights that the study adopted a descriptive survey research design to assess the factors affecting the growth of women entrepreneurship in Kirinyaga East District. Stratified sampling was done in order to give every respondent an equal chance of being selected. Questionnaires were used as the instruments of data collection, which were pre-tested to check its validity and reliability. The raw data collected was processed and then analyzed by the use of Statistical Package for Social Sciences (SPSS).

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION.

4.1 Introduction

This chapter presents the summary of the analyzed data. The results are presented basing on the objectives of the study, which aimed at finding out the factors that affect the growth of women entrepreneurship in Kirinyaga East District in Central Province Kenya. In order to put the results of the study in perspective, the findings were organized under the following categories; demographic, enterprise profiles, enterprise growth and the role of the government and that of business development organizations. The data was analyzed using descriptive statistics with the help of statistical package for social sciences (SPSS). The data analyzed is presented using tables and percentages.

4.2 Instruments Return Rate

Out of the 60 questionnaires all were returned, thus a return rate of 100% . According to Peil (1995), questionnaires return rate above 50 % is considered good for a study

4.3 Demographic Information

4.3.1 Age

As shown in figure 4.1 a large proportion (43.3 %) of the women surveyed was aged between 20 and 30 years. Indeed over 70 % of the respondents were aged between 20 and 40 years. The high number of women in the 20-40 groups could be a result of the high rate of unemployment in the formal sector. The results also show that only a tiny proportion was below 20 or over 50 years old. This might be explained by the fact that older women may

have grown up in a cultural context where there was little encouragement to do business and hence were less inclined to start business.

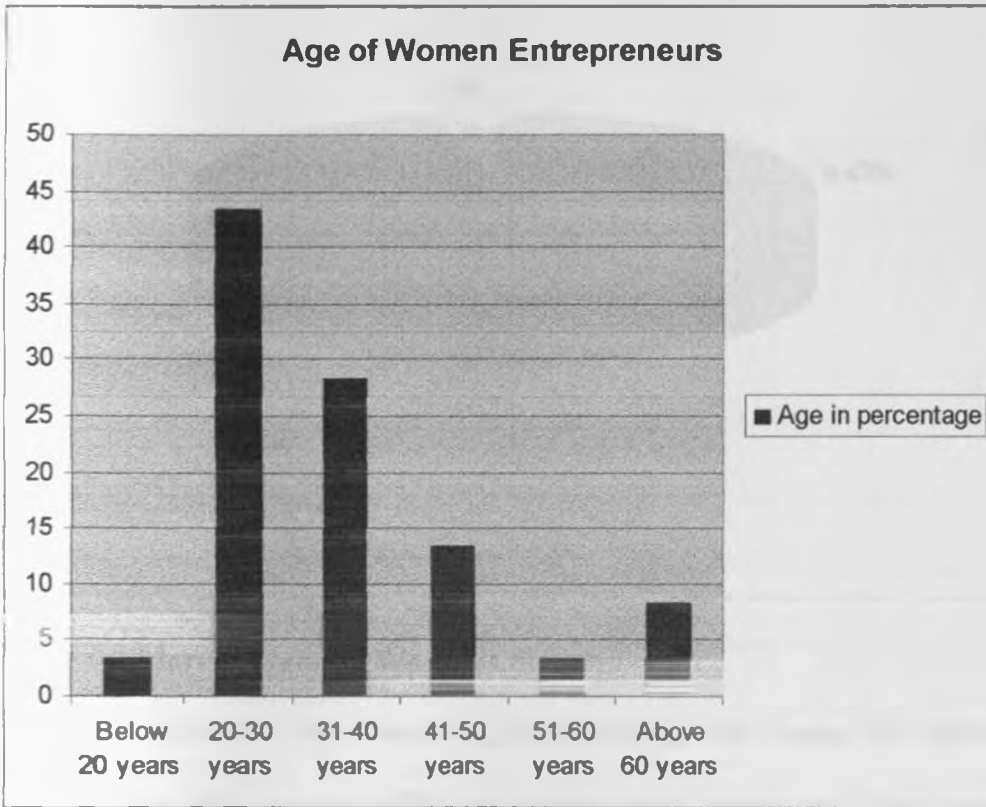


Figure 4.1 Ages of the Women Entrepreneurs

4.3.2 Marital Status

The highest number of respondents in the study (53.3%) were single and (43.3%) were married. Marriage has been debated as being one of those factors that might affect WEs. Women Entrepreneurs who are married have the added responsibility of having to both run a business and be expected to undertake the household chores as dictated by tradition. Figure 4 2 looks at the marital status of WEs.

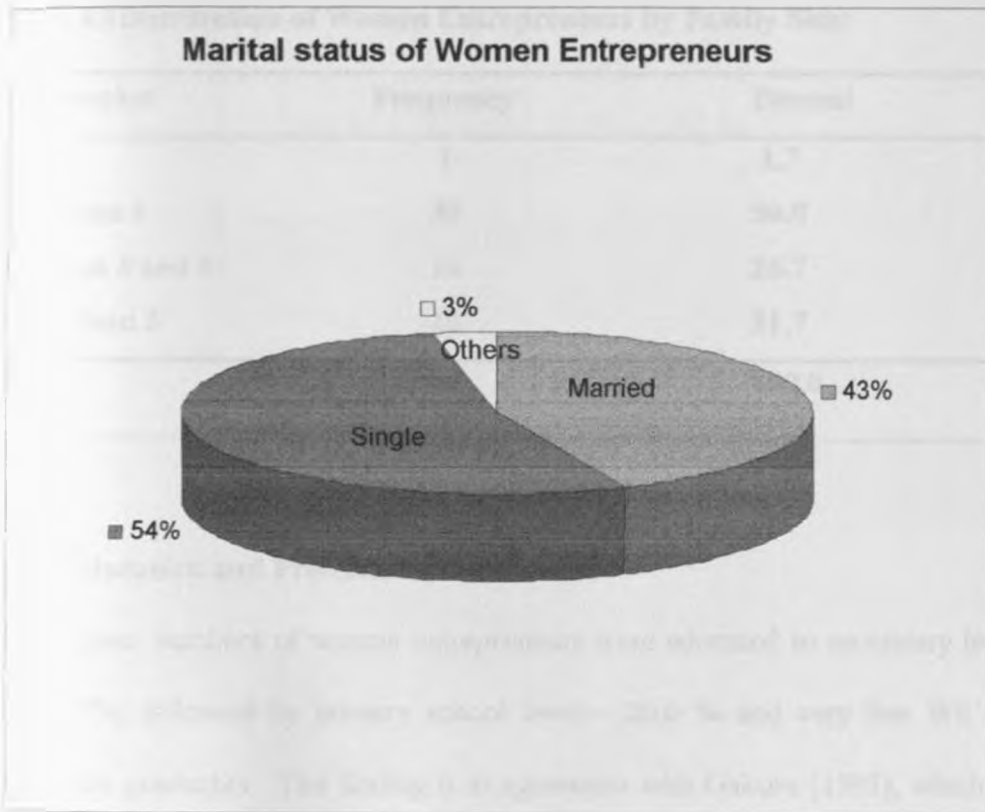


Figure 4.2 Marital Status of Women Entrepreneurs

This is in agreement with Handley (2001), findings that caring for children and family responsibilities has a negative effect on women owned enterprises. They draw off resources that could have been devoted to the business therefore reducing the probability of success.

4.3.3 Family Size

Overall, (98 %) of the respondents had children as shown by table 4.1 below. 50% of them had less than 3 children which would partly be explained by the fact that due to the triple roles of the women the reproductive roles are being affected. The large families implies an additional burden to the women entrepreneurs which in turn constraints the growth of their businesses.

Level of education in percentage

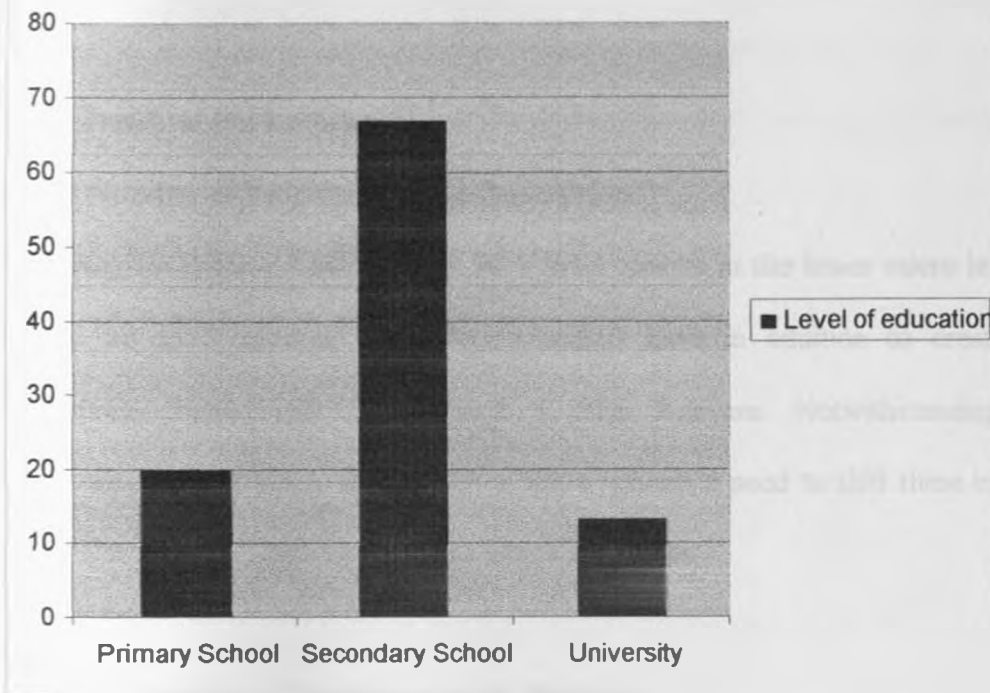


Figure 4.3 Women Entrepreneurs Level of Education

As regards the professional skills level, 66.7% do not have business management, which skills include; accounting, marketing and human resource management. This can be attributed to the lower level of education of women entrepreneurs where they are less likely to benefit from management and technical skills training programmes. Table 4.2 below summarizes the professional skills possessed by the respondents.

Table 4.2. Women Entrepreneur’s Professional Skills

Skills	Frequency	Percent
Marketing	8	13.3
Human resource management	10	16.7
Accounting	2	3.0
None	40	66.7
Total	60	100.0

Table 4.1 Distribution of Women Entrepreneurs by Family Size:

Age bracket	Frequency	Percent
None	1	1.7
Less than 3	30	50.0
Between 3 and 5	16	26.7
More than 5	13	21.7
Total	60	100.0

4.3.4 Education and Professional Skills Level

The highest numbers of women entrepreneurs were educated to secondary level represented by 66.7%, followed by primary school level – 20.0 % and very few WE's – 13.3% are university graduates.. This finding is in agreement with Gakure (1995), which concludes that the majority of WEs in the country are high school graduates. Figure 4.3 gives a summary of the entrepreneur's formal level of education. Education equips women with knowledge and skills they need to more effectively manage and succeed in their businesses. The study shows that the level of the formal entrepreneurial activity among women increased as their education rises and there is a major jump in business ownership among those who go beyond secondary education. For instance those who attained some business management skills had greater confidence in starting new business and entering new markets. Due to the lower education levels and a curriculum that does not emphasize entrepreneurship skills in Kenya, the chances that woman will have the knowledge needed to excel in business and thereby contribute to the country's overall economic growth remains minimal.

Level of education in percentage

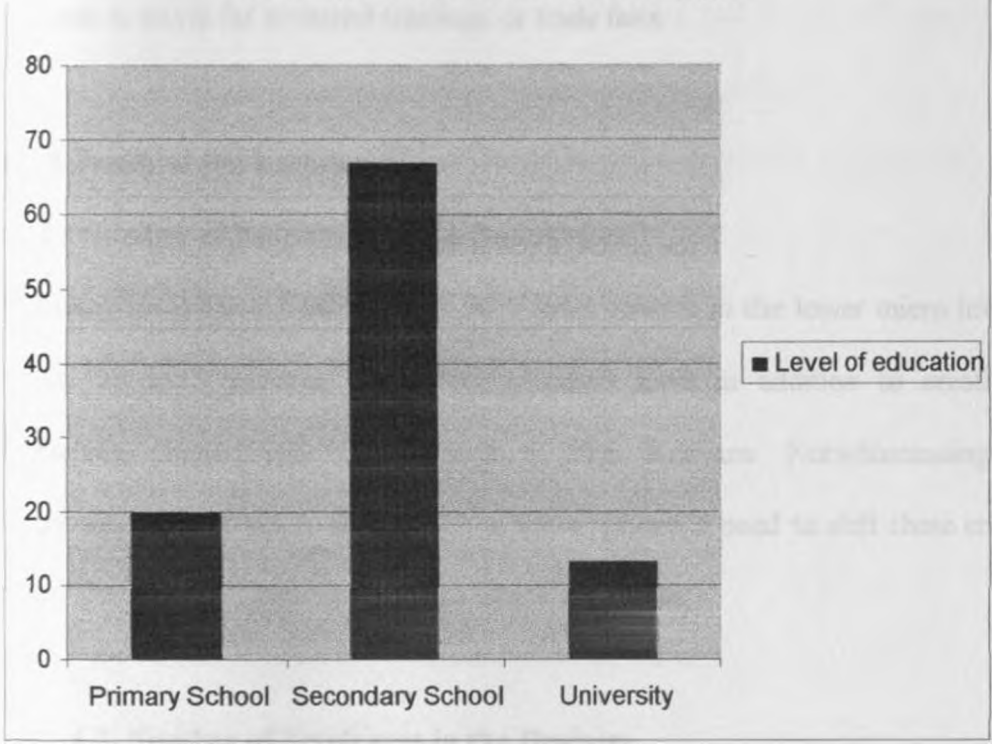


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Skills	Frequency	Percent
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Human resource management	10	16.7
Accounting	2	3.0
None	40	66.7
Total	60	100.0

The women entrepreneurs are constrained by their household responsibilities and marital status, for instance the married women entrepreneurs have to obtain permission from their husbands to travel far to attend trainings or trade fairs.

4.4 A Profile of the Enterprises

4.4.1 Number of Employees in the Enterprises.

According to Table 4.3 below, over 50% WEs operate in the lower micro level that is they employ up to 5 persons. These entrepreneurs have in addition to creating a job for themselves, created jobs for at least 4 other Kenyans. Notwithstanding the positive contribution this makes to the economy, there remains a need to shift these enterprises from lower micro to small and eventually to larger businesses.

Table 4.3. Number of Employees in the Business

Number of Employees	Frequency	Percent
None	21	35
1-5	33	55
6-10	3	5
Over 10	3	5
Total	60	100.0

Findings and retaining good employees is essential for the success of a business. The women entrepreneurs are faced with the problem of retaining their employees because their businesses are smaller and they are less likely to provide job security and retain good talents. The women entrepreneurs are not taken seriously by their employees and they have to work hard to win their respect especially from the male employees.

4.4.2 Products and Services Offered

From the findings, the highest number of Wes- 73.3% are engaged in the trade business. These findings are similar to a 2005 ILO study which found that WEs dominates the trade sector. The services come next represented by 26.7% respondents.

This is more so due to the fact that the WEs lack adequate skills that are required in the service sector.

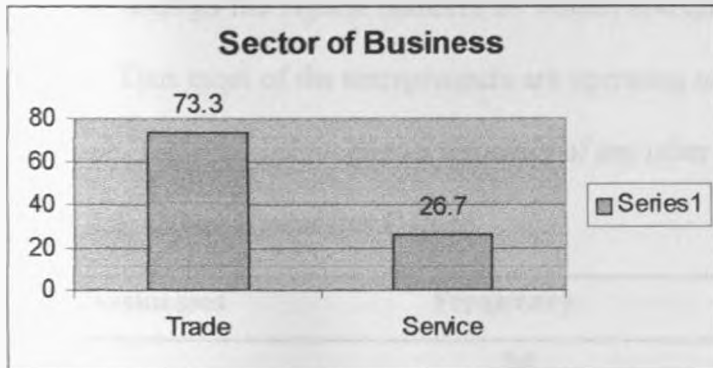


Figure 4.4 Sector of Business

The women businesses are predominate in clothing, horticulture and retail. This is in agreement with Gakure (2004), findings that women's productive activities were concentrated in micro enterprises that conformed to their traditional gender roles such as food processing and garment making.

4.4.3 Experience in Business

The entrepreneurs were asked to state the duration and any other business they were involved in. The highest number of WEs-36.7% was in business between 3-5 years followed by 35% less than 3 years.

Table 4.4 below summarizes the length of time spent working in the current enterprise

Table 4.4. Duration in Current Business

Duration in Business	Frequency	Percent
Less than 3 Years	22	36.7
3-5 Years	22	36.7
Over 5 Years	16	26.7
Total	60	100.0

From the findings the highest numbers of women entrepreneurs 86.7% do not have any other business. Thus most of the entrepreneurs are operating without prior experience of running an enterprise. Table 4.5 below gives a summary of any other business owned by the women.

Table 4.5. Other Businesses Owned

Other Businesses	Frequency	Percent
None	54	90.0
Auto Spares Shop	1	1.7
Coffee Farming	1	1.7
Subsistence Farming	4	6.7
Total	60	100.0

4.4.4 Business Ownership

Enterprise ownership is another factor determining female empowerment in the MSE sector. From the study it emerged that most enterprises were self owned with 68.3% of the respondents indicating as such. The next category of ownership is family ownership – a total of 16.7%. Even though the women exercise control over the business day to day operations, the husband and other family members tend to be part of the business ownership structure.

4.4.5 Motivations for Starting Business

In order to determine the factors that affect WEs, it was necessary to find out why these entrepreneurs went into business in the first place. A majority of the entrepreneurs 75% indicated that they went into business as a form of employment. The next main reason is to supplement family income represented by 13.3 %. Only 11.7 % of respondent cited family tradition as a motivation to starting a business. This is in line with Wanjira and Mureithi(2008), findings that most of the women got into business ventures for various reasons such as need for achievement, autonomy and provisions for and educating their children. It can also be argued that both necessity and opportunity drive women to start their businesses. This is mainly due to lack of other employment opportunities.

Table 4.6: Factors Motivating Start-up of Enterprises

Reasons for Business Start up	Frequency	Percent
Self Employment	45	75.0
Cater for the Family	8	13.3
Previous Family Business	7	11.7
Total	60	100.0

4.5 Enterprise Financing

Women entrepreneurs often have difficulties financing the start up and growth of their businesses. Getting an innovative firm off the ground or expanding it requires money which many women lack. Although more than a quarter of households in Kenya are women-headed only 5%of the women own land in their own name (Feldman, 1984). Therefore owning title deeds as collateral to finance expansion is still a hurdle for women entrepreneurs.

4.5.1 Capital Invested in the Start-up

Start-up capital for most of the women's enterprises ranged from Ksh. 0-100,000 representing 96.7% of the respondents. The majority of these fall in the lower micro category. This is followed by the Kshs. 100,000 – 200,000 bracket which accounts for 3.3%. Table 4.7 below shows the capital invested in the enterprise at the start up stage. This is in agreement with McCormick (2001), findings that women enterprises are less profitable and begin with less capital investment.

Table 4.7. Capital invested in Business at Start-up

Start-Up Capital (Kshs000')	Frequency	Percent
0-50	56	93.3
51-100	2	3.3
101-150	1	1.7
151-200	1	1.7
Total	60	100.0

Women limited land ownership restricts their access to formal financing. This in turn results to the women starting smaller businesses with their personal savings or loans borrowed from their family and/or friends. A key element for the success of an enterprise is having sufficient capital that the women entrepreneurs lack.

From the findings of the study the major sources of start-up capital was from personal savings followed by loan from family or friends. The women entrepreneurs found the borrowing conditions of the commercial banks and Microfinance Institutions to be prohibitive and very costly. Table 4.8 overleaf gives a summary of the sources of start-up capital.

Table 4.8. Main Source of Start-up Capital

Source of Start-up Capital	Frequency	Percent
Personal Saving	48	90.0
Loan from Family/Friends	7	11.7
Loan from Banks/MFTs	5	8.3
Total	60	100.0

4.5.2 Value of Enterprise Assets

Concerning the size of the enterprise most of the Women entrepreneurs ranged between Kshs.5,000-100,000 with 88.3% of the respondents having a total value of their enterprise assets fall in this category. Only 11.7% of the respondents valued their enterprise assets above Kshs.100, 000 but belowKshs.500, 000. This further explains why most of the women entrepreneurs remain at the micro-level. Table 4.9 below summarizes the total value of assets in the women operated businesses.

Table 4.9. Total Value of Assets

Value of Assets (Ksh 000')	Frequency	Percent
0-50,000	42	90.0
50,001-100,000	11	18.3
100,000 and Above	7	11.7
Total	60	100.0

4.5.3 Value of Enterprise Liabilities

In terms of liabilities, majority of the WEs, represented by 58.3% have no liabilities. This can be explained by the fact that most of the respondents financed the start-up of their business from personal savings. Secondly, only 38% of the women entrepreneurs borrowed from the commercial banks and MFI's because of their prohibitive and costly conditions. Table 4.10 gives a summary of the value of enterprise liabilities.

The net assets of an enterprise provide a financial overview of the performance of a business. When this is compared with the start-up capital used, a more accurate reflection of the progress of the enterprise can be ascertained from the findings, it can be deduced that most of the women owned enterprises have net assets ranging from Kshs.0-50,000, with 93.3%. Only 6.7% of the respondents have net assets above Kshs.50, 000.This further explains why the women owned enterprises remain small and informal.

Table 4.10: Total value of Liabilities

Value of Liabilities(Ksh)	Frequency	Percent
None	35	58.3
500-20,000	13	21.7
20,001-100,000	9	15.0
Above 100,000	3	5.0
Total	60	100.0

4.6 Enterprise Growth

4.6.1 Credit Accessibility and Availability

Table 4.11 below shows the extent to which women entrepreneurs had tried to access credit and their success in doing so. The findings indicate that a large proportion (75%) of the women tried to access loans from MFIs and banks. About 25% of the respondents had never tried to get loans.

Table 4.11 Credit Accessibility to Women Entrepreneurs

Credit Accessibility	Frequency	Percent
Very Frequent	2	3.3
Frequent	23	38.3
Rarely	20	33.3
Never	15	25.0
Total	60	100.0

Notwithstanding the successes in getting loans, 50% of the respondents, indicated that being a woman made it more difficult to get loans, 65% of the respondents indicated that they had faced a number of problems and the main issues are shown in table 4.12 below.

Accessibility to initial capital is a major hurdle for women entrepreneurs because the microfinance institutions and commercial banks choose where they locate, excluding entrepreneurs in remote areas. Credit conditions when forming a group, paying membership fees, group registration fees and joining savings plans results in delays in accessing initial capital.

Table 4.12: Problems Faced in Borrowing Money

Constraints	Frequency	Percent
Cumbersome Procedures	25	41.7
High Interest rates	7	11.7
Small Loans offered	3	5.0
Lack of collateral	20	33.3
Lack of Business plans	5	8.3
Total	60	100.0

The factors that inhibit credit availability to women include: Lack awareness of existing credit schemes, high interests rates, lengthy and vigorous procedures for loan application. All these have hindered growth potential of businesses owned by women.

The most commonly cited problems are cumbersome procedures and lack of collateral. These are followed by high interest rates. Although both men and women face the problem of access to finance, it affects women more for a number of reasons. First, women have less access to property, which can be pledged as collateral. This is due to property laws and traditional customs which deny women control over property

Table 4.13 below summarizes the sources of funds for the business which indicates that most of the respondents get funds from business/social groups- 45.0 %.

Table 4.13: Sources of Funds by Women Entrepreneurs

Sources of funds	Frequency	Percent%
Family/ and Friends	10	16.7
MFI's	15	25.0
Mainstream Banks	8	13.3
Business/Social Groups	27	45.0
Total	60	100.0

The findings from the study shows that only 13.3% of the respondents who have borrowed loans from the mainstream banks. This can be attributed to the cumbersome procedures and high interest rates cited before by the women entrepreneurs, which prevent them from borrowing loans from commercial banks. The microfinance institutions do not address the needs of women that are trying to expand beyond the micro-enterprise level.

Women entrepreneurs who have outgrown microfinance loan limits have a hard time obtaining loans as small as Kshs.1Million from commercial banks. Even when the women entrepreneurs approach banks for financing they face discrimination. The bank officials tend to ignore them in meetings and prefer speaking to their husbands. This fact prevents many women from even approaching them. Secondly, due to lack of a credit referencing system through which women's excellent track records in micro financing would be available to other financing institutions which are their main assets, impact negatively on the women entrepreneurs.

4.6.2 Challenges faced in managing Credit Transactions

The entrepreneurs were asked to state the challenges they face in managing credit transactions. The biggest challenge faced by all the women entrepreneurs was that of cash flow (41.7 percent) followed by excess credit to customers (33.3 percent) and inadequate skills, knowledge and experience (25 percent)

Most entrepreneurs suggested that they required business training and business advisory services.

Table 4.14: Challenges faced by women entrepreneurs

Services	Frequency	Percent%
Excess credit to customers	20	33.3
Cash flow problem	25	41.7
Lack of Skills	15	25
Total	60	100.0

4.6.3 Market Accessibility

Increased access to markets is also considered an aspect of upward mobility. The results of this study show that the proportion of enterprises selling within their district – Local markets is 88.3%. Only 11.7% of the respondents sell outside their district. This therefore explains the slow upward mobility of women entrepreneurs and less creation of business contacts and links. Some of the women seem to be missing business opportunities due to not having information or not being aware of them. There are also few mechanisms in place for providing basic marketing information or advice to women entrepreneurs. The women entrepreneurs have not been very successful in marketing their products abroad. Participating in expensive trade promotion , which is necessary to identify new markets is often difficult for women entrepreneurs due to lack of funds. In order to secure orders in new markets and

develop credibility, the women are expected to give timely and consistent quantities of quality products which they fail to do.

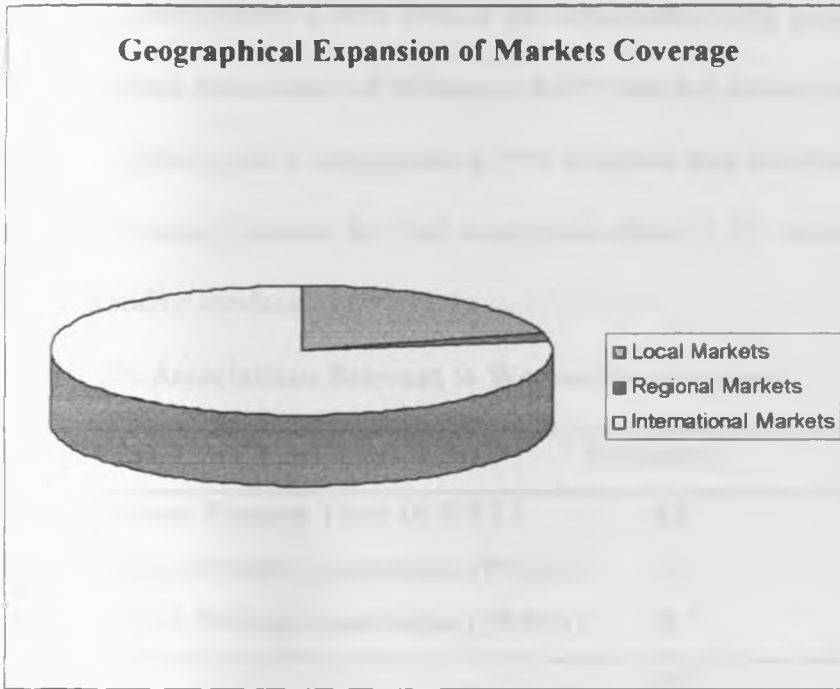


Figure4.5: Geographical Expansion of Markets Coverage

4.6.4 Impact of Traditions, Cultural beliefs and Practices on Women Entrepreneurs.

The role of society culture and the community manifests itself in the traditions beliefs and practices affecting WEs. Thirty percent of entrepreneurs feel they are hugely affected by tradition, while 70% of the respondents felt that the traditions did not have any effects on their enterprises. Some of the challenges faced by the women entrepreneurs are negative attitude from the community and not being allowed to establish businesses far from home by their husbands.

4.6.5 Access to and use of Business Associations.

Table 4.15 below summarizes the awareness and accessibility to the business associations by the women entrepreneurs, with 75% of the respondents being aware of KWFT. Only 25% of the respondents were aware of WEAs and SEWA but had not accessed any of their services.

Majority of the women entrepreneurs 50% indicated that the business associations assisted them in accessing finances for their enterprises while 13.3% were helped in marketing their products and/or services.

Table 4.15: Associations Relevant to Women Entrepreneurs

Associations	Frequency	Percent
Kenya Women Finance Trust (KWFT)	45	75.0
Women Entrepreneurs Association (WEAs)	7	11.7
Self Employed Women Association (SEWA)	8	13.3
Total	60	100.0

The study showed that the women entrepreneurs were least assisted by the business networks due to lack of awareness about them and the services they offer.

4.6.6 Family Influence on the Enterprise.

The women entrepreneurs were asked to explain the kind of assistance they receive from their families. Majority of the respondents 60% received financial assistance from their families while 40% utilized their family members as employees in the enterprises. The families of the women entrepreneurs have played a key role in the development of the businesses. In many cases, spouses have been supportive and their financial and moral supports have been instrumental in the establishment and development of their business.

Some men do not have confidence in their wives' ability to run formal business activities and therefore discourage them from formalizing. When asked the impact their enterprises have on the families 95% of the respondents said that it is a source of income for their families. 95% of the entrepreneurs surveyed spent more than 8 hours a day at their businesses. This obviously left them with less time to spend with their families as indicated in Table 4.16 below.

Table 4.16: Amount of time spent at the Business

Number of hours	Frequency	Percent
Less than 8 hours	3	5.0
8 hours and above	57	95.0
Total	60	100.0

Only 5% of the respondents spend more time with their families at the expense of the business. This is line with Saito and Spurling(1994), findings that the women entrepreneurs face the challenge of managing their work with family and house hold affairs. The women entrepreneurs are both mothers and businesswomen. Due to the triple roles that the women play, they are left with less time to run their businesses take advantage of training opportunities and join business associations

On asked to state who makes major decisions regarding business income and expenditure, 56.7% of the respondents said they are the sole decision makers while 23.3% said that they make decisions in consultation with their husbands. 95% of the respondents required financial and moral support from their families and the community in general in order to spur their businesses to grow. The women entrepreneurs perceived their business as a family affair. Even when women exercise control over the business day-to-day operations the husband and other family members tend to be part of the business ownership structure. Over

90% of the women interviewed involved their husbands as partners in the business and drew on their husband's advice and encouragement when making important business decisions.

4.7 Business Environment and support services:

4.7.1 Personal Goals and Future Projections.

The respondents were asked to indicate their future business plans in the next five years.

As table 4.17 below shows a large majority of the women intend to significantly increase the size of the business – 66.7%, followed by 20.0% who aimed at starting another business and keep the present one. Only a small number 6.7% plan to slightly increase the size of the business. This shows that women entrepreneurs have growth aspirations.

Table 4.17: Future Business Plans

Future plan	Frequency	Percent
Continue with the business at the same size	2	3.3
Slightly increase the size of the business	4	6.7
Significantly increase the size of the business	40	66.7
Change the size of the business	1	1.7
Start another business and keep the present one	12	20.0
Pass on the business onto someone else in my family	1	1.7
Total	60	100.0

Despite the obstacles the women entrepreneurs face, they are ambitious and looking forward to grow in their businesses. The women have an overwhelming interest in expanding their businesses both within the country as well as to international markets.

4.7.2 Factors Favorable to Growth

The respondents were also asked to indicate factors which would facilitate growth of their enterprises. Their responses as summarized in Table 4.18 below shows that the most commonly cited facilitating factors are access to finance, ready markets, technical skills and

training and favorable climate for the horticulture farmers. All the respondents required moral support from their families.

Table 4.18: Factors Helpful for Growth

Factors	Frequency	Percent
Financial Ability	20	33.3
Access to skills and Education	10	16.7
Access to markets/advertising	15	25.0
Favorable climate	6	10.0
Moral support	9	15.0
Total	60	100.0

4.6.3 Constraints to Growth

In addition to factors facilitating growth the respondents were asked to indicate the critical barriers to the development of their enterprises. They mentioned the factors as shown in table 4.19 below.

Table 4.19: Constraints to Growth

Barriers to Growth	Frequency	Percent
Access to finance	13	21.7
Competition	7	11.7
Corruption and tribalism	1	1.7
Stringent licensing regulations	15	25.0
Insecurity	15	25.0
Poor climatic conditions	2	3.3
Harassment	3	5.0
Others-Financial demands from family	4	6.7
Total	60	100.0

There are a number of unique challenges facing WEs. Most of these stem from their multifaceted roles as businesswomen parents and homemakers. The most critical barriers to growth are seen as access to finance stringent licensing regulations and insecurity with 25%

of the respondents citing them as the most challenges they face. Other barriers cited are poor communication network due to non user-friendly infrastructure prohibitive costs and low literacy levels among the entrepreneurs.

4.7.4 Effects of Government Policies and Regulations on the Growth of women Entrepreneurship.

Majority of the respondents 73.3% are not aware of any government polices or regulations that affect their enterprises negatively. Only 23.3% of the respondents are aware of the policies. Some of the policies cited are land property ownership rights business permits among others laws and Regulations governing some sectors are also difficult to comply with. The women generally perceive that tax and local government officials deliberately harass them in order to exhort bribes from them. The respondents reported that in many instances the local government officials take away their working tools necessitating closing of the business for some time in order to regain the equipment. Some women entrepreneurs stated that they result to giving bribes to the government officials in order to be able to comply with some of the difficult regulations. In some cases the respondents had to close down their businesses completely.

Some of the changes needed in government policies or regulations as cited by the women entrepreneurs were change of land ownership right reduction of licenses and reduction of interest rates on loans given to the women. Finally the women entrepreneurs required access to information and training as regards the Women Enterprise Development Fund.

4.7.5 Incidents that have negatively Affected Women Enterprises.

Respondents were asked to mention critical incidents that had negatively affected their businesses. Table 4.20 below shows that lack of skills had affected about 35 %of the

businesses. The other factors include such issues as theft, sickness inflation power disconnection after delays in paying their electricity bills and harassment by the local government officials.

Table 4.20: Critical Incidents Affecting Business Negatively;

Critical Incidences	Frequency	Percent
Theft	16	26.7
Lack of skills	21	35.0
SICKNESS	10	16.7
Inflation	3	5.0
Non-response	5	8.3
Others	5	8.3
Total	60	100.0

CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS.

5.1 Introduction

The study aimed at finding out the factors that affect the growth of women entrepreneurship in Kirinyaga East District. This chapter therefore highlights a summary of findings, conclusions made on the findings and recommendations which are meant to enhance the growth and development of women entrepreneurship. Finally are suggestions for further research.

5.2 Summary of the Findings

5.2.1 Profile and Motivation for starting Businesses

The common view of women entrepreneurs in the MSE sector is that they have limited education, limited experience as well as very limited access to resources and that they start business principally out of economic necessity. A large number are also motivated by other factors including financial security in the event that the spouse is unable to provide for the family having control over resources and gaining the respect and status in the family which comes with success in running a business.

It was found that over 60 percent of WEs are below 40 years of age with an average of 3 children. Managerial and technical skills were found to be lacking among the women entrepreneurs.

5.2.2 Accessing Finance

The first research question for this study intended to find out how the accessibility and availability of credit services affect the growth of women entrepreneurship in Kirinyaga East District, the findings indicated that: - the women entrepreneurs lack sufficient capital for expansion. For growing MSEs the problem of access to finance is not availability per se but being able to access wan sizes appropriate to the needs of their enterprises. This is because the women in growing MSEs need relatively large loans which are not available from MFIS. Most of the women entrepreneurs are unable to grow due to the fact that they are not able to borrow from banks which demand security of the loans. Credit conditions when forming a group, pay membership fee, group registration fees and joining saving plans results in delays in accessing capital thereby worsening the women's household financial burdens.

5.2.3 Access to Training and Education

The second research question was to establish whether access to education and training of the women affect their growth in entrepreneurship. In answer to this question the study results indicated the women are unable to attend training organized in convectional workshops mainly because their educational level is low creating a barrier to them accessing training and other business development services.

5.2.4 Access to Markets.

The third research question was to find out how accessibility to markets affects the growth of women entrepreneurship. The study results indicated that 88.3% of the respondents sell within their district that is the local markets, which in turn slows their upward mobility and less creation of business links and contacts.

5.2.5 Impact of Socio-cultural Expectations.

Society, culture and community impact WEs ability to run their businesses. Many women are “income poor” yet have to provide for their families. Competing financial needs between family and business becomes one of the major constraints to enterprise growth.

Due to their dual roles in the household and the labour market as mothers, housekeepers, wives and owners/managers the women have no adequate time to plan and manage their businesses well, thus leading to dismal performance or even closure of women owned MSEs. The women entrepreneurs are faced with challenge of managing their work with family and house hold affairs.

5.2.6 Participation in the Relevant Business Associations.

As regards participation in business associations the women entrepreneurs belong to social groups which tend to give them moral support but limited business support. The women entrepreneurs interviewed are not aware of the business associations and others perceive them of being of little use to them.

5.3 Discussion of the Findings

The study clearly indicates that lack of financing is a constraint that affects women entrepreneurs not only in Kirinyaga East district but also in all other parts of the country as evident in the study of Karanja (1996) and Government of Kenya (1998) report where many Microfinance Institutions have emerged to provide initial and working capital but their relevance and cost effectiveness remains inappropriate in satisfying the particular needs of potential and operating women entrepreneurs. With financing being conditional upon collateral, getting access to financing is out of reach for most women. Women entrepreneurs

who have outgrown microfinance loans limits have a hard time obtaining loans as small as Kshs 1 million from commercial banks.

Another common constraint faced by the women entrepreneurs of Kirinyaga Est District was balancing time between the Entrepreneurial venture and the family. The women entrepreneurs are both mothers and businesswomen. Time spent on family duties leaves women with less time to run their business, take advantage of training opportunities or networks. Thirdly social networks, role models and mentors are important sources of information and resources for the female entrepreneurs, yet prevailing norms and women's time burdens make networking a challenge for them. Networking often entails attending social events such as golf games or bar outings, which is often not a feasible option for a woman. As a result women are left out of important networking events where key contracts are won and orders secured.

Low levels of education and lack of a curriculum that emphasizes entrepreneurship skills and other training programmes which are imperative to help women in their entrepreneurship, managerial and technical skills is also a major constraint. This is in agreement with Gakure (1995) findings, which indicated that most women entrepreneurs are high school graduates. Education equips women with the knowledge and skills they need to more effectively and manage and succeed in their businesses

Finally weak market infrastructure and road networks prevent the women entrepreneurs from transporting their products to other markets. The women have poor access to trade related information due to their low levels of education and lack of networking. They lack capacities to secure orders in new markets due to low quality of their products. Without access to credit

and know how, the women entrepreneurs are unable to meet orders and hence lose out on potentially lucrative contracts.

5.4 Conclusions

Based on the findings from the primary data of the study, it is concluded that women MSEs are quite entrepreneurial and needed to be supported to grow and expand. Government policies and relevant legislations have to a large extent only been on paper not on the ground, there is little implementation of some of the policies that would have supported women's entrepreneurship.

The study has also shown that women entrepreneurs develop their businesses in consultation with their husbands. Decisions to increase or limit the size of activities or diversify to other types of activities are reached after taking into account the resources they have, their needs, alternatives available in case a business fails and the responsibilities they have.

In other interventions, finance was found to be available and accessible from a number of Microfinance Institutions and commercial bank but conditions to be fulfilled and the terms of repayment for most loans to MSEs were said to pose major challenges to the entrepreneurs. The women entrepreneurs also felt that government support to the MSE sector is inadequate. They needed more support service such as entrepreneurial training and marketing through exhibitions among others. Moreover, the women entrepreneurs aspire to and actually achieve significant growth of their businesses though there are constraints that hinder their growth in business, which include limited access to finance, skills, markets, cultural values which are not conducive to successful operation of MSEs, unfriendly laws and regulations which are difficult to comply with and corruption.

Finally there are gender-related constraints, which negatively affect women entrepreneurs' success. Difficulties in accessing bank finance due to lack of property rights and hence collateral and time pressures due to multiple caring roles at home in the community and in the business

5.5 Recommendations

The following recommendations are made in order to enhance the growth and development of women entrepreneurship in Kirinyaga East District. Firstly, the MFIs and commercial banks should market their services more widely and make them more affordable to the women. More specifically the MFIs should carry out business analysis of the practical needs of their customers so as to be able to formulate better and more appropriate modes of repayment with more emphasis on loan durations and grace period. Secondly, the society and the community at large should be made aware of the needs of WEs. The people should be aware of their valuable contribution so that they might be more friendly and supportive towards them. The families should be encouraged to support them but be trained resources for the family up-keep.

Thirdly capacity building of all WEs should be undertaken by donors and government to provide them with the skills, knowledge and positive attitudes to go forward. Open training programmes should be available to women entrepreneurs based on their needs. Finally, the women entrepreneurs should be encouraged to either form or join existing business/professional associations. The existing associations need to promote awareness about themselves and the benefits they can bring to business by providing more information to a wider public about their operations and services.

5.6 Suggestions for Further Research

From the results, this research suggests further research from the following:

1. To investigate the factors affecting the growth of women entrepreneurship in other districts in Kenya.
2. To investigate the impact of the triple roles played by women on the development and growth of their businesses.
3. There is need for a study on impact of Women Enterprise Development Fund on the growth of women's entrepreneurship.

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APPENDIX 1

Second Sessional Paper No. 2 of 2005, Development of Micro and Small Enterprises for Health and Employment Creation for Poverty Reduction: Gender Equity Objectives

Sessional Paper Operational Target	Strategies	Possible actions to achieve Operational Target
439	<ul style="list-style-type: none"> - Equal Access to Financial services - Institutional capacities of ministries and parastatals in gender integration - Greater access to education, technological development and entrepreneurship 	<ul style="list-style-type: none"> - Contributing to the development of a more supportive and enabling policy, legal and regulatory environment for promoting women entrepreneurs and women entrepreneurs with disabilities. - WED Capacity Building for Ministries and parastatals as well as donors, BDS providers, NGOs, Micro/Finance institutions and DPOs. - Conducting organizational self check for service

		<p>providers, including financial services, for inclusion of gender, disability concerns and women's economic empowerment in existing structure</p> <ul style="list-style-type: none"> - Identification and establishment of market led vocational skills training for women entrepreneurs with and without disabilities.
4.40	<ul style="list-style-type: none"> - Increase awareness of gender issues in MSE development context - Elicit sector specific gender mainstreaming strategies - Identify gender related constraints in MSE development - Establish monitoring and evaluation mechanisms, in particular in associations of entrepreneurs. 	<ul style="list-style-type: none"> - Support women entrepreneurs associations (WEAs), Disabled Persons Organizations (DPOs) to strengthen their organizational capacity to mobilize women entrepreneurs and women entrepreneurs with disabilities at local, regional and national levels and support their integration into mainstream and other vocational skills training, micro and small

		<p>enterprise development, and micro finance programmes and to offer marketing assistance.</p> <ul style="list-style-type: none"> - Conducting organizational self-check for service providers, including financial services, for inclusion of gender, disability concerns and women's economic empowerment in existing structure. - Carry out research into the situation of women entrepreneurs in Kenya.
4.41	<ul style="list-style-type: none"> - Collect and avail gender-disaggregated data to facilitate responsive planning and policy formulation. - Promote more marketable and remunerative products for women entrepreneurs. 	<ul style="list-style-type: none"> - Support the Kenyan Bureau of Statistics in ensuring gender sensitivity during the 2005 census on MSEs. - Women entrepreneurs in selected regions participate in regional, national trade fairs and exhibitions. - Support WEAs and DPOs to

		<p>strengthen their organizational capacity to mobilize women entrepreneurs and women entrepreneurs with disabilities at local, regional and national levels and support their integration into mainstream and other vocational skills training, micro and small enterprise development, and micro finance programmes and to offer marketing assistance</p>
4.42	<p>- AI MSE support programmes and projects designed to ensure equal opportunities</p>	<p>- WED Capacity Building for Ministries and parastatals as well as donors, BDS Providers, NGOs, micro/Finance institutions and DPOs</p>

Source: Grania Mackie, International Labour Organization (2006,P.15)

APPENDIX 2
COVER LETTER

WINFRED K. MURIMI

P O BOX 925-10300

KERUGOYA.

28/04/2010.

THE.....

.....

.....

Dear Sir/Madam,

RE: ACADEMIC RESEARCH.

I am a student of the University of Nairobi pursuing a Masters Degree in Project Planning and Management. I am conducting an academic research on Factors Affecting the Growth of Women Entrepreneurship in Kirinyaga East District in Central Province.

I am kindly requesting for your assistance in responding honestly to the interview questions.

Looking forward for your cooperation.

Thank you.

W K. Murimi

Cellphone No. 0722-160185.

APPENDIX 3 QUESTIONNAIRE

The purpose of this questionnaire is to collect data on the factors affecting the growth of women entrepreneurship in Kirinyaga East District. The information provided through this questionnaire will be purely and exclusively for academic purpose and will be treated with top most confidentiality. There is no right or wrong answer all answers will be considered right and you need not to write the respondents name.

Please feel free to give your answers your cooperation and assistance will be highly appreciated. Please tick in the spaces provided.

Questionnaire for the Women Entrepreneurs

Section A: Personal Details

1. Profile of the Entrepreneur

(i) Age (please tick in the spaces provided)

(a) Below 20 years

(b) 20-30 years

(c) 31-40 years

(d) 41-50 years

(e) 51-60 years

(f) Over 60 years

(ii) Your marital status (Please tick)

(a) Married

(b) Single

(c) Others specify.....

(iii) Family size (Please tick)

(a) Less than 3

(b) Between 3 and 5

(c) More than 5

(iv) Highest level of education attained (please tick)

(a) Informal /none

(b) Primary school

(c) Secondary

(d) University

(e) Others (please specify).....

(b) Highest specific professional skills attained

(d) Marketing

(e) Management

(f) Accounting

(g) Others (please specify).....

2. Profile of the Enterprise

i Name of the Enterprise

.....
.....

ii Physical location of the enterprise

.....
.....

iii Number of employees in the enterprise

.....
.....

iv. Type of enterprise (briefly describe the products or services offered)

.....
.....

v. Duration in the current enterprise (Please tick)

(a) Less than 3 years

(b) 3-5 years

(c) Over 5 years

3. Do you own any other business or businesses?

YES

NO

If yes, which ones?.....

4 Who owns the business?.....

.....

5. Why did you start this business?.....

.....

6. (a) Starting capital in Kenya Shillings and the source(s)

Source of starting capital	Amount (Ksh.)
1.	
2.	
3.	

(b) Value of all enterprise assets currently

Asset	Current value (Ksh.)
Stock:	
Debtors:	
Others specify.....	
Total	

(c) Value of all enterprise liabilities

Asset	Current value (Ksh.)
1. Loan	
2. Creditors	
Others specify.....	
Total	
Total current value of business (b less c)	Ksh

SECTION B: ENTERPRISE GROWTH

1. Access to Finance on the Women Entrepreneurship

a) How frequent do you access credit?

Very frequent Frequent Rarely Never

b) Does your being a woman make it more difficult for you to get a loan?

YES NO

c) Have you faced any problem in borrowing money?

YES NO

d) How do you rate the following challenges experienced when borrowing money?

(Tick your opinion on a scale of 1-4, where 1=Very high; 2=High; 3=Low; 4=Very Low).

Problems/Challenges	1	2	3	4
Cumbersome procedures				
High Interest Rates				
Small loan offered				
Lack of collateral				

Lack of business plans				
------------------------	--	--	--	--

e) List the sources of funds for your business in order of importance

1.
2.
3.

f) Are you facing any challenges in managing your credit transactions?

YES

NO

g) If YES, list the challenges in order of priority

1.
2.
3.

h) To what extent do the following services relevant to your business?

(Tick your opinion on a scale of 1 – 4, Where 1 =Very High; 2 = High; 3 = Low; 4= very Low).

Services	1	2	3	4
Training				
Business advisory services				
Counseling and Mentoring				
Marketing services				

2. Access of Markets for the Enterprise.

(a) Please, indicate in which markets you sell your products.

Local Markets (within the District)

Regional Markets (in more then one District)

International markets outside the country

(b) Briefly explain reasons for your answer in (a) above

.....

.....

.....

3. The Impact of Socio-Cultural Expectations on the WEs.

(a) Do traditions, beliefs and practices of your community affect your business?

YES

NO

Briefly explain your answer

.....

(b) To what extent are you aware of the following associations? Tick your opinion on a scale of 1 – 4, Where 1 =Very High; 2 = High; 3 = Low; 4= very Low)

Association	1	2	3	4
Kenya Women Finance Trust (KWFT)				
Women Entrepreneurs Association (WEAs)				
Self Employed Women Association (SEWA)				

(c) How do these associations help you as a woman entrepreneur?

.....

(d) If you are not a member of any of these associations, explain why?

.....

.....

4. Family Influence on the Enterprise

The influence of the family and household responsibilities on the performance of the enterprise.

(a) How does the family assist you in your business?

.....
.....

(b) What impact does your enterprise have on the family?

.....
.....

(c) Do you have a specific budget for your family and for the enterprise? Explain

.....
.....

(d) What amount of time do you spend on the business?

.....
.....

(e) What amount of time do you spend on your family?

.....
.....

(f) Who makes major decisions regarding business income and expenditure?

.....
.....

(g) In your opinion, what support should the family and the community as a whole provide you with to enable you progress in your business and improve the livelihood of your family?

.....

SECTION C: BUSINESS ENVIRONMENT AND SUPPORT SERVICES

1. What are your plans for this business in the next five years (please select one)

Continue with the business at the same size	1
Slightly increase the size of the business	2
Significantly increase the size of the business	3
Significantly reduce the size of business	4
Change to another line of business	5
Leave the business and take up wage employment	6
Start another business and keep the present one	7
Sell the business	8
Pass the business onto someone else in my family	9
Other specify	10

2. What are the most important factors that can help your business to grow? (up to 3)

(i)

(ii)

(iii)

3. What do you consider to be the most significant barriers to the growth of your business / (up to 3)

(i)

(ii)

(iii)

4. Effects of Government Policies and Regulations on the Growth of Women

Entrepreneurship.

a) Are you aware of any policies or regulations that affect women owned enterprises negatively?

YES

NO

b) If yes mention these policies.

.....
.....

c) From your experience are there any government regulations that are difficult to comply with?

YES

NO

5. If yes, how did you manage to comply with the regulations and policies that were difficult?

(i)

(ii)

(iii)

6 What changes are needed in government policies or regulations in order to make them friendlier to women owned enterprise?

.....
.....

7 Please describe two critical incidents that have negatively impacted on your business since you started.

(i)

(ii)

THANK YOU VERY MUCH FOR YOUR COOPERATION.