

**FACTORS INFLUENCING GROWTH OF MICRO AND SMALL
BUSINESS ENTERPRISES OWNED BY WOMEN: THE CASE OF
MWIMBI DIVISION, MAARA DISTRICT, KENYA.**

**BY
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DECLARATION

This is my original work and has not been presented for any other award in any university.


Signature

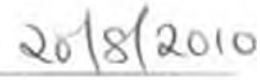

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DEDICATION

This work is dedicated to my wife- Jacqueline Kathomi whose understanding and support enabled me to complete it. Special dedication is made to my children, Patience Gatugi; and Wesley Mawira who seemed to wonder why the typing was taking too long denying them attention.

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ABBREVIATIONS AND ACRONYMS

AfDB	-	African Development Bank
AMFIs	-	Association of Micro Financing Institutions
DFIs	-	Development finance Institutions
DMSED	-	Department of Micro and Small Enterprise Development
FIAS	-	Foreign Investment and Advisory Service
GDP	-	Gross Domestic Product
GOK	-	Government of Kenya
IDA	-	International Development Association
IFC	-	International Finance Corporation
ILO	-	International Labor Organization
KSTES	-	Kenya Small Traders and Entrepreneurs Society
MDGs	-	Millennium Development Goals
MF	-	Microfinance
MFI_s	-	Micro-Finance Institutions
MSE_s	-	Micro and Small Enterprises
MSMEs	-	Micro Small and medium Enterprises
NGO_s	-	Non Governmental Organizations
SMEP	-	Small and Medium Enterprises Programme
SME_s	-	Small and Micro Enterprises
SPSS	-	Statistical Packages for social Sciences
UNDP	-	United Nations development Programme
USAID	-	United States Agency for International development
WE	-	Women Enterprises
WEDGE	-	Women's Entrepreneurship Development and gender Equality
WEFC	-	Women Economic empowerment Consortium
DDO	-	District Development Officer
UNIDO	-	United Nations International Development Organization

ABSTRACT

This study examined factors influencing growth of micro and small business enterprises owned by women in Mwinbi Division, Maara District, Kenya. Building on the 2004 Foreign Investment and Advisory Service (FIAS) report, "improving, the commercial legal framework and removing administrative and regulatory barriers to investment", this study looked at the discriminatory barriers facing women in the division through a gender lens. The report made specific recommendations to address gender-related barriers in the context of on going government and donor initiatives to encourage private sector development as the key driver of poverty reduction and economic growth in line with the Kenya's Vision 2030 and Millennium Development Goals. Addressing these constraints not only allowed women to make a full contribution to the economy but also to improve their livelihoods and those of their families and help create a more enabling environment for all businesses in Kenya. From the reviewed literature, it was noted that there is a significant difference in performance of women's enterprises vis-à-vis those of men. The study emphasized on legal and regulatory issues, promotion of women entrepreneurs, women's access to enterprise education and training, women's access to credit and financial services and women's access to markets. A descriptive survey design was adopted. This involved an examination of the state of affairs, describing, analyzing and reporting conditions that existed. Data was collected using questionnaires and interview schedules. The project showed some important facts. First, MSEs, were of overwhelming importance in the Division as they accounted for more than 90% of all firms outside the agricultural sector. Second, the contribution of women entrepreneurs was still relatively low in MSEs. This could be attributed to factors such as complexity in business registration, low level of formal education, inadequate women entrepreneurship promotions, inadequate enterprise education and training, inaccessible credit and financial resources and insufficient market information. Finally, there were no MSE development programmes specifically towards female entrepreneurs in the Division. It is concluded that women in micro and small business enterprises face multiple gender related barriers which need to be addressed at all levels, from the legal system to the domestic system.

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

This study examined the factors influencing growth of micro and small business enterprises owned by women in Mwingi Division, Maara district, Kenya. The Micro and Small Enterprise Sector (MSE) has been recognized throughout developing countries as an engine to development and as a vehicle towards fulfilling the millennium development Goals (MDGs) adapted in the UN Millennium Summit in 2000. Chief among these goals is the reduction of poverty and the assistance of developing countries in the areas of wealth creation and the improvement of living standards. The importance of MSEs in Social and Economic Development has long been recognized by the ILO and hence the need to support their viability, expansion and growth. (ILO Report, 2007 Assessing the Enabling environment for women in Growth Enterprises). Micro and small-scale enterprises represent an important means of earning income for the rural women in Kenya (GOK, 1992). The number of women in entrepreneurial roles has increased significantly over the last three decades. In the 1990's for instance, the over all share of micro and small scale enterprises sector in Kenya grew over 70 % (GOK, 1999) and women, were the main beneficiaries and implementers. These entrepreneurial women however, appear to still lag behind their male counter parts in terms of enterprise growth, income and general competitiveness.

Keino and Ngau(1973) pointed out the changing social norms and economic environment as some of the reasons for the emerging roles of women. They argued that the traditional gender division of labor has drastically changed and that today women have to work to provide for their households. Food has been identified as the immediate need of most rural household in Kenya. While searching and engaging in activities such as micro-enterprise and other income generation activities to fill this gap, rural women have largely to contend with social, economic and environmental challenges often with scarce

resources. Kibas(2001) in the study on the impact of women operated enterprises found that women are now emerging as key players in the economic transformation of their homes. As regards their characteristics, most have hardly gone beyond primary education and have no or very limited training. As regards marital status, 80% are married and have families. A number of these women have absentee husbands, who often work far away from their homes; the rest of the women population are either single mothers, separated or widows. In the study supported by AfDB and ILO on the MSEs, it was discovered that the challenges facing WE_s are two fold. The first is "Legitimize and strengthen the base of economic activity for the large number of existing women Owned MSEs (ILO/AfDB, P.2). The second is to promote entrepreneurship and business opportunities which have the potential to grow faster among women with relevant education and skills. To overcome these challenges, the report goes on to say, it is essential that WE_s be given better access to financial and non-financial resources. This also includes addressing gender related institutional, cultural and legal impediments which hinder their growth.

It is with this background that the researcher embarked upon this study on the factors influencing growth of micro and small business enterprises owned by women in Mwimbi Division. The study involved conducting field research through data collection, analysis and recommending the way forward as regards the development of women MSIs. The study unearthed and confirmed how specific factors were impacting on WE_s in the MSE sector in Mwimbi division. From these findings it is expected that most of the stakeholders, including the government and the donor community will be better informed when developing programmes to enhance WE_s performance in the MSE sector. The project research was geared towards the advancement of gender equity and equality in Kenya.

1.2 Statement of the problem

According to Mugenda and Mugenda (2003) a problem is a question of concern that can be answered through the collection of data. It is also a question of investigation.

In 1999, there were 612,848 women entrepreneurs (MSEs) in Kenya, 47.7 % of the total micro and small business entrepreneurs (1,283,575).

Table 1: Sex Distribution of MSE owners by Location, 1999

LOCATION	MALE MSEs	%	FEMALE MSEs	%	TOTAL	%
URBAN	213,262	48.3%	227,886	51.7%	44,148	100%
RURAL	457,465	54.35%	384,961	45.7%	842,427	100%
TOTAL	670,727	52.3%	612,848	47.7%	1,283,575	100%

Source: National MSE Baseline Survey 1999, p.19.

McCormick(2001) noted significant differences in performance of women's enterprises vis-a-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. McCormick (2001) isolated three factors that account for these differences in enterprise performance. The first factor had to do with the level of education. On average, women entrepreneurs are less educated than their male counterparts. The second factor has to do with the opportunity to accumulate savings. Because women have lower levels of education and are segregated into lower paying jobs, they have lower savings with which to start business. Thirdly, women spend less time in their businesses than men because they are expected to carry out their domestic responsibilities, including housework, food preparation and children. The women entrepreneurs of the Mwimbi Division, Maara District, Kenya, have not specifically been highlighted in any previous research papers. According to the District Development Officer of the Division (DDO), these women form the majority of the numerous micro and small businesses in the division. Most of these businesses have tended to remain micro with little growth if any. These women need to be recognized to highlight their constraints and needs; they need government and donor interventions to be able to develop socially and economically; they need assistance for capacity development. It is in regards to the McCormick (2001) findings and the District Development Officer (DDO) report that the researcher decided to investigate the

factors influencing the growth of micro and small business enterprises owned by women in the division.

1.3 Purpose of the study

The purpose of this research was to investigate factors influencing growth of micro and small business enterprises owned by women in Mwimbi Division, Maara District Kenya.

1.4 Objectives of the study

The specific objectives of this study were to:-

1. Establish the influence of legal and regulatory issues on the growth of women's enterprises.
2. Examine the influence of promotions of women entrepreneurs on growth of women's enterprises
3. Explore women's access to enterprise education and training on growth of women's enterprises
4. Establish women's access to credit and financial services on growth of women's enterprises.
5. Find out the influence of women's access to markets on the growth of micro and small business enterprises owned by women.

1.5 Research questions

This research was guided by the following questions: -

1. What is the influence of legal and regulatory issues on the growth of women's micro and small enterprises?
2. What is the influence of promotions of women entrepreneurs on the growth of their MSEs?
3. What is the influence of women's access to enterprise education and training to the growth of their MSEs?
4. What is the influence of women's access to credit and financial services to the growth of their MSEs?
5. What is the influence of the women's access to markets on growth of their MSEs?

1.6 Significance of the study

This research was based on the proposition that if women are equipped with the necessary resources, skills and opportunities to start stronger business, and if they are more readily able to pursue the growth potential of these enterprises, the economy will benefit from reduced poverty, from greater employment and from economic growth. The women entrepreneurs will be able to grow their own enterprises and become more significant actors in national economies. In addition, avenues will be opened for the greater social inclusion of women in the public domain, greater gender equality, and enhanced economic empowerment of women. The information gathered from women entrepreneurs as regards their constraints would assist the government and donor community in policy formulation and development. The data would also form a stepping board for further research.

1.7 Limitations of the study

Due to the large population and geographical coverage, time and finances were limited. Some of the respondents were not able to understand the questionnaire due to illiteracy. Consequently, some questionnaires were not returned. To overcome these, a sample was used due to time constraint; an interview schedule was used to reduce the cost of covering a large geographic area and to help clarify questions, the questions were piloted and modified accordingly while the researcher and an assistant assisted with the interviews. Telephone interviews were conducted for those respondents who could not be reached otherwise to fasten the process and also limit the possibility of unreturned questionnaires.

1.8 Delimitations of the study

There are several factors on gender inequalities in economic growth but this study focused on those which affect women entrepreneurs in MSIs who has been in business for a period of at least 2 years (since 2008) in Mwimbi division, Maara District operating from a given building/station and not hawking

1.9 **Scope of the study**

This study focused on factors influencing growth of micro and small business enterprises owned by women in Mwimbi Division. The choice was influenced by available resources and time of the researcher.

1.10 **Assumptions of the study**

The assumptions of this study were: the sample selected represented the population; the respondents answered questions correctly and truthfully and the data collection instruments measured the desired construct.

1.11 **Definitions of Significant Terms**

Barriers: Those factors tending to inhibit potential entrepreneurs entering the MSI Sector. These may be external in nature and beyond the control of the potential entrepreneur.

Business Ownership: The owner of the enterprise. It is the person originating the idea, making the initial business investment and the person who is the key decision maker regarding the operation of the business.

Constraints: Tend to limit growth of MSIs by confining them in terms of scale and scope of operation. They could also be said to be internal in nature and may be controlled to some extent by the entrepreneurs.

Empowerment: Refers to increased well being, community development, self sufficiency and expansion of individual choice. Empowering women economically boosts both gender equality and wealth of the nations. This entails enabling the women to have the capacity to control income and other key economic resources like land and animals.

Gender - is defined as socially constructed roles, behaviors, activities and attributes that a given society consider appropriate for men and women's refers to biological and physiological characteristics that define men and women. Female and male are sex categories while masculine and feminine are gender categories. Gender cannot be defined by one's anatomy. Gender is not categorized as male or female. Gender differs from a classification based on sex in that there is little evidence to suggest that gendered differences are biologically inevitable (while sexual differences are largely biologically determined). Gendered differences are only sociologically inevitable.

Gender Equality is considered to mean that every one receives the same benefits, share or treatment regardless of their situation and circumstances.

Gender Mainstreaming: It ensures that women needs are catered for separately as they are not faced by the same situation and circumstances.

Legal and Regulatory Issues- Systems of laws and institutional arrangements in the country regarding women's equality, how regulatory environment affects women in MSEs and the degree of complexity in registering an enterprise- how much time, cost and complexity is involved.

Low Income women- Is one who borrows less than Kshs.20, 000(US\$250) and pays Within a period of nine to twelve months (9 -12 Months). She is the kind of person who will survive on less that US\$1 a day, and supports a large family of 6. Her business is trading on foodstuff got from her family garden or bought from neighbors. She will have started her income generating activity in a small shopping center nearest to her home or on her doorstep to enable her balance domestic and business responsibilities. She spends her income on her family food, school fees, clothes and medical expenses.

Micro-Enterprise: Enterprise which employ less than 10 employees.

Promotion: To motivate and inspire members of the women to pursue entrepreneurship as a viable and feasible employment option.

Small Enterprises: Enterprises employing more than 10 people but less than 50

Women Owned Enterprise: It is the one whose Principal shareholder is the woman.

Women Entrepreneurs: Someone who has started a one-woman business, a principal in a family business or partnership, or a shareholder in a publicly held company which she organizes and runs.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature related to factors influencing growth of women owned micro and small business enterprises. Particularly the chapter discusses the overview of micro and small Enterprises, legal and regulatory issues, promotions of women Entrepreneurs, women's access to enterprise education and training, women's access to credit and financial services, women's access to markets, conceptual framework and summary of the chapter.

2.2 Overview of micro and small Enterprises

The contribution of small and medium-sized enterprises (SMEs) to employment, growth and sustainable development is now widely acknowledged. Their development can deepen the manufacturing sector and foster competitiveness. It can also help achieve a more equitable distribution of the benefits of economic growth and thereby help alleviate some of the problems associated with uneven income distribution. The available evidence suggests that SMEs have played a major role in the growth and development of all the leading economies in Asia. The Asian experience clearly shows that it is mainly the growth-oriented medium-sized enterprises among the SMEs that have a high propensity to apply technology and training and serve specialized niche markets. Among the factors that have contributed to the success of such SMEs is a high incidence of cooperative inter-firm relationships, which have rendered individual firms less susceptible to risks, fostered mutual exchanges of information and know-how between firms and created a rich pool of collective knowledge. A key factor has also been the provision by governments to SMEs of technological extension services (such as quality assurance, research support and information on sources of technology). However, a similarly robust and dynamic SME sector is absent in many developing countries, particularly in the least developed countries (LDCs). The enterprise sector in many LDCs shows a distinct dual structure. At one extreme there exist a few large modern capital-intensive, resource-based, import-dependent and assembly-oriented enterprises, while at the other extreme

there are small and informal sector (micro) enterprises that use very simple and traditional technologies and serve a limited local market. This structural imbalance in many developing countries has arisen despite their implementation of SME promotion programmes for many years. The industrialization policies pursued by developing countries in the past are identified as having contributed to a bias in favor of larger scale enterprises by encouraging premature movements of resources into large capital-intensive businesses rather than promoting the gradual and organic growth of enterprises. This bias persists in many developing countries, rendering their SME promotion strategies largely ineffective. Furthermore, efforts focusing on SME development are often frustrated by the absence of a favorable macroeconomic framework. In addition, repressive legal and regulatory regimes can impose disproportionately high costs on SMEs, which often results in a polarization of business size and the phenomenon of the "missing middle". Badly conceived SME promotion strategies are equally to blame. The degree to which the State regulates, supports or inhibits SME growth requires a delicate balance: overly protective SME development policies have proved ineffective in promoting a robust and dynamic SME sector. The outcome of such policies is a small-scale sector with low productivity, insufficient opportunities for dynamic growth and powerful vested interests.

The structural adjustment programmes (SAPs) of the 1980s, and in recent times, the general move to liberalize domestic markets, were expected to rid economies of market distortions and pave the way for vibrant private sector growth. However, experience shows that the process of policy reform in developing countries which suffer from imperfect market conditions must go beyond the elimination of price distortions and a mere adherence to market principles. There is thus a growing recognition of a need for micro-level approaches that address the specific problems facing small-scale entrepreneurial activity and that are compatible with the general direction of industrial and macroeconomic policy. In the prevailing climate of globalization, developing countries urgently need to ensure that they have a critical mass of domestic enterprises in the middle range, which are internationally competitive and capable of penetrating global chains of production.

The East and South-East Asian experience with export orientation shows that the majority of small enterprises perform poorly on the world market (ILO, 1996). Those most likely to survive are the ones with export potential, and which, in addition, grow from small into efficient medium-sized firms. Given the inherent difficulties of small enterprises, it is also quite clear that a dynamic SME sector cannot be established without external assistance. In their pursuit of open investment and trade policies, as dictated by the new global economic environment, Governments of developing countries and LDC's need to integrate measures aimed at SME development into their general industrial and economic policy. The combination of intensified competition and technological progress means that countries have to examine how best to use their available scientific and educational resources to enhance domestic technological capabilities as an integral part of industrial policy, in a changed global context.

2.1 Legal and Regulatory Issues

Regulatory challenges and underdeveloped institutions impose a disproportionate burden on smaller companies because larger firms are better able to maneuver around obstacles or cope with the high fixed costs they impose (Lybout, 2000). The World Bank Development report 2005 provides three particularly illustrative examples.

The World Bank's Doing Business Project shows that while setting up a new business takes just 2 days in Australia and 9 days in Turkey, the same task takes more than 200 days in Haiti. Long delays mean that small adjacent firms face regulatory obstacles from the outset, with limited resources to overcome them. Large firms in Peru are almost three times more likely than small firms to obtain help from lawyers with application procedures for permits and licenses. Small formal firms in Tanzania must pay the same operating license fees as larger firms, meaning that they spend an average of 0.4% of their revenues for an operating license, whereas large enterprises pay only about 0.1 % of their revenues. The IFC report discussed previously also identified a significant bias against small firms, as well as regional variation in the relative severity of constraints (Schitter and Weder, 2001).

These regulatory and institutional challenges facing MSEs stifle growth in a multitude of ways. For instance, strict regulations and high taxes may keep firms small and informal (De, Soto, 1989), thereby contributing to increased transaction costs from problematic property rights protection and contract enforcement. Regulatory and Institutional challenges may also deter MSE owners from making growth-enabling investments. For example, import duties on capital equipment (e.g. sewing machines) may disproportionately hurt MSEs. Typically, larger firms can bypass these duties by qualifying for investment promotions, and they may be preferred in allocations processes (Liedholm, 2001). In addition, special subsidies and trade protection may offer greater benefits to larger firms, that are often more capable of lobbying (Tybout, 2000). Smaller firms more frequently report government policies to be unpredictable, and this uncertainty may be yet another factor reducing growth-enabling investments (World Bank, 2005).

Ironically, government policies that actually aim to benefit MSEs may also suppress growth if they provide disincentives for employment expansion. For example, India offers attractive incentives to small enterprises, but by some accounts, these measures backfire because growth beyond a specified level entails losing valued benefits (Mitra and Pingali, 1999, Little, 1987). The manufacture of certain products in India is reserved for small firms, which reduce incentives for firm expansion (World Bank, 2005). Some owners even split up their MSEs into several enterprises in an effort to make them look smaller (Kashyap, 1988)

2.4 Promotions of women Entrepreneurs

Over the last ten years, it has been recognized that small and micro enterprises have been the major force in job creation, innovation and economic development (Gordon, 2000). It may be good to emphasize that out of these SMEs, a good proportion of them are women-owned or operated and women do not only form majority of the work force in certain sectors of the economy, but their businesses have also influenced in one way or another the structure of all our economies. Self-employment and women in

entrepreneurship has also been growing in less developed economies, as a means for women to survive themselves and oftentimes to help support their families (Gordon ,2000). Hence it can be seen that women entrepreneurship is a growing phenomena and has had a significant economic impact in all economies. 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.

Key issues facing new and growing women-owned enterprises in the United States include access to capital, access to information, and access to networks. In Korea, women business owners experience financing and the effort to balance work and family as their most difficult tasks. Indonesian women entrepreneurs on the other hand, have difficulties in exporting their product overseas and in increasing the volume of production, both of which are of importance for their competition in the global market (Gordon, 2000). Lee-Gosselln and Grise (1990) as cited in Maysami et.al.(1999) found that in general, the most common start-up problems seem to be lack of capital. Also important was lack of confidence in female business owners' abilities on the part of banks, suppliers, and clients alike, as well as family issues. Additional problems, such as marketing and labour difficulties and disagreement with associates, may arise after the start up phase. In an earlier study, Stoner, Hartman, and Arora(1990) as cited in Mayasami et.al.(1999) found that the work-home conflict - the tension caused by the dual responsibility of managing a business and maintaining a family to be the main stumbling block for female business owners. In a study by Barwa(2003) on women entrepreneurs in Vietnam, the author found that women face additional handicaps due to the prevailing social and cultural gender-based inequalities and biases. For instance, the barriers that women entrepreneurs face in accessing credit from formal institutions is magnified in view of their limited access to formal education, ownership of property, and social mobility. Other aspects of unequal access to opportunities and markets include business experiences, limited knowledge of marketing strategies, weak business association, lack of networking facilities and poor access to education and training programmes. In a study by Karim (2001) on women entrepreneurs in Bangladesh, financial problems were

the most common problems faced by their women entrepreneurs. Inadequate financing was ranked first, particularly so in rural areas and among small economic units (fewer than 5 workers), all the more so with those located in the household and unregistered sectors. Competition, obtaining quality raw materials, and balancing time between the enterprise and the family were ranked as major start-up problems.

In Uganda (UNIDO Document, 2003), women entrepreneurs in rural areas suffer from a lack of training and advisory services that would allow them to upgrade their managerial and technical skills and solve immediate production problems, thus improving productivity and increasing profitability. In Uganda, where more than 70% of enterprises employ less than 20 people, micro and small enterprises play an important role in the economic and social life of the majority of citizens. However, the growth and the competitiveness of this sector are hampered by a lack of managerial and technical skills, weak infrastructure, difficulties in accessing loans, and complicated company registration processes. In Rwanda, a post-conflict area, women entrepreneurs' immediate needs for sustaining the family mount tremendously when the supply of goods and services ceases and traditional community help schemes collapse due to the restrict mobility and security. It was necessary to restore women's self-help initiatives and increase their business potential, especially in small good processing. Women entrepreneurs in Morocco faced a lack of operational and managerial skills resulting in low productivity and competitiveness. Cultural constraints are an additional obstacle that inhibits the efficient conduct of business for women. Inefficient production mechanisms and a lack of managerial skills resulted in a loss of productivity and income for the women entrepreneurs. In Kenya, women entrepreneurs see the establishment of a productive enterprise as a means to improve their status in society as well as their family's standard of living and to serve their community by creating employment opportunities. However, due to a lack of technical skills, confidence, strong individual involvement and the willingness to take risks, women are often unable to establish and sustain successful businesses. A study by Richardson, Howarth and Finnegan (2004) on women entrepreneurs in Africa reveals that many women entrepreneurs in Africa feel they lack abilities, skills and expertise in certain business matters. Many of the issues mentioned

appear to relate to women's relative lack of exposure to the world of business. In addition to this lack of exposure, women's business networks are poorly developed as social assets. This in turn impacts on a range of factors that adversely affect the women entrepreneurs at all levels. It is grounded in women's gendered experiences of education and work and, due to the demands of their reproductive and household roles, their lack of key dedicate "time" to be able to explore and nurture their own resources. Their access to the essential abilities, skills and experiences for business is also adversely affected by various constraints on their mobility, often due to their dual (household) and triple (community) roles and responsibilities. In a more general way, society's views are largely negative about women entrepreneurs who associate and network with others in business. Women entrepreneurs of Africa also face constraints and barriers to obtaining money to start and grow their own business. Women's inexperience of negotiating with the banks and their lack of financial confidence to argue for what they are entitled to, are some of the problems they face in obtaining loans. Hookimsing and Issac(2003) identified four main obstacles faced by women entrepreneurs in Mauritius: a) the hassle of getting permits; ii) the lack of market; iii) the ability to raise capital; iv) not being taken as seriously as men. Several national and international reports have pointed out that enterprise creation is hampered by a number of administrative procedures in Mauritius. A study by Soyeon Shim and Eastlick(1998) on Hispanic female business owner identified 10 business problem areas: sales and profit forecasting; obtaining lines of credit; capital management; working capital management, pricing strategies; customer database management; short-term business planning; labor cost analysis; managing debt; and gender problems. Whilst many of these problems seem to be synonymous across the Asian and African countries in the study, there are some problems which are significantly prevalent only in certain countries.

2.5 Women's Access to Enterprise Education and Training

Entrepreneurship, management and technical training is very important to enterprise development. Business start-up, survival and growth training is offered by a wide array of Kenyan government agencies, private consulting firms and NGOs, including the ILO's start and improve your business (SIYB) training (Namusonge, 1999). However, few

entrepreneurs in Kenya access any sort of such training. Only 7 per cent of MSE in the 1999 Baseline survey had received any form of non-financial assistance in the previous four years, despite the increasing number of formal and informal organizations in the country offering all types of non-financial assistance by way of training in business skills and entrepreneurship, practical skills, technical assistance and marketing support. Eighty five percent of Kenya entrepreneurs reported not having received any training at all 86.9 per cent of women and 83.4 per cent of men. Only 1.15 percent of women had taken any management training and only 1.9 per cent had received any consultancy or counseling. The highest percentage of any type of training received by women was in marketing (7.5 percent). The situation was not much different for men, although 4 per cent of men had accessed some counseling or consultancy services. In addition, two thirds of MSEs do not keep any business records, 77 percent do not have bank accounts and 62.7 per cent said that they had no specific source of market information. Very few MSEs do marketing of their products or services. Much work needs to be done in all of these areas including identifying means and strategies for improving MSE access to training in entrepreneurship and growth.

Gender based cultural barriers also impede women's access to training. Key informants reported that husbands often object to their wives or daughters participating in training delivered by male facilitators. Since 90% of the people involved in micro and small enterprise development work are men and sometimes women consultants are not listened to, this is a major issue. Training is offered by some women-focused organizations, such as WEI.C, and efforts are made by other training agents to involve husbands in the training as well, but this issue remains a constraint for many women in MSEs.

Developing -country MSE owners and workers are relatively less educated than the majority of the population. Not only do they operate in countries with relatively low overall educational attainment, but they also tend to have less -educated owners and workers than large firms. This lower level of educational attainment among MSE owners and workers is remarkable when contrasted with developed countries where those with higher education are more likely to be self-employed (Woodruff, 1990). One reason for

this contrast is that the poor in developing countries often create survival-oriented MSEs due to lack of alternative employment opportunities.

2.6 Women's Access to Credit and Financial Services

For various reasons ranging from a lack of collateral to bias against small firms, MSEs tend to face greater financial constraints than do larger firms. Empirical studies provide evidence about the ways in which reduced access to finance hinders firm growth. MSEs in developing countries apply for and receive formal bank loans relatively infrequently, and thus rely on other types of credit such as trade credit, overdrafts, and informal loans. Microfinance institutions also provide important sources of financing for MSEs, but their outreach is more limited than that of traders, especially in rural areas. In some sectors, such as agriculture, the supplier credit portfolio may be as much as 100 times the size of the traditional microfinance loan portfolio.

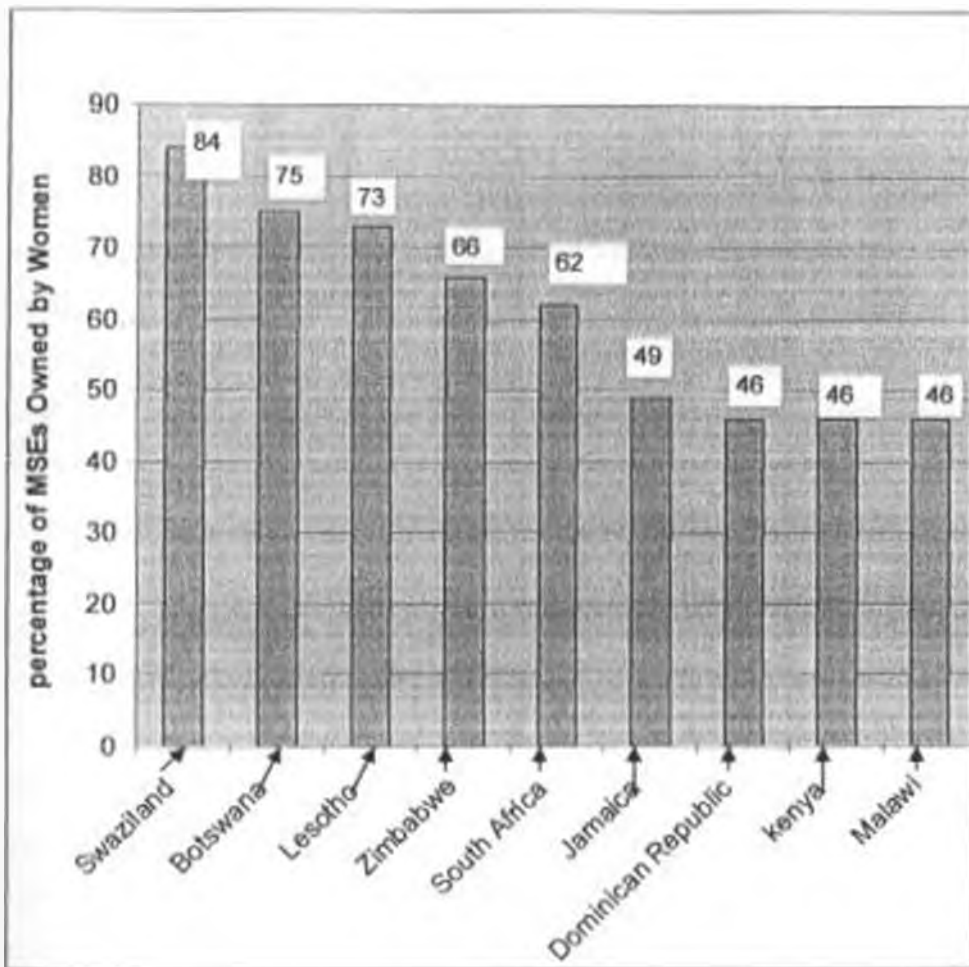
Across the world, entrepreneurs typically start firms primarily through their own savings because of limited access to startup capital (Mason, 1998). Even after MSEs overcome the start up hurdle, a lack of credit frequently hinders their growth during earlier years, because younger firms tend to find financing even more difficult than older firms (Schiffer and Weder, 2001). Over the life of the firm, growth also can be hindered by credit constraints that curb investment to maintain or improve technology. (*Estimate from Zimbabwe don Greenberg, eliot Takaindisa, Doreen Chimwara, and Paul hundick, linkages for Advancement of Economically disadvantaged (LEAD) project, Development alternatives, Inc. Email Interview May 14-15, 2004*)

While MSE owners often claim that insufficient credit is their most pressing obstacle, entrepreneurs' perceptions may not always correspond to actual growth trends. Interestingly, few empirical studies have explicitly tested the positive link between access to finance and firm growth or success rates. As development finance practitioners have long preached, a loan does not create a viable business opportunity

2.7 Women's Access to Markets

Women own and operate the majority of MSEs in many developing countries (see Figure 1), in part because of the ease of entry and their limited access to alternate opportunities (Rubio, 1991). Yet women often face particularly difficult challenges that suppress the growth of their firms. In some cases, women choose not to grow their firms, for the reason outlined below.

Figure 1 Prevalence of Women-Owned MSEs



Source: Liel Holm and Mead, 1994

Downing and Daniels (1992) provide an insightful analysis of many of the challenges constraining women's opportunities for MSE growth. All too often, women face asymmetrical rights and obligations limiting their labor mobility and burdening them

with disproportionate household responsibilities. Due to gender-specific roles and time constraints, even university-trained women may choose to weave tapestries within the household. Temporal discontinuities in women's ability to work frequently lead to a loss of economic skills and at times even lower career and educational aspirations. Women in some countries face greater problems with innumeracy, illiteracy, and lack of business skills. In addition, women commonly have unequal access to markets. Studies have shown that men travel further geographically than women to buy inputs, enabling them to enjoy lower prices and higher quality. Men also sell in multiple markets more frequently than women, allowing them additional growth opportunities. As a result of such factors, women frequently focus their MSEs on a relatively narrow range of industries.

Women-owned MSEs often play a crucial role in increasing and diversifying household incomes. Downing and Daniel (1992) review various studies analyzing how households simultaneously engage in survival and mobility strategies, with activities performed on gendered basis. For example, women may engage in survival strategies, operating MSEs with small but regular contributions to income, which enables their husbands to pursue mobility strategies, such as focusing on higher risk but potentially lucrative growth-oriented MSEs. Following such survival strategies, women may strive to grow laterally; instead of specializing in their MSEs by expanding their size, they may opt to diversify by creating additional firms. Indeed, one study found that many urban female entrepreneurs in Lesotho owned two to four firms.

What consequences do the challenges and strategies mentioned above imply for MSE growth? Empirical evidence suggests that women's MSEs tend to grow more slowly than those owned by men. One contributing factor to the slower growth of female-owned MSEs is that their firms have an especially high probability of being physically located within the household (ILO, 2004). MSEs located in the household are not only significantly smaller on average, but also are less likely to grow than other MSEs (Mead and Liedholm, 1998). Firms within the household may benefit from resources such as family labor and electricity, but they may also reinvest few profits as funds are tapped for daily household needs. At lower income levels and with smaller firm sizes, the line that

distinguishes the MSE from the household in these instances is frequently blurred. Despite the growth constraints discussed in this section, women are likely to be highly effective firm owners, performing particularly favorably on metrics such as productivity and survival rates. GILNINI studies also show that women-owned MSEs have comparable closure rates due to business reasons as firms owned by men (Meid and Liedholm, 1998). However, women-owned MSEs demonstrate significantly higher closure rates resulting from personal reasons, largely due to their disproportionate obligations and responsibilities.

Some of the slow or non growth patterns mentioned above, most evident in women-owned enterprises, appears to be quite common for a number of the smallest, survival-oriented MSEs. In such cases, it is not necessarily a lack of capabilities, but rather a lack of attractive opportunities as perceived by the entrepreneur that inhibits growth. Given competing household priorities or high risk levels, the entrepreneur may make a conscious decision not to grow his or her enterprise. Similarly, he or she may opt to pursue strategies of horizontal growth-launching or maintaining several enterprises at the same time.

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Conceptual Frame Work

A conceptual framework is a research tool intended to develop awareness and understanding of the situation under scrutiny and communicate this. It provides links from the literature to research goals and questions; contribute to the formulation of the research design; provides a point for discussion of literature, methodology and analysis of data, contributes to the trustworthiness of the study; gives a broad scope to think about research and conceptualizing the problem and providing a means to link ideas and data so that deeper connections can be revealed

Independent Variables

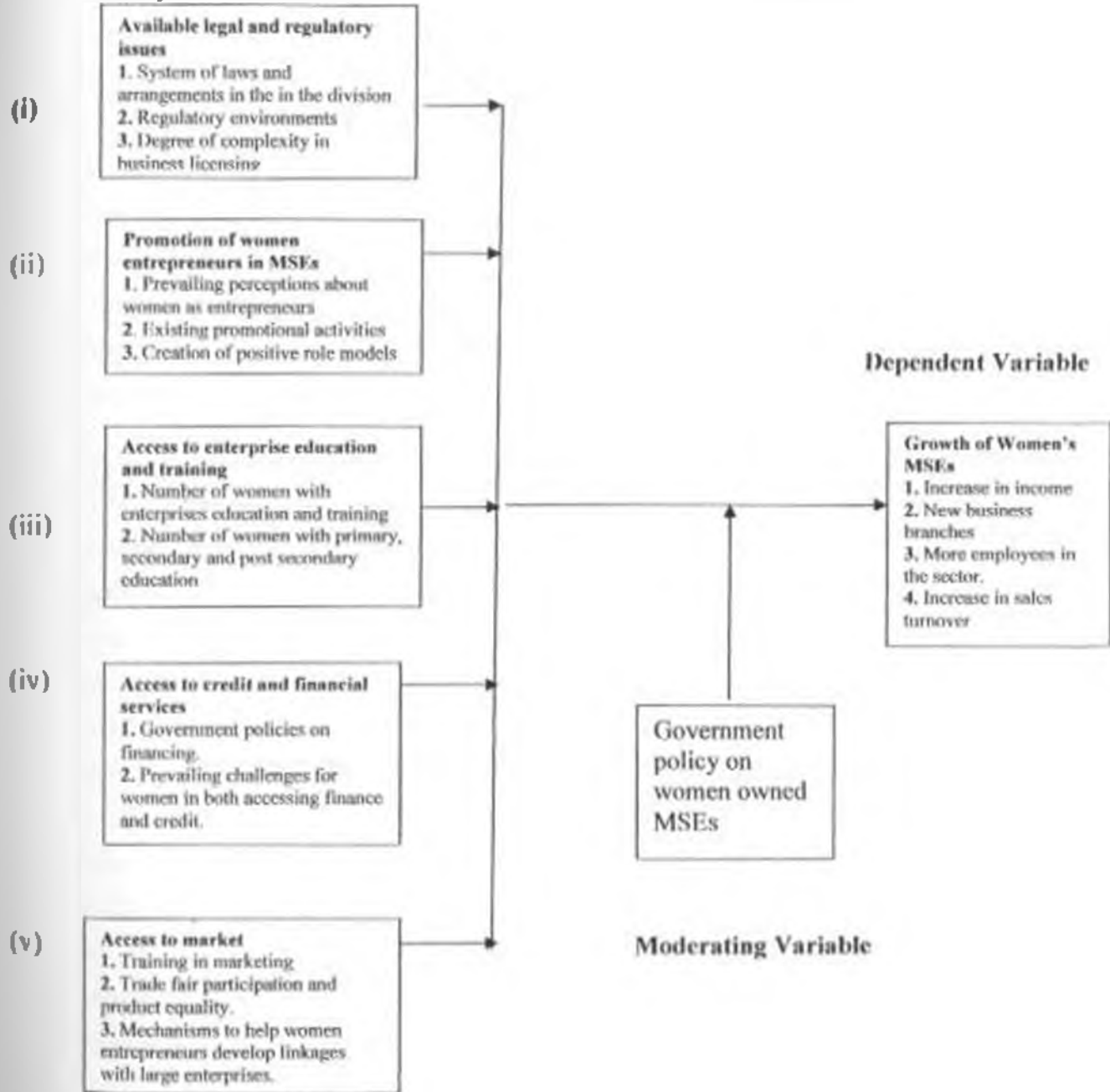


Figure 2 Conceptual Frame work

Micro and small enterprises provide employment to the poor who have no other means of income. Women are highly represented in self-employment and operating small income generating activity. Although women's micro and small enterprises are significant in terms of reducing the household vulnerability to poverty, many of them are not reaching their growth potential due to various factors as summarized above. Many of the constraints women in micro and small enterprises face can not be addressed with one single intervention or one single sector for that matter. The micro and small enterprises, although their importance for poverty reduction is recognized, there is little confidence among policy makers about their ability to contribute to the growth of the economy. Therefore, greater attention needs to be paid to the development of the sector in general to promoting women owned micro and small enterprises in the country and ensure women's economic empowerment as a way of reducing poverty and promoting growth

2.8 Summary

Whilst many of these problems seem to be synonymous across the Asian and African countries, there are some problems which are significantly prevalent only in certain countries. Across the world, entrepreneurs typically start firms primarily through their own savings because of limited access to start up capital (Mason, 1998). Even after MSF's overcome the start up hurdle, a lack of credit frequently hinders their growth during earlier years, because younger firms tend to find financing even more difficult than older firms (Schiffert and Weder, 2001). Women own and operate the majority of MSF in many developing countries (see figure) 1, in part because of the ease of entry and their limited access to alternate opportunities (Rubio, 1991). Yet women often face particularly difficult challenges that suppress the growth of their firms. Strict regulations and high cost taxes may keep firms small and informal (De Sato, 1998), thereby contributing to increased transaction costs from problematic property rights protection and contract enforcement.

After a wide and detailed literature review the research conceptualized the problems facing growth of Women owned Micro and small business enterprises as : legal and regulatory issues, promotion of women entrepreneurs, access to enterprise educational training, access to credit and financial services and access to market. The researcher

Intends to carry in depth investigation on them to prove the case in question and recommend the way forward.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The purpose of this study was to investigate factors influencing growth of micro and small business enterprises owned by women in Mwimbi Division, Murra District, Kenya. This chapter describes the procedure and methods which were used in the study. It deals with research design, target population, sampling procedure, methods of data collection, validity of the instruments, reliability, data analysis, operational framework and summary.

3.2 Research Design

A research design is a programme to guide the researcher in collecting, analyzing and interpreting observed facts (Orodho 2004). It is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. The study adopted a descriptive survey design. Descriptive study involves an examination of the state of affairs describing, analyzing and reporting conditions that exist or existed. Kothari (1993). The design allows the researcher to gather information, summarize, present and interpret it for the purpose of clarification (Orodho (2003) .The researcher chose this because the research was intended to produce statistical information about the factors that influence growth of micro and small business enterprises owned by women which is of concern to policy makers and planners. Survey research is advantageous because it seeks to obtain information that describes existing phenomenon. It also helps explain and explore the existing status of two or more variables at a given point in time.

3.3 Target Population

The researcher targeted all micro and small businesses owned by women in the selected three locations of Mwimbi Division- Kianjagi, Maara and Ganga, who have been in business for the last two years since (2008) and over and operating from a specific premises. The division was chosen because of ease of data collection, time available to researcher and the cost involved in data collection. The total population of one hundred and seventy three women entrepreneurs was gotten from the local county council office.

3.4 Sample Selection

A sample means the number of units selected from the population for investigation.

A simple random sampling technique was applied in selecting the sample for the study.

A simple random sample is a subset of respondents chosen from a larger population.

Each respondent is chosen randomly and entirely by chance, such that each has the same probability of being chosen. All members of the population were given numbers and put in a container. The target sample was then randomly picked from the container

According to Gupta (2005) different opinions have been expressed by experts on the subject of sample size. Some suggest the sample should be 5% of the population while others suggest it should at least be 10%. However, none is true or false because the mere size alone does not ensure representative ness. The other influencing factors are efficiency, representative ness, reliability and flexibility. In this research the sample size was determined by the formula: -

$$n = \frac{N}{1 + N(e)^2}$$

Where n is the sample size, N is the population size, and e is the level of precision.

Applying the formula

$$n = \frac{173}{1 + 173(0.05)^2}$$

= 120 Women entrepreneurs.

Simple random sampling allows one to draw externally valid conclusions about the entire population based on the sample. Its advantages are that it is free of classification

error, and it requires minimum advance knowledge of the population. An unbiased random selection of individuals is important so that in the long run, the sample represents the population.

Conceptually, it is the simplest of the probability sampling techniques. It best suits situations where not much information is available about the population and data collection can be efficiently conducted on randomly distributed items, or where the cost of sampling is small enough to make efficiency less important than simplicity.

3.5 Methods of Data Collection

Primary data was obtained with the aid of questionnaires to the women entrepreneurs and an interview schedule. The questionnaire had six sections which included the respondent's basic information, legal and regulatory issues, promotions of women entrepreneurs, access to enterprise education and training, access to credit and financial services and access to marketing.

The researcher carried out pilot testing for the questionnaire and the interview schedule for this helped the researcher to get some ideas about how big the questionnaire and the interview schedule would be and how much time would be require to answer the questions. The questionnaires were pre-tested to a selected sample which was similar to the actual sample that the researcher used in the study. Subjects in the actual sample were not used. The purpose of this pre-testing was to ensure that the items in the instrument were stated clearly and had the same meaning to all respondents. (Mugenda, 1999). This helped the researcher to assess the clarity of the instrument. The procedures used in pre-testing the questionnaire were identical to those which were used during the actual data collection in order to help the researcher to make meaningful observations.

The researcher obtained a letter of introduction from University of Nairobi. A researcher permit was sought from Ministry of trade. Letters were also obtained from the Local administration to carry out the study. The researcher obtained informal consent from

entrepreneurs and ministry of labor after reviewing the truth about the purpose of the study. Confidentiality and anonymity were guaranteed and decorum was observed.

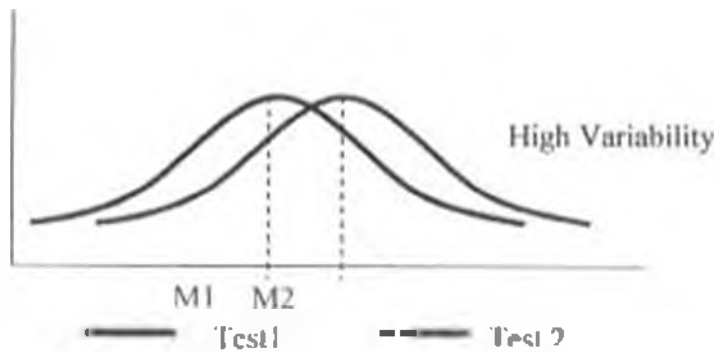
3.6.1 Validity of the Instruments

Validity refers to the extent to which instrument measures what it is supposed to measure, straight et al (1993). The research instruments were validated through application of content validity procedures. Moscs and Kallon (1997) and Lyles(1991) assert that content validity is a matter of judgment by professional or a team of experts. The researcher synchronized the supervisor's discussions, relevant comments and suggestions into expert judgments, which he used in improving the research instruments and by so doing establish the face and content validity. Fox craft et al. (2004, p. 49) note that by using a panel of experts to review the test specifications and the selection of items the content validity of a test can be improved. The experts will be able to review the items and comment on whether the items cover a representative sample of the behavior domain.

3.6.2 Reliability

Reliability of a research instrument is the degree to which research instruments yields consistent results of data after repeated trials; piloting is one way of checking the reliability of the instruments. During piloting, questions that were left unanswered or those that were in a way that the researcher did not expect, were modified and clear instructions given to the respondent so as to avoid ambiguities and misinterpretation. Piloting was done in Kiera and Kaare Locations which are different from the sampled locations. The questionnaires were administered to the women entrepreneurs in the two locations separately and the same was repeated after two weeks. The mean scores of both test and retest periods were statistically assessed using t- test to verify if they were statistically different from each other.

Figure 3 **T-Tests**



The averages for the two groups were statistically the same. The graph shows high variability of scores within each group. The group difference appears least striking because the two bell-shaped distributions overlap so much.

3.7 Data Analysis

Data analysis is categorizing, ordering, manipulating and summarizing data obtained to answer research questions (Kerlinger 1973). Quantitative data were obtained from recorded questions while qualitative data were obtained from open-ended questions and interview schedule response. The questionnaires were sorted out for incomplete sections and each questionnaire given a code for identification. Data from pre-coded responses were directly keyed into the computer using the statistical package for social sciences for analysis. Computer package was chosen because of its efficiency and ability to handle large amounts of data. The package produced statistical outputs for each pre-coded question that assisted in answering the research questions. Qualitative data resulting from open ended questions were analyzed manually by grouping the responses and relating them to the research questions. Both descriptive statistics and narrative reports were used to produce the analysis report which was presented in form of tables and charts.

J.8 Operational Framework

Figure 4 Operational framework

objective/research questions	Type of Variables	Indicators	Measures	Level of scale
Growth of micro and small business enterprises owned by women.	Dependent Variable	Increase in income	Amount of income earned in the last one month	Ordinal
		New business branches	Number of new business branches	
		More employees in the sector	number of employees	
		increase in sales turnover	number of sales turnover	
		increase in standard of living	Indicators of wealth eg better meals, radio, TV, good houses, vehicles etc.	
1. To establish the influence of legal and regulatory issues on the growth of women's MSEs	Independent Variable	system of laws and institution arrangements in the Division	Rights of women Equal rights to ownership of property National gender policy	Ordinal
		regulatory environment	Bureaucratic perspective Extent to which welfare and rights of the workers are protected Taxation Laws and regulations	
		degree of complexity in business licensing	How much time, cost and complexity is involved	
2. To establish the influence of promotional of women entrepreneurs in the growth of women's MSEs.	Independent Variable	Prevailing perceptions about women as entrepreneurs	The level of legitimacy they have in their entrepreneurial role. The degree of their visibility and credibility in the economy	Ordinal
		Existing promotional activities	- Number of planned programmes to promote women entrepreneurs at TV, documentaries, videos and print profiles. - Conferences about and for women entrepreneurs; special events, such as the week or month of the women entrepreneurs and entrepreneurship awards programme to recognize women's entrepreneurial achievement.	

		creation of positive role models	Number of programmes to create positive models.	
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objective/research questions	Type of Variables	Indicators	Measures	Level of scale
3. To assess the influence of women's access to enterprises education and training to the growth of their MSFs	Independent Variable	level of education and training	<ul style="list-style-type: none"> - Number of women at managerial employment - Number of years of experience at managerial employment - Number of women with primary, secondary and post secondary education - Number of women with enterprise education and training 	Ordinal
4. To establish the influence of women's access to credit and financial services to the growth of their micro and small enterprises.	Independent Variable	Government policies on financing	<ul style="list-style-type: none"> - Equity in financing - Number of specific initiatives for women entrepreneurs 	Ordinal
		Prevailing challenges for women in both accessing finance and credit.	<ul style="list-style-type: none"> - Number of sources of finance - Amount of start up capital - Maximum loan given by MFIs 	
5. To assess the influence of women's access to markets on growth of their MSFs.	Independent Variable	Profitable markets	Number of women entrepreneurs in local, regional, national or international markets	Ordinal
		Training in marketing trade fair participation, and product quality	Number of women entrepreneurs with marketing training	
		Mechanisms to help women entrepreneurs develop linkages with large enterprises	number of mechanisms	
		Government procurement opportunities	Number of women entrepreneurs aware of government procurement opportunities	

3.9

Summary

As indicated in the introduction and the body of this chapter, the researcher used a descriptive survey design which is a mixture of both qualitative and quantitative research methods. A simple random sampling was used to facilitate use of a more representative sample of the target population. A questionnaire and interview schedules were the

research instruments used for the collection of data which were tested and retested to improve validity and reliability. Data was summarized using descriptive statistics and analyzed in SPSS computer package. Right to privacy, informed consent and conflict of interest were the ethical issues considered in the research. The analyzed data was presented in figures and tables.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

The purpose of this chapter is to present the analysis and interpretation of the data collected from the respondents. In pursuit of the stated objectives, the data was analyzed from the questionnaire and interview schedule using statistical package for social science (SPSS). Findings were presented in tables, frequencies and percentages.

4.2 Questionnaire return rate

One hundred and twenty questionnaires (Appendix 1) were distributed by the researcher and Assistant to women entrepreneurs. Since the study was timed, those respondents who did not fill in the questionnaire within two weeks were considered non responsive. A total of 110 questionnaires were received back representing 91.7% responsive rate. The 10 women entrepreneurs who did not respond, an interview was conducted through mobile telephone resulting to 100% response.

4.3 Profiles of the Respondents

The researcher collected data from all the sampled women entrepreneurs from the Division who operated their businesses from a specific premise but not hawking.

4.4.0 Respondents basic information

This section researched on age distribution of the sampled respondents, their marital status, number of dependents, level of formal education and number of employees in their business.

4.4.1 Age Distribution of the sampled respondents

The result showed that the respondents were in the ages below 25 to over 45 years of age. Majority of the respondents were in the age bracket of 26-45 years. These findings are shown in Table 4.1.

Table 4.1 Age distribution of the sampled respondents

Age Distribution	Frequency	Percentage
Below 25 years	10	8.3
26-35 years	50	41.2
36-45 years	47	39.2
Over 45 years	13	10.8
Total	120	100

4.4.2 Marital Status

The findings of this research showed that 79.2% of the respondents were married, 8.3% were separated /divorced and 12.3% were never married (Table 4.2). This is an indication that their spouses support their entrepreneurial wives in financial and non financial needs.

Table 4.2 Marital Status of the Entrepreneurs

Marital status	Frequency	Percentage
Married	95	79.2
Separated/Divorced	10	8.3
Never married	20	12.5
Total	120	100

4.4.3 Number of Dependents

Dependents on the business were notably four and below. It was established that 32.5% had 2 and less dependents, 53.3% of the businesses had 3-4 dependents, while 7.5% had 5-6 dependents, 6.7% of the businesses were established to have more than 7 dependents (Table 4.3) this shows that a large proportion of business income is used to care for the family and very little invested in business

Table 4.3 Number of Dependents

Number of Dependents	Frequency	Percentage
2 and less	39	32.5
3-4	64	53.3
5-6	9	7.5
More than 7	8	6.7
Total	120	100

4.4.4 Level of Formal Education

The researcher found that 22.5% of the respondents had primary education. 50% had secondary level of education, 23.3% had college education while 1.7% had university education. Only 2.5% had no formal education. (Table 4.4)

Table 4.4 Level of Formal Education of the Respondents

Education level	Frequency	Percentage
None	2	2.5
Primary	27	22.5
Secondary	60	50.0
College	28	23.3
University	2	1.7
Total	120	100

4.4.5 Number of Employees in the Business

The researcher found that 93.3% of the enterprises had 1-5 employees; 4.2% had 6-10 employees; 0.8% had 16-20 employees, 1.7% had 11-15 and no enterprise in the division which had more than 47 employees. The data indicates that women enterprises employ few people per unit as they are usually small in size. These findings are shown in table 4.5.

Table 4.5 Number of employees in the Business

Number of Employees	Frequency	Percentage
1-5	112	93.3
6-10	5	4.2
11-15	2	1.7
16-20	1	0.8
Over 47	0	-
Total	120	100

4.5.0 Legal and regulatory issues

The study reviewed various types of businesses women were engaged in, the activities involved in the sector, constraints in business licensing and rights of property ownership.

4.5.1 Type of Business Sampled

Businesses which were sampled in this study were service, retail and wholesale businesses. About 61% of them were service, 30% were retail businesses and 9% were wholesale businesses. Most of the businesses in the division concentrated in service. This is because of ease of entry and can easily be combined with the triple roles of women in household and in business.

Table 4.6 Type of Businesses Sampled

Type of business	Frequency	percentage
Retail	36	30.0
Service	73	60.8
Wholesale business	11	9.2
Total	120	100

4.5.2 Business Activity (Sector)

The findings of this research showed that 27.5% of the sector carried out hair dressing business; 22.5% in dress making; 20.8% in food processing; 16.6% in retail of second

hand clothing; 8.3% in hotel and 4.1 percent in beer brewing. This shows that most women chose businesses that allowed them the flexibility needed to raise family, and that facilitated meeting the demands of the families' rules.

Table 4.7 Business Activity

Business Activity/Sector	Frequency	Percentage
Food processing	25	20.8
Beer brewing	5	4.1
Hair dressing	33	27.5
Dress Making	27	22.5
Retail of second hand clothing	20	16.6
Hotel	10	8.3
Total	120	100

4.5.3. Business Licensing

The result established that 88.3% of the businesses were not licensed and only 11.6% of the businesses were licensed. Lack of registration prevents growth of the business, the results which are corroborated by Desoto, (1989)

Table 4.8 Business Licensing

Business status	Frequency	Percentage
Licensed	14	11.6
Not Licensed	106	88.3
Total	120	100

4.5.4. Why Business was not licensed

The researcher established that 49.1% had not licensed their business due to limited finance; 34% due to inadequate time; 11.3% gave reasons of being intimidated by Government Officers and 5.7% did not register their business because of negative attitude by the government officers towards them. The result shows that most businesses were not registered mainly because of high cost of registration and due to multiple roles of women as household manager and business operators.

Table 4.9 Why Business was not licensed

Reasons	Frequency	Percentage
Time Poor (Inadequate time)	36	34
Limited finance	52	49.1
Negative attitude by government Officers	6	5.7
Intimidation by government Officers	12	11.3
Total	106	100

4.5.5 Year When Business was started

The data shows that 23.3% of the businesses were started before the year 2000; 35% were started between the year 2000-2004 and 41.6% of the enterprises were started between 2004 and 2008. The trend indicates an increasing rate of women entrepreneurs as the years goes by in the division (see table 4.10).

This could be as a result of lack of formal employment

Table 4.10 Year when Business was started

Period of the year	Frequency	Percentage
Before 2000	28	23.3
2000-2004	42	35
2004-2008	50	41.7
Total	120	100

4.5.6 Rights over the Ownership of Property

The research revealed that 93.3% said that men have more rights over the property ownership and 6.7% said they have equal rights over the property ownership. Women in the family do not inherit equal share of property e.g. land from parents and also divorced women do not inherit or share anything with their former husbands

Table 4.11 Rights over the property Ownership

Property Rights	Frequency	Percentage
Land inheritance		
Yes	112	93.3
No	8	6.7
Total	120	100

4.5.7 Time Spent in Registering the Business

The findings were that 71.4 % spent more than one month to register their business and 28.6% took less than one month.

Table 4.12 Time spent in registering the Business

Time	Frequency	percentage
Less than a month	4	28.6
More than a month	10	71.4
Total	14	100
Not registered	106	88.6

4.5.8 The Cost of Registering the Business

The researcher established that 57.1% had spent more than 10,000 to register the business; 28.5% had used 5000-10,000 and 14.28% spent 1000-5000 shillings to register. Those who spent less had to use lawyers and had relatives in Nairobi, who could assist them.

Table 4.13 Cost of registering the Business

Kshs	Frequency	Percentage
1000-5000	2	14.3
5000-10000	4	28.5
More than 10,000	8	57.1
Total	14	100

4.6.0 Promotion of women entrepreneurs

The researcher tried to establish the view of the community to the women owned businesses, confidence of women in business operations, how one got the information on the business she operated and the primary reason for going into business.

4.6.1 View of the Community to the Business

The researcher found that 54.4% of the respondents asserted that the community has negative attitude towards their enterprise and 45.8% said the community has positive attitude towards their business. The negative attitude was due to cultural beliefs that women should work at home and not to engage in business.

One respondent stated thus,

"We as women are more isolated socially; we lack previous work experience, and access to enterprise information and marketing facilities which the men entrepreneurs acquire. The excessive demand on our time as wives, mothers and "managers" of the home front due to our chores, make it nearly impossible to successfully operate an enterprise. It is only by God's grace that we manage to survive. This is besides our position in the family and the structure of power relation, where women are treated as children with no much choice. One, who ventures out there to follow the entrepreneurial spirit, often does so at the expense of her family"

Table 4.14 View of the community to the Business

View	Frequency	Percentage
Positive	55	45.8
Negative	65	54.4
Total	120	100

4.6.2 Confidence in Business Operations

It was found that 53.3 % of women had no confidence in their business operations that is they felt they were not in the right job; 46.7% felt they were in the right Job.

Table 4.15 confidence in business operations

Confidence	Frequency	Percentage
Yes	56	46.7
No	64	53.3
Total	120	100

4.6.3 Plan to Expand and Diversify Business Growth

The researcher found that 64.2% of the entrepreneurs had planned to expand and diversify business growth in future; 35.8% had no plans to expand and diversify business growth in future. This shows that most women businesses are survivalist and are purposely set to engage oneself.

Table 4.16 Plan to expand and diversify business Growth

Plan to expand	Frequency	Percentage
Yes	77	64.2
No	43	35.8
Total	120	100

4.6.4 Information about the Business Operated

It was revealed that 56.7% became aware of the business they were in through friends; 24.2% through their own initiatives; 12.5% through radio and 6.7% through television. This shows that the associates play a big role in influencing what business one would take.

Table 4.17 Information about the Business Operated

Medium of awareness	Frequency	Percentage
Friends	68	56.7
radio	15	12.5
T.V.	8	6.7
own Initiative	29	24.2
Total	120	100

4.6.5 Primary Reason for Business Ownership

In order to determine the factors that affect WEs growth, it was necessary to find out why these entrepreneurs went into business in the first place. The majority of these

entrepreneurs (71.2 %), indicated that they went for an occupation or job; 18.3%indicated that they wanted to supplement family income; 5.8% had quit job to do business and 4.2% cited family tradition as a motivation to set up business. Most women entrepreneurs joined business as an occupation out of necessity as they could not join formal employment and they were to provide for their families.

Table 4.18 Primary reason for business ownership

Primary reason for business ownership	Frequency	Percentage
To be self employed	86	71.2
Supplement family income	22	18.3
previous family business	5	4.2
Quitted job to do business	7	5.8
Total	120	100

4.7.0 Access to enterprise education and training

This section examined whether the women in business had enterprise education and training, whether they were aware of the usefulness of enterprise education and training in business, the type of business training and education they would recommend for growth of their business and why they ha not been trained on business matter.

4.7.1 Training in Entrepreneurship

When asked whether they had been trained in entrepreneurship, 79.2% indicated that they had no training and 20.8 % indicated that they had an entrepreneurial training

Table 4.19 Training in Entrepreneurship

Trained in Entrepreneurship	Frequency	Percentage
Yes	25	20.8
No	95	79.2
Total	120	100

4.7.2 Usefulness of Business Training on business Growth

The researcher found that 81.7 percent of the respondents indicating that training in

business would improve the business performance and 18.3 percent did not think that training in business would improve business performance. The results shows that a number of women entrepreneurs are ignorant of knowledge acquisition and underrates its importance

Table 4.20 Usefulness of Business training on business growth

Response	Frequency	Percentage
YES	98	81.7
No	22	18.3
Total	120	100

4.7.3 Type of Business Training Recommended by Women Entrepreneurs

Out of 120 women entrepreneurs interviewed 85.8 percent indicated that they would prefer start up training; 12.5% preferred growth training and 1.7 % recommended development training. The results shows that the most pressing problem in women entrepreneurs is starting the business and making it pick up growth.

Table 4.21 Type of Business Training Recommendation

Type of business training	Frequency	Percentage
start up	103	85.8
Growth	15	12.5
Development	2	1.7
Total	120	100

4.7.4 Hindrance to Business Training and Education

The researcher found that 50.8% had no adequate finance to attend business training; 26.7% have never attended training due to multiple roles in the family; 18.3% were unaware of any business training and 4.2% felt that such training is not necessary. This leads to a conclusion that money is the main hindrance to women's business training

Table 4.22 Hindrance to business training and Education

Hindrance	Frequency	Percentage
Inadequate finance	61	50.8
Time poor	32	26.7
unaware of existing business training	22	18.3
Training not necessary	5	4.2
Total	120	100

4.8.0 Access to credit and financial services

The study examined the main sources of start up capital, amount of capital invested as start up, minimum and maximum loan one could qualify for and the main reason why they were not acquiring loans from commercial Banks.

4.8.1 Main Source of Start up Capital

The researcher found out that 50% of the respondents raised their start up capital from personal savings; 19.2% from loan from family/friends; 12.5% from MF/NGO; 11.6% from their retirement benefits and 6.7% Loan from Commercial Banks. In the Division under investigation, a group of women often ranging between 10 and 30 organize themselves to contribute money to each other in turns, with the aim of improving their welfare. Most of the money received from the associations usually ends up in the purchasing of household goods, paying school fees/tuition for the children, and meeting other obligations. A number of respondents who belong to some of these groups stated that they had successfully invested the money in their micro-enterprises. An emerging type of association has developed in the division, known as the "Merry -go-round" or rotating savings and credit (ROSCA) associations. These are usually informal groups that have emerged among the women to fill the void of lack of capital and related social support.

Table 4.23 Main Source of start up Capital

Source	Frequency	Percentage
Personal savings	60	50
Retirement benefits	14	11.6
Loan from family /friends	23	19.2
Loan from commercial banks	8	6.7
MFI/NGO	15	12.5
Total	120	100

4.8.2 Amount of Capital Invested in the Business as Start up

The researcher found that 46.7% of the women entrepreneurs started their business with less than Kshs 5,000; 34.2% started with Kshs. 5,000-10,000; 13.3% with Kshs.10, 000-15,000; 12.5% with Kshs.15,000-20,000 and 1.7% with Kshs. over 20,000.

Table 4.24 Amount of Capital invested as start up

Amount of Capital	Frequency	Percentage
Less than 5,000	56	46.7
5,000-10,000	41	34.2
10,000-15,000	16	13.3
15,000-20,000	15	12.5
over 20,000	2	1.7
Total	120	100

4.8.3 Minimum and Maximum Loan one could Qualify

The researcher found that 70% of the entrepreneurs could qualify for less than Kshs.20, 000 loan; 15.8% could qualify for the Kshs.20, 000 to 30,000; 10% could qualify for over 30,000 and 4.2% were not aware of any loan advances. This limit was due to financial constraints from MFIs and merry go rounds which are their main sources of finance and lack of collateral.

Table 4.25 Minimum and Maximum loan one could quality

Loan in Kshs	Frequency	Percentage
0-20,000	84	70
20,000-30,000	19	15.8
30,000 and above	12	10
Not aware	5	4.2
Total	120	100

4.8.4 Main Hindrance Experienced in Acquiring Loans from Commercial Banks

It was found that 54.2% of Women entrepreneurs singled out lack of collateral; 23.3% cited high interest rate as the major hindrance; 18.3% had never approached the banks for loans and 4.2 % cited bureaucratic process as the main hindrance in loan acquisition. Lack of collateral as security is the main barrier to commercial loan from banks. Banks insists on collateral before advancing loan and women due to social and economic factors like norms, beliefs, values and low level of education, are not able to provide tangible security to the banks for loans.

Table 4.26 Main hindrance experienced in Loan acquisition from Commercial Banks

Hindrance	Frequency	Percentage
Lack of collateral	65	54.2
high interest rate	28	23.3
Bureaucratic process	5	4.2
had never approached banks for a loan	22	18.3
Total	120	100

4.9.0 Access to markets

The research examined whether the women were aware of the markets outside locality where to trade, whether they were trained in marketing of stock, if they had participated in trade fair or product quality shows and whether they had market linkages nationally and international.

4.9.1 Awareness of markets outside locality where to Trade

The researcher established that 35% of the women entrepreneurs were aware of profitable market outside locality where they could sell and buy products; but 65% of them were not aware of such.

Table 4.27 Awareness of markets outside locality where to Trade

Awareness	Frequency	Percentage
Aware	42	35
Not aware	78	65
Total	120	100

4.9.2 Training in Marketing of Stock

It was established that 93.3% of the respondents had not been trained in marketing of stock and 6.7% had been trained. The results indicate that most women have little or poor marketing skills. This calls for a need of training in marketing through short courses, training programmes, mentoring or even long-term courses, leading to the award of a diploma or degree.

Table 4.28 Training in Marketing of Stock

Respondent	Frequency	Percentage
Trained	8	6.7
Not Trained	112	93.3
Total	120	100

4.9.3 Participation in Trade Fair or Product Quality Shows

It was found that 90.8 % of the women entrepreneurs had never participated in trade fair or product quality shows and 9.2% had participated in either or both. This could be the reason why their products are of low quality and cannot meet national and internal market standards.

Table 4.29 Participation in Trade Fair or Product Quality Shows

Participation	Frequency	Percentage
Participated	11	9.2
never participated	109	90.8
Total	120	100

4.9.4 Awareness of Linkages, Market

The research established that 94.2% of the respondents were not aware of the market linkages available to their business and only 5.8% had established to be aware of such. This indicates that majority of the women entrepreneurs are not aware of the various marketing organizations and co-operatives which they could join in order to reduce the cost of transacting the merchandise due to economies of scale.

Table 4.30 Awareness of Market Linkages

Respondents	Frequency	Percentage
Aware	7	5.8
Not aware	113	94.2
Total	120	100

4.10 Summary

Interview with women entrepreneurs found that women entrepreneurs did face "constraints" that prevented them from growing to the next level, or "constraints" that prevented them from becoming successful women entrepreneurs. These "constraints" were not seen as 'personal' problems per se but more so as external factors that had to be addressed by the Government, authorities, women's organizations, international aid, in short, factors that could be overcome through external investigation. By addressing these factors it is hoped that the Division will have reduced poverty; increased wealth and have economically empowered women.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings, conclusions, recommendations and suggestions of areas for further research. The objectives of the research were to establish the influence of the Legal and regulatory issues, Promotions of women entrepreneurs, Women's access to enterprise education and training, Women's access to credit and financial services and Women's access to markets on the growth of micro and small business enterprises owned by women in Mwimbi Division, Maara District, Kenya.

To achieve the study objectives, primary data were collected using questionnaires, and interview schedules from 120 women entrepreneurs. The primary data were analyzed using Statistical package for social sciences programme and results presented in form of frequencies, percentages, and tables and conclusions drawn from the findings.

5.2 Summary of the findings

This includes respondent's basic information, legal and regulatory issues, promotions of women entrepreneurs, access to enterprise education and training, access to credit and financial services, access to markets and government policy.

5.2.1. Respondents Basic Information

Micro enterprises women in the division have little education (less than secondary level). The study revealed that 50% had secondary education, 2.5% had no formal education; 22.5% had primary; 23.3% College and 1.7% university level. These women start very small enterprises most likely only employ themselves or a few family members. The study revealed that 93.3% had 1-5 employees, 4.1% had 6-10 employees, 0.8% had 16-20 and none had over 47 employees. Most operate from home base or jua kali shed. Their enterprise had limited potential for growth, the research found that dependents on the business were notably four and below. 31.5% had 2 and less dependants, 53.3% had 3-7, 5% had 5-6, 6.7% had more than 7 dependants. Most of the entrepreneurs

had supportive husbands who may be directly or indirectly involved in the business. Their businesses were generally registered and operated from legitimate business premises. The researcher found that 79% of the respondents were married, 8.3% were separated /divorced and 12.5% never married. Although these women were more likely to be able to access Business Development Services (BDS), training and micro-finance, they were still constrained by access to financing.

5.2.2 Legal and Regulatory Issues

The researcher sampled various types of businesses which were summed as follows: - 60.8% were service, 36% were retail and 9.16% were wholesale. On the business activities in these businesses, the researcher found that 27.5% were hair dressing, 22.5% dressmaking, 20.8% in food processing, 16.6% in retail of second hand clothing, 8.3% in hotel and 4.1% in beer brewing. As the research indicated, majority of the women businesses were not registered (88.3%), only 11.6% were registered. On the question as to why the business was not licensed 49.1% had cited that they had inadequate finance to register, 34% inadequate time, 11.3% felt intimidated by Government Officers, 5.7% said government officers had negative attitude towards them. When women asked whether men had more rights on property ownership than them and 6.7% said that they had equal rights over property ownership with men and 93.3% said men had more rights on property ownership. The time and cost involved in registering process literally made registration impossible for many women. The research found that 71.4% of women who registered their business had spent over one month in the process and only 28.6% had spent less than one month, this was due to use of lawyers in the process. The researcher found out that the cost of registering the business was considerable. 57.1% of the respondents had spent more than Kshs.10, 000 and 28.5% had spent between 5000-10, 000, only 14.3% had spent Kshs.1000-5000.

5.2.3. Promotion of Women Entrepreneurs

Regarding the promotion of women entrepreneurs various questions were asked. On the view of the community to the business, 54.4% of the women entrepreneurs cited that the community had negative attitude towards them and 45.8% said the community had positive attitude towards them. When asked whether they (businesswomen) had

confidence in their business, 53.3% said that they had inadequate confidence and 46.7% said they were fully confident. Whether they had plans to expand and diversify their business for growth, 64.2% asserted that they had plans to expand and 35.8% said they had no plans of expansion. As regards to how one became aware of the business they were operating, 56.7% said they became aware through their friends, 24% became aware through their own initiatives, 12.5% through radio and 6.7% through TV. When asked why one decided to become a business woman 71.2% cited a form of employment as their main reason, 18.3% to supplement family income, 5.8% quitted job to do business and 4.2% gave the reason of family tradition i.e. they desired to emulate their parents

5.2.4: Access to Enterprise Education and Training

It was revealed that women in business were often constrained by their lack of entrepreneurial and business know-how; the study found 72% had no entrepreneurial training and only 20.8% had some form of training. On the question on whether business training would help improve their business growth, 81.7% declared that it would help while 18.3% said no. When asked the type of training that they felt was very crucial for their business growth, 85.8% recommended start up business training, 12.5% cited growth and 1.7% said development training.

5.2.5: Access to Credit and Financial Services.

Regarding the main source of start up capital, 50% of the women started their businesses with personal savings, 19.2% from family loans and friends, 12.5% from micro-finance, 11.6% their retirement benefits and 6.7% from commercial banks. It was found that these businesses started with low capital- 4.6% started with less than Kshs5,000, 43.2% with between Kshs.5000-10,000, 13.3% between kshs.10,000-15,000, 12.5% between kshs.15,000-20,000 and 1.7% with over kshs.20,000. When asked how much one could qualify for a loan 70% asserted that they could qualify for less than kshs.20, 000, 15.8% between kshs.20, 000-30,000, 10% above 30,000 and 4.2% had no idea of the amount. Regarding the main hindrance in acquiring loans from commercial banks 54% cited lack of collateral as the main reason, 23.3% high interest rate, 18.3% had never approached a bank for the loan and 4.2 cited bureaucratic processes.

5.2.6 Access to Marketing

The researcher found that micro-enterprises women were constrained by their lack of awareness of markets and market opportunities. In the study, it was revealed that 65% of them were not aware of profitable markets outside their locality where they could sell and buy their products; only 33% were aware. On training and marketing of the stock, 93.3% confessed that they had never been trained and only 6.7% had been trained. Asked whether they had participated in trade fairs or product quality shows, 90.8% asserted that they had never participated and only 9.2% confirmed participation. Whether the women were aware of market linkages available to their business, 94.2 % said they were not aware and 5.8% said they were aware of such.

5.2.7 Government Policy

The Kenya policy on MSIs in discussing gender equality notes that promotion of equality of opportunity and elimination of all forms of discrimination based on sex is a fundamental step that provides a necessary and important condition or effective development step. Decent work can be assured in MSE operations if the appropriate policy and regulatory framework is put in place. So far the policy is in place but enactment of relevant laws and regulations is still to be done. Policy and laws without efficient framework of implementation and management is not useful.

5.3 Discussions of the Findings

The results showed that the respondents were in the ages below 25 to over 45 years of age. Majority of the respondents were in the age bracket of 26-45 years. These are mainly people with families and with many financial commitments. They are usually adventurous and energetic. The research showed that 79.2% of the respondent were married, 8.3% were separated / divorced and 12.3% were never married. This indicated that husbands supported their wives in financial and non financial needs. Dependents on the business were notably four and below. It was established that 32.5% had two and less dependents, 53.3% of the businesses had 3-4 dependents, while 7.5% had 5-6 dependents. 6.7% of the respondents were established to have more than 7 dependents. This shows that a large proportion of business income is used to care for the family and very little invested in business. The study found that 22.5% of the respondents had primary education .50% had secondary level of education, 23.3% had college education while

1.7% had university education and only 2.5% had no formal education. These findings are corroborated by a report on gender mainstreaming in education system in Indonesia (Jalal,2004; quoted from Suharyo 2005) which shows that, the illiteracy rate for women is still higher than men and the gaps between men and women in rural areas is much than that in urban areas. The researcher found that women entrepreneurs employ few employees less than 5 per enterprise. This finding is corroborated by government of Kenya (1999) findings that found that female owned MSEs have fewer employees, the average number of employees in female-owned MSE is 1.54 compared with 2.1 for a male owned. Most of the women were engaged in service business because of ease of entry and because they can easily be combined with the triple roles of women in household and business. This is corroborated by the data from department of statistics of Malaysia (2005) in which there were 89% women involved in the services sector 7.5% in manufacturing and 3.0% in agricultural sector. The finding is also corroborated by seminar (2001) who investigated the types of home-industry that can be built up by poor women). It reveals that the types of home industry for women to develop are industries that do not need physical strength such as garment, food and handicrafts. It was also revealed that most of business were not registered or were operating without license. These results were corroborated by Desoto (1989) which found that regulatory and institutional challenges facing MSEs stifle growth in a multiple of ways. For instance, strict regulations and high taxes may keep firms small and informed (De sato, 1989) thereby contributing to increased transaction costs from problematic property rights protection and contract enforcement. Most women indicated that they were discriminated in terms of property membership and inheritance. These findings were in line with a study by Barwa (2003) on women entrepreneurs in Vietnam; the author found that women face additional gender based inequalities and biases. A lot of time is spent in registering the business. These findings are corroborated by an analysis by Hermando De Sato(1989) which revealed that the costs and time associated with obtaining business licenses such as 289 days for a small factory and 43 days for a shop in Peru, being the main block to growth. The cost of registering the business was found to be two high as regards to scale of operations.

The majority of the community was found to be against the establishment of women entrepreneurs. However, in some regions, women as producers are positively appreciated. It is what Sulciman (1982) found in central Java in Indonesia among craft women making wood products and *batik*. Their status increased in the eyes of their family and society, since they were able to earn income for their family and in their society they are known as in "business women". Most of the women entrepreneurs were not confident in their business they were in. They felt that their business could not grow and were only operating as survivalists. This is supported by Richard, however and Finnegan (2004) findings on women entrepreneurs in Africa feel they lack abilities, skills and expertise in certain business matters. Hermama (2006) reported that a Malaysian women entrepreneur needs to have confidence, courage and strong will power to succeed in business, be efficient and able to produce goods and services of high quality, in steady supply and of competitive prices. Most women became aware of the business they were in through their friends and their own initiatives. This shows that the associates play a big role in influencing what business one would take. The results are supported by (Gnodale 1989) findings which concluded that business associates and placement services, business pages of newspapers and radio and television programmes are broadcasted at times when women cannot listen to them or advertised at places women do not frequent. Most of the women had joined business out of necessity as they could not get formal employment.

The study found that very few women had enterprise education and training. This is corroborated by a research in Uganda (UNIDO document 2003) which revealed that women entrepreneurs in rural areas suffer from a lack of training and in rural areas suffer from a lack of training and advisory services that would allow them to upgrade their management and technical skilled and solve immediate production problems. A number of women did not think that entrepreneurial training would improve their performance. This is an indication of high level of ignorance. The majority stated that they would like to be trained in growth of their business. They cited inadequate finance as the main hindrance to training.

Their main source of start up capital was personal savings and loan from the family members which included "Merry-go-round". They started with little capital and could

qualify for a maximum of Ksh 20,000 loans. This seriously limited their enterprise growth. Lack of collateral as security was cited as the main barrier to commercial loan from banks. Banks insist on collateral before advancing loan and women due to social and economic factors like norms, beliefs, values and low level of education were not able to provide tangible security to the banks for loans. The majority of the women had not participated in any trade fair or product quality shows. Most were not aware of national and internal business linkages and associates. This is corroborated by a research done on Indonesian women entrepreneurs which found that they have difficulties in exporting their product overseas and increasing the volume of production both of which are of importance for their competition in the global market (Gordon, 200).

5.4 Conclusions

The age group 25-45yrs is the most important for female entrepreneurs. Very few women succeed in growing their own business. Most of entrepreneurs had completed secondary school as the highest level of education attainment. Nearly all female entrepreneurs have to combine the business with major household responsibilities. They started the business because they liked to be their own boss, wanted to be independent or to earn money in something they really liked. Most of them ventured into business, forced by circumstances i.e. unemployment or death of the husband or to earn extra income.

The most important sector of economic activity for women entrepreneur is services. Most choose "traditional female activities" such as retail trade, food processing and catering, garment construction and hairdressing. However, some women choose less orthodox activities, sometimes of their own free will and often influenced by circumstances. The most common ownership for micro and small businesses are sole proprietorship. The majority of the businesses employ 2-5 persons, including the owner (8)

Gender related reasons have an influence on the size of the business. Women tend to start and operate smaller businesses than men for several reasons. First of all, many women tend to start in traditional activities, Such as food processing, hairdressing, garment construction etc. These activities need little investment and women often already

posses part of the necessary equipment in the household, such as Kitchen utensils or a sewing machine. Secondly women are afraid of taking risks, especially when they are forced by family circumstances, such as unemployment, death of the husband or divorce to start a business in order to secure a source of income. Thirdly, women have poor access to loans because they often have no collateral and a longer work history. The latter helps in building start-up capital and work experience is also considered in credit ratings. Finally, family members are not always sympathetic towards women entrepreneurs; they are sometimes unwilling to share household responsibilities or are envious, and women have to balance responsibilities for the business and the household.

There is also a relationship between the size of the business and the problems encountered. Legal and regulatory issues, promotional of women entrepreneurs, access to enterprise education and training, access to credit and financial services and access to market are mainly problem of women entrepreneurs. The study shows furthermore that, although most women entrepreneurs had some assistance from family members in household chores, many entrepreneurs had the sole responsibility for childcare. Surprisingly, little assistance was provided by spouses in these arrangements. Hence, there is a need for improved childcare services and greater sharing by men of family and household responsibilities.

5.5 Recommendations

Based on the analyzed data, it was recommended that gender barriers be addressed at all levels, from the legal system to domestic system.

1. The government should expedite the review of the overall steps for business registration taking place under the World Bank IDA MSE competitiveness project, with a view to simplifying the steps and associated costs and develop a one stop shop for business registration, business name registration and other regulations. Business registration should be decentralized to avail services closer to the people and attract more women venture into business.

2. A scheme is needed to provide credit to those women who are trying to pursue growth objectives – lower interest loans to meet their capital investment and working capital. On promotion of women entrepreneurs, it is recommended that accessible, relevant and effective training as well as access to sustainable micro finance be provided.

3. Women's entrepreneurial access to market should be enhanced through a number of promotional approaches and tools, such as exhibitions, trade fairs, and catalogues of products produced by women, effective use of media and websites as well as through the promotion of sub-contracting linkages.

4. There is a need for women to establish women's bank to cater for Women MSFs, a bank where they could come as individuals to obtain a loan, backed by their owned collateral or a cross-guarantee. Government and donors should make strategic efforts to accelerate the reality of this concept.

5. A combined effort should be directed to girl child education especially at primary and secondary level by all stakeholders and enforced by local authority so as to uplift the future formal literacy of the women in the Division. Women in business should be encouraged more to form associations and SACCOs to enhance their bargaining power with government and donor communities.

5.6 Area for Further Research

On the basis of this study, it is generally recommended that a comprehensive study (Primary data collection) be conducted to address various factors influencing growth of micro and small business enterprises owned by women in the division. The field study should, therefore, inquire into policies, strategies in place, impediments (if any), impact of the current interventions and the role of various stakeholders (Government, NGOs, faith-based and community based organizations and the donor community) as regards their participation in the MSF sector, with particular emphasis on women and women entrepreneurs.

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APPENDICES

Appendix 1

LETTER OF INTRODUCTION

DOUGLAS LAWRENCE MUTEMBEI
P.O. BOX 150-60401
CHOGORIA
MOBILE NO: 0720544834

Dear Respondent,

This is to introduce you to an academic based research study being conducted by Douglas Lawrence Mutembei. The research topic is the assessment of factors influencing growth of micro and small business enterprises owned by women. The case of Mwimbi Division Muara District, Kenya. I kindly request for your assistance in filling the attached questionnaire to enable me complete my research. The questionnaire is strictly for academic purpose and any information shall be treated with strict confidentiality; please give the information as accurately as possible. Thank you.

Yours Sincerely,

DOUGLAS LAWRENCE MUTEMBEI
REG. NO: 150/71264/09

Appendix 2

Questionnaire for Women Entrepreneurs

This questionnaire attempts to examine the factors that influence growth of micro and small business enterprises owned by women in Mwimbi Division, Maara District. The information given will be treated with total confidentiality and will be used for research purposes only. Please complete every item as honestly as possible and make comments where necessary. You may not write your name in the questionnaire to ensure confidentiality. Tick in the box, next to the right response and fill in the blank spaces accordingly.

Section A.

Respondents' Basic information

1. What is your age bracket?
(a) Below 25 years (b) 26-35 (c) 36-45 (d) Over 45
2. Marital status:
(a) Married (b) separated/divorced (c) Widowed
(d) Never married
3. Number of people who depend on you.
(a) 2 and less (b) 3-4 (c) 5-6 (d) more than 7
4. Level of formal education
(a) None (b) Primary (c) Secondary (d) College
(e) University (f) Others
5. What is the number of employees in your business?
(a) 1-5
(b) 6-10
(c) 16-20
(d) Over 47

Section B: Legal and Regulatory Issues

1. What type of business are you involved in?
(a) Retail (b) service (c) Wholesale (d) others
2. Which business activity (sector) are you involved in? E.g. hotel, salon, kiosk, shop, breweries hawking, Matatu etc _____
3. Is your business licensed?
(a) Yes (b) No
4. If the business is not licensed, give a reason
(a) Time poor (inadequate time)
(b) Limited finance
(c) Negative attitude by government officers
(d) Intimidation by government officers
5. Which year did you start your business?
A. Before 2000
B. 200-2004
C. 2004-2008
6. Do men have more rights over the ownership of property than you?
(a) Yes (b) No
7. How much time do you spend in registering your business??
(a) Less than a month
(b) More than a month
(c) Not registered
8. How much did it cost you to register your business?
(a) 1000-5000
(b) 5000-10,000
(c) More than 10,000
(d) Not registered

Section C - Promotions of Women Entrepreneurs

1. What is the view of the community to you in business??
(a) Positive (b) Negative

2. Do you have confidence in yourself in business that you are in the right job?
(a) Yes (b)

3. Do you plan to extend and diversify your business growth in future?
(a) Yes (b) No

4. How did you become aware of the business you are in?
(a) Friends (b) Radio (c) T.V.
(d) Own initiative

5. What made you go into business in the first place you are in?
(a) To be employed
(b) To supplement family income
(c) Previous family business
(d) Quit job to do business

Section D: Access to Enterprise Education and Training

1. Have you ever been trained in entrepreneurship or in any other course in business?
(a) Yes (b) No

2. Do you think business training would help you improve your business?
(a) Yes (b) No

3. What business training would you recommend for your training?

(a) Start up (b) growth (c) Development

4. If you have no business training and education, what might have hindered you from one

(a) Finance

(b) Unaware

(c) Time poor

(c) Felt not necessary

Section E: Access to Credit and Financial Services

1. What was your main source of start up capital?

(a) Personal savings

(b) Retirement benefits

(c) Loan from family/friends

(d) Loan from commercial banks

(e) MFI/NGO

2. How much capital did you invest in the business as start up?

(a) Less than 5000

(b) 5000-10,000

(c) 10,000-15,000

(d) 15,000-20,000

(e) Over 20,000

3. What is your minimum and maximum loan do you qualify for at present??

(a) Less than 20,000

(b) 20,000-30,000

(c) Above 30,000

(d) Not aware

4. What is your major hindrance in borrowing loans from commercial banks?

(a) Lack of collateral

(b) High interest rate

(c) Bureaucratic process

(d) Had never approached banks for loan

Section F: Access to Marketing

1. Are you aware of profitable markets outside your locality where you can buy and sell your products??

(a) Yes (b) No

2. Have you been trained in marketing of stocks?

(a) Yes (b) No

3. Have you ever participated in trade fair or product quality shows?

(a) Yes (b) No

4. Are you aware of market linkages available to your business with large enterprises?

(a) Yes (b) No

THANK YOU