

**FACTORS INFLUENCING THE PERFORMANCE OF
WOMEN MICRO- ENTERPRISES: A CASE OF LOWER
KABETE LOCATION OF WANGIGI DIVISION, KIKUYU
DISTRICT KENYA**

**u*IV£3s|Ty nt ,,
^srAF^CAMcouEcr^**

By

MARGARET W. KARANJA


**i i p i : ,
0479806 2**

**A RESEARCH PROJECT REPORT SUBMITTED IN PARTIAL FULFILLMENT
FOR THE REQUIREMENTS FOR THE AWARD OF MASTER OF ARTS DEGREE
IN PROJECT PLANNING AND MANAGEMENT OF THE UNIVERSITY OF
NAIROBI**

2010


DECLARATION

This Research Project Report is my original work and has not been presented for the award of a degree in any other University.

Signed  I . W i y Date


Margaret Waithira Karanja
L50/72789/08

This Research Project Report is submitted for examination with our approval as University Supervisors:

Signed .. 
Dr. Joyce Mbwesa
Senior Lecturer Department of Extra-Mural Studies
University of Nairobi.

fi)'l-DQl - ^L&if)
Date. T?.

And

Signed 
Mr. JohnbdKco Kisimbii
Lecturer, Department of Extra-Mural Studies
University of Nairobi

Date

DEDICATION

The Research Project is dedicated to my Mother Eunice Mumbi, Late Father Epimak Ndungu, my husband Charles Ndegwa Karanja, children Frank, Ben, Grace, Walter, Sarah and Joyce. Your encouragement, and support have been very instrumental in the completion of this work. Struggle is the meaning of life and with God everything is possible.

ACKNOWLEDGEMENT

First and foremost, I am grateful to the almighty God for his enablement and provision through out my study period. I also recognize the efforts and support of various important people who assisted me in developing, drafting, typing and correcting this research project.

My special thanks go to my lead supervisor Dr. Joyce Mbvesa and Mr. Johnbosco Kisimbii who have guided me through with a lot of understanding to the completion of the project.

Special thanks to my lecturers Dr. Mboroki, Dr. Christopher Gakuo, Prof. David Macharia, Dr.(Mrs) Harriet Kidombo, Dr. Luketero, Resident Lecturer, Nairobi Extra-Mural Centre Patricia Muchiri, Administrator, Nairobi EMC Ms. Caren Awili, Kikuyu Town Clerk, Treasurer, CDA Officer for their support. My gratitude goes to Ditika micro-finance, Unity Finance and Equity Bank Kikuyu and Wangigi Branches for their support. My gratitude also goes to the School of Education and EMC staff who all supported and encouraged me during my study.

Lastly but not least my sincere gratitude goes to my family for their support during the study period especially my husband Charles Ndegwa Karanja, Children; Francis Karanja, Benson, Ndungu, Grace Wanja, Walter Kirika, Sarah Mumbi and Joyce Waithira for their encouragement and support. To my classmates thank you for your support and encouragement.

TABLE OF CONTENTS

Contents	Pages
TITLE PAGE	
DECLARATION	
Dedication.....	i
ACKNOWLEDGEMENT.....	i
TABLE OF CONTENTS	
LIST OF TABLES.....	i
LIST OF FIGURES	
LIST OF ABBREVIATIONS & ACRONYMS.....	j
ABSTRACT.....	x

CHAPTER ONE: INTRODUCTION

.1 Background to the Study	
.2 Statement of Problem.....	1
.3 Purpose of the Study.....	1
.4 The Objective of Study.....	1
.5 Research Questions.....	1
.6 Justification of the Study.....	i
.7 Significance of the Study.....	1
.8 Limitation of the Study.....	1
.9 Delimitations of the Study.....	1
•10 Basic Assumptions of the study.....	1
•11 Definition of Significant Terms.....	1

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction.....	1
2.2 Barriers to Women's Micro-Entrepreneurs.....	2

2.2.1 Level of Education.....	28
2.2.2 Managerial Skills.....	31
2.2.3 Effects of Lack of Funds.....	33
2.2.4 Competition in Micro-Enterprises.....	34
2.2.5 Socio-Cultural Factors.....	37
2.2.6 Gender Division of Labour.....	39
2.2.7 Stereotype of Women in Businesses.....	41
2.2.8 Lack of Accurate Information.....	41
2.2.9 Lack of Markets.....	42
2.3 Recommended Services for Women.....	43
2.4 Summary of Literature Review.....	46
2.5 Conceptual Framework.....	47

CHAPTER THREE: RESEACH METHODOLOGY

3.1 Introduction.....	49
3.2 Research Design.....	49
3.3 The Target Population.....	49
3.4 Sample Size and sampling procedures.....	50
3.5 Research Instruments.....	51
3.6 Instrument Validity.....	51
3.7 Instrument Reliability.....	51
3.2 Operational Definition of Variables.....	52
3.8 Data Analysis and Interpretation.....	53
3.9 Ethical Issues Encountered.....	53
3 10 Pilot study.....	53
³ 11 Summary.....	54

*

CHAPTER FOUR

4.0 DATA ANALYSIS PRESENTATION AND INTERPRETATION

4.1 Introduction.....	55
4.2 Analysis of Women Micro Entrepreneurs in Lower Kabete.....	55
4.2.1 General Information on Women Micro Enterprises.....	56
4.2.2: Distribution of Respondents by Education.....	56
4.2.3 Managerial Skills Level of the Respondents.....	57
4.2.4 Information Available on Running of Business by the Respondents.....	58
4.2.5 Who Runs the Business in Women Micro Enterprises.....	58
4.2.6 Engagement In Other Businesses by Respondents.....	59
4.2.7: Distribution Respondents According to Business Engagement.....	60
4.2.8: Study Location Samples and Names Respondents Businesses.....	60
4.2.9: Respondents Length in Business.....	61
4.2.10 Impact on Funding to Women Businesses.....	61
4.2. 11 Problems Faced by the Respondents.....	62
4.2.12 Level of Competition of Respondents.....	63
4. 2.13 Advantage Competitors' Posses Over Respondents.....	63
4.2.14 Social Cultural Attitudes towards Respondents.....	64
4.2.15 Attitudes of Lending Institution to Women Micro Entrepreneurs.....	65
4.3: Analysis of Women Groups Education Level.....	65
4.3.1 Presence of Bank Account by Respondents.....	66
4.3.2 Amount Borrowed by Respondents.....	67
4.4 Analysis of Information Supplied by Women Groups.....	68
4.5 Analysis of Information supplied by Microfinance Institutions.....	69
⁴ 6 Summary.....	69

CHAPTER FIVE

SUMMARY OF THE STUDY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction.....	7i
5.2 Summary of Findings.....	7j
5.2.1 Women groups.....	73
5.2.2 Women Micro Entrepreneurs.....	75
5.2.3 Microfinance Institution.....	76
5.3 Conclusion.....	77
5.4 Recommendations.....	80
5.5. Suggestions for Further Research.....	81
REFERENCES.....	82

APPENDICES

Appendix I: Introductory Letter.....	87
Appendix II: General Questionnaires for Women Micro-Entrepreneurs.....	88
Appendix III: Questionnaire for the Micro-Finance Institution.....	92
Appendix IV: Questionnaire for the Women Groups.....	94

LIST OF TABLES

	Pages
Table 1.1: MSE Job generation analysis as at 2005.....	6
Table 3.1 Types of Women Micro-Enterprises in Lower Kabete Location.....	51
Table 3.2 Operationalization of Variables.....	50
Table 4.1 Analysis of Women Micro Entrepreneurs.....	57
Table 4.2 : Distribution of respondents by age.....	56
Table 4.3: Distribution of respondents by education.....	56
Table 4.4: Key Management skills - and abilities of respondents.....	59
Table 4.5: Who runs the business in women micro-enterprises.....	60
Table 4.6: Information available on running of business by respondents.....	^
Table 4.7: Engagement of Other Businesses respondents	
Table 4.8: Distribution of Respondents by business Engagement.....	60
Table 4.9: Respondents by Length in Business.....	60
Table 4.10 : Funding to women micro-enterprises.....	63
Table 4.11: Problems Faced by the Respondents.....	64
Table 4.12: Competition Level of respondents.....	65
Table 4.13 Advantage Competitors' Possesses over Respondents.....	64
Table 4.14 Distribution of Respondents by Education	67
Table 4.15 Presence of a Bank Account by Respondents	
Table 4.16: Amount Borrowed by Women Repondents.....	67

LIST OF FIGURES

Figure 1: Factors That Affect Performance & Growth of Micro Women Micro-Enterprises .	23
Figure 2: Conceptual Framework.....	48

LIST OF ABBREVIATIONS & ACRONYMS

ILO	International Labour Organization
JICA	Japanese International Corporation Agency
K- REP	Kenya Rural Enterprises Programme
KU	Kenyatta University
KWFT	Kenya Women Finance Trust
MGD	Millennium Development goals
MFIs	Microfinance Institutions
MGR	Merry-Go-Round
MLHDR	Ministry of Labor and Human Resource Development
MSEs	Micro and small Enterprises
NGOs	Non Governmental Organizations
UNDP	United Nations Development Programme
SAPS	Structural Adjustment Programmes
SACCOS	Savings and Credit cooperative societies
ROSCAS	Rotating Saving and Credit Associations
WEDCO	Women's Economic Development Cooperation
WEDGE	Women's Entrepreneurship Development and Gender Equality
PRSP	Poverty Reduction Strategic Program
MSED	Micro and Small Enterprise Development
SEED	Small Enterprise Development
UNIDO	United Nations Industrial Development Organization
UNCTAD	United National Conference on Trade and Development

ABSTRACT

In spite of a variety of researches' in Lower Kabete location, very few had paid close attention to the factors Influencing sustainability of women founded micro enterprise in the area. For example one by Karanja W. 2006 focused on Appropriate Technology in this area, others researched on performance in science among girls' schools. Hence the researcher's interest to find out why women micro businesses collapsed shortly after starting.

The purpose of this study 'Factors Influencing the Performance of Women Micro-Enterprises; case of Lower Kabete Location of Wangigi Division Kikuyu District' was to investigate the factors that affect the performance of women micro-enterprises in Lower Kabete location of Kikuyu district.

The study sought to investigate the factors that influence non sustainability of women micro-enterprises in Lower Kabete location of Kikuyu district. It sought to establish whether the level of education, level of managerial skills, lack of funds, competition and historical social cultural injustices which promoted discrimination based on sex were the key factors affecting the performance of women micro-enterprises in Lower Kabete Location of Kikuyu District hence cause their collapse before undergoing complete cycle.

The study was guided by the following objectives:- to establish the extent to which level of Education affected performance of women micro enterprises in Lower Kabete Location of Kikuyu District; to establish extent to which level of managerial skills impacted on women Micro-Enterprises in Lower Kabete Location, of Kikuyu District; to establish how lack of funding impacted on the performance of women micro-enterprises in Lower Kabete Location of kikuyu District; to determine how competition affected Performance of women Micro-enterprises in Lower Kabete Location of Kikuyu District and lastly to determine how social cultural factors affect performance of women.

The researcher used descriptive research design and used questionnaires with different women entrepreneurs, ten women groups and three finance institutions in Lower Kabete. The sample for the micro enterprises was 58 out of a total of 147 licensed micro-enterprises. This number was randomly selected to participate in the study.

The study found that women micro entrepreneurs lacked managerial skills when they were operating their business as it established that they had not attended any business training and had acquired their business skills either through apprenticeship or through internship. The study found that most of women micro entrepreneurs in Lower Kabete had secondary education as their highest level of education; this is low level of education and in turn could be the reason for the poor performance of women micro enterprises. The study found that lack of funding, competition, level of management skills, household duties influenced low performance and premature closure of women businesses. Women micro entrepreneurs faced stiff competition from their competitors mostly men. The outcome was expected to assist women-micro enterprises in Lower Kabete come to terms with the impediments which hinder growth of their businesses, through provision of funding, necessary skills, marketing support, expected to help the government plan and put favorable policies in place to help sustain women SMF/s business and hence .-would promote economic development which would reduce poverty in this area.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Micro-Enterprises can be defined as small businesses organized and managed by one person who assumes the risks of the enterprises. The growth of micro enterprises has become fundamental factor in the economic progress of individuals. The main purpose of business enterprise is to make profits by producing and selling different goods and services. There is no universally acceptable definition of MSEs but, according to the 1999 Baseline Survey Micro and Small Enterprises can be defined by the number of employees engaged by the enterprise. Other commonly used units of measurement of the size of a business are the turnover, the degree of formality, or legitimacy of the enterprise, capital investment and degree of skills per worker. Sessional Paper No. 2. of 2005

The term entrepreneur originated in French economics around 17th and 18th century. In French, it means someone who undertakes a significant project or activity. Jean Baptiste is the economist who gave entrepreneurship its particular meaning. "The entrepreneur shifts economic resources out of an area of lower productivity and into an area of higher productivity and greater yields". Entrepreneurs create value and in this case, it is economic value. Drucker, P.(1983)

In the 20th century, Joseph Schumpeter highlighted the importance of entrepreneurship as innovation which drives the creative-destructive process of capitalism. Peter Drucker developed the focus of entrepreneurs as 'change agents', the entrepreneur always searches for change, responds to it, and exploits it as an opportunity. The above definition supports the inclusion that entrepreneurship is essentially about the creation of either economic or social
or both. This

is emphasized by entrepreneurial process which includes innovation -,
p&tition of economic and / or social value and wealth, the taking of uninsurable risks,

gathering of resources human, financial and others and being market driven. Entrepreneurship is often associated with new start-ups according to Joseph Schumpeter, J. (1934) who brought to the limelight the role of entrepreneur as the focal force of economic growth. According to Schumpeter model, development in capitalism hinges on three things, the entrepreneur, innovation and credit. He envisioned the entrepreneur as being a pioneer in breaking new grounds by being innovative. He enjoys facing challenges and doing something new. The entrepreneur's motive is after profit maximization but not for a desire to raise his standard of consumption. In his ambition to conquer the competitive market in the world, the entrepreneur needs credit from the bank. It is the availability of credit that will give the entrepreneur the freedom to take risks of investment connected to innovation from production of new goods, new methods of production, finding new markets locating source of supply or re-organization of an industry. Hence the importance of credit in starting an enterprise.

According to Ron Strainer of Business Media LLC (2009) Micro-Enterprise Development Programs (MDPs) is worldwide and entrepreneurship is a means of combating poverty and gender discrimination. MDPs are considered among the most feasible strategies for helping **low** income women overcome poverty and for promoting gender equity. Globalization, raises **rates** of poverty, unemployment, and cutbacks in welfare and other safety-net programs have contributed to the popularity of the programmes. There is a strong consensus regarding the contribution of small business entrepreneurship to the economic development of developed **and** developing countries according to Hisrich, R.D Et A1 (1998). The initiatives create jobs, **expand** consumption and change attitudes towards entrepreneurship and business. **Development** of the informal sector as an area to alleviate poverty and promote gender equity ⁰ⁿ⁸ income groups which in this case includes women micro-enterprises.

In America According to Miller Margaret 2006 micro-enterprises has played a big role in economic development. - American economy is well known for its flexibility, adaptability, and grasping of opportunity and it is all because of prevalent of entrepreneurial culture in the economy. The above statement can be well supported with the help of factual data given; taking into account the period 2003 to 2007 the generating of employment has reached 7.2 million which is more than the total jobs being generated in Japan and Europe. From this jobs the American workforces are taking back home hefty amounts. The growth of America is in leaps and bounds and that is all because of the insistence and efficiency of American entrepreneurs. The European economy in the year 1980 saw increase in a number of fresh opportunities for entrepreneurial activities. The entrepreneurs are today seen as the catalyst which speeds up process of creating wealth for the economy, providing jobs and providing an assorted range of goods and services to the consumers.

According to McCormick, D (1996), additional problems such a marketing and labour cause difficulties and disagreement with spouses. The tension caused by the dual responsibility of managing a business and maintains a family was said to be the main stumbling bloke for female business owners.

In a paper titled Entrepreneurship; Key to Africa's Development, Kibas, P. (2004) a specialist in Enterprise and Human Resource Development defines entrepreneurs as people who have been known to mobilize otherwise idle resources to create employment, alleviate poverty through the distribution of income and assist the disadvantaged members of the community.

Kenya, unlike most developing countries, has in official development policies recognized **formal** enterprise as more than a residual employer for the survival of poor households. In

its Sessional Paper Number 2 of 1992, Small Enterprise and Jua Kali Development in Kenya, Sessional Paper No 2 of 2005 promotion Micro-enterprises for economic development, the government identifies the small-scale and Jua Kali enterprise sector for support to assist it to "graduate into the formal sector" and to become a major player in the creation of new jobs and economic growth. Strictly speaking, the term Jua Kali refers to the full range of enterprises employing between 1-49 workers in all sectors. Access to technical and managerial training, work sites, involvement of Jua Kali in technological innovation, and creation of a positive enabling environment are key elements in the Government's Jua Kali development strategy

In Kenya, women enterprises see the establishment of productive businesses 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 lack of technical skills, confidence, strong individual involvement and willingness to take risks, women are often unable to establish and sustain successful businesses. Over the last ten years, it has been recognized that small and Micro-enterprises have been the major sectors in job creation, innovation and economic development (Gordon, 2000). It may be good to emphasize that out of the SMEs, a good proportion of them are women-owned or operated and women do not only form the 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 entrepreneurship have also been growing in less developed economies, as a means for women to survive and oftentimes to help support their families. Hence it can be seen that women entrepreneurship is a growing phenomena and has had a significant economic impact in all economies, King, Kenneth & McGrath Simon (1998). 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 'World Conference on Education for All Jomtien, Thailand,' (1990), noted that the high rate of illiteracy prevailing in most developing countries, in particular in Sub-Saharan Africa remains a severe impediment to the advancement of women and to development. Discrimination in girls access to education persist in many areas, owing to customary attitudes, early marriages and pregnancies, inadequate and gender biased teaching, sexual harassment and lack of adequate resources.

Involvement of women in productive activities is a very important strategy for poverty alleviation in society and for the overall empowerment of women. Micro-enterprise by women should not be only seen as economic empowerment, it should be seen as a tool for giving women satisfaction and equity in developing themselves and others.

The role of the micro and small-scale enterprises (MSEs) sector in the development process has been at the centre of the development debate for the last three decades in Kenya and elsewhere in the developing world. Kaimenyi Et.al (2008) paper on 'entrepreneurial characteristics among micro and small scale Women Owned enterprises in Meru - Kenya'. The sector is perceived as a critical component in the creation of much needed skills, employment, and generation of livelihoods for a growing number of people within the urban as well as the rural sector. According to Gegulo Kaimenyi (2008), entrepreneurial characteristics such as age, education, attitudes and perception have a significant relationship with the growth of micro and small-scale enterprise.

Micro and small-scale enterprises (MSEs) have become important players in the Kenyan economy, but at the same time they continue to face constraints that limit their development.

Most of the local investment businesses in Kenya fall under this sector. The Economic Recovery Strategy Paper for Wealth and Employment Creation (ERS) 2003-2007 indicates that this sector employs about 74.2% of the Kenyan workforce and contributes about 18.4% of the country's Gross Domestic Product (GDP). It further identifies SMEs expansion as one of those activities that will assist in economic recovery and growth of the country.

According to the Department of Micro and Small Enterprises Development in the Ministry of Labour and human resource Development in Kenya the following is the analysis of MSE for two years:

Table 1.1: MSE Job generation analysis as at 2005

Year	No. of MSES	Jobs Generated
2002	2.8 Million	5.1 million
2003	3.5	5.5 million
2004	4.0	6.0 million

Lower Kabete is situated in Kikuyu District, near Lower Kabete Campus University of Nairobi about 12kms from the city centre. The inhabitants of this location depend on subsistence farming, zero grazing dairy cattle, horticulture farming, tissue culture banana growing, green grocers, animal feeds shops, dry cereals business, chicken rearing both layers and broilers for meat. The area supplies the city of Nairobi with vegetables (Sukuma wiki), eggs, chicken meat and milk. The majority of women also hawk milk and vegetable in Westlands and Parklands City Districts and they get their produce from Wangigi market. It is the next biggest market from Wakulima market in the city centre. Majority of the women

have started micro enterprises in this area ranging from second hand clothes selling, pullover knitting, dress making, hair and beauty saloons, green grocers, hotels/eateries, M-Pesa cash outlets, selling cereals, animal feeds shops, selling eggs and many other businesses within the market area but most of these businesses close before they undergo a complete cycle.

In spite of a variety of researches in Lower Kabete location, very few have paid any attention to the factors affecting women micro enterprises in this area. The reasons why most enterprises close down after opening, may be level of education, level of training in the area of business, lack of markets for their goods or services, social cultural and demographical factors.

A Review by the Kenya Central Bureau of Statistics indicated that more female-owned enterprises (5,585) closed down Kibas and K'Aol (2004); of those businesses that closed down, lack of funds was common to both women and men owned MSEs; lack of customers and too much competition accounted for 26.8 per cent of women's closure against 12.5 per cent of men's closure. Women also cited personal reasons, for example having to take care of children, taking care of sick family members. According to Mincer (1978) and Polachek 1981, women are generally at a disadvantage when competing with men for enterprises and job opportunities.

Governments throughout Africa recognize the potential role micro and small enterprises (MSEs) can play in generating employment and reducing poverty. However, establishing a more enabling environment for the creation of micro and small enterprises and transforming **the informal** sector of the economy into a dynamic formal sector has proven a challenge. Also **finesses** through out the region suffer from poor market access, mismanagement, lack of

access to credit, inadequate information technology, limited access to infrastructure and limited legal rights Toki Mabogunja (2002).

Most of the rural women provide for their families through subsistence farming and other agricultural activities supplemented by petty trade or micro enterprises. According to Seminar paper on E.A Rural Development Experience Strategies meeting held on 3rd July 1989 in Nairobi-Kenya sponsored by UNCR, UNCRD, women perform crucial role in household and rural economy. They are active in agricultural work, particularly in food production, share major responsibilities for animals care and child care, engage themselves in small enterprises such as, keeping chicken, growing vegetables, hotels/eateries, hair saloons, sell groceries kiosks/greens plus they are involved in marketing and selling of agricultural produce, petty trading, tending the family gardens and small-scale horticulture for the market place, among others. A few women keep livestock as part of the family assets as well as savings. Majority (90%) of these women are engaged in these activities out of necessity given that they have limited choices outside their traditional roles. Most have hardly gone beyond primary education and have very limited or no training. As regards marital status, 80% are married and have families. Barwa, (2003) a number of women have absentee husbands, who often work far away from their homes while the rest are either single mothers, separated or widows. Due to the many challenges they face in providing for their families, most of them **are** now engaged in income generation activities in form of micro enterprises.

Many African countries have implemented a number of important macro and micro-economic reforms over the past decade, in an effort to improve the investment climate. There are also ^{n e w} home grown initiatives aimed at *fostering economic growth and social development,

such as the new Economic partnership for African Development, which have proven effective in increasing investment. ILO report (2003).

According to ILO report (2003) discrimination in employment and occupation was a complex and moving target for attitudes of "officials" males' business owners and even family members towards women entrepreneurs. A case in Kenya was Mingigo Islands where women were exploited by fishermen by demanding favors (sex) in order to be sold supplies of fish when there was a shortage. Women's involvement in enterprises logically means improvement of strategic gender needs as they are going to lower their traditional roles which have deprived them of their equity with men and lower pay. Women being the majority in the society will automatically be the prime beneficiaries in their society and can disseminate new enterprise methods to each other whether on agricultural goods in their farms or even in the market places. Every activity of a business involves the work of several groups of persons the owner or the investor buying stock, the executives managing the business, the workmen producing the goods or the services, the merchants the salesmen selling the good and the consumer using the goods.

UNDP 1997 report on human development stated that most of the 1.3 billion people living on less than \$1 a day were women. ILO report 1972 reported that some financial institutions like K-Rep, Kenya Women Finance Trust, Pride Africa, NCKK and others like Faulu Kenya, Care Kenya were started to help entrepreneurs in an effort to fund poverty focused projects with objective to assist the poorest of the poor to secure access to enterprise finance and women *ould fall in this group.

Tavallion, (1986) had stated that women are in a position to improve their living standards, and by so changing their lives, they will be in a position to manage their time and save energy by planning both their practical and strategic needs as well. Time and energy gained will automatically help them to have leisure and income generation. Lennart (2007) showed that women are more vulnerable to chronic poverty because of gender inequalities in the distribution of income, access to productive inputs such as credit, access to and control of property and earned income, multiple roles for women, inadequate access to education and training, as well as gender biases in labour market. It was apparent that the most critical factor in gender inequality was limited access to formal education and training due to high drop out rates for girls.

In Kenya since women are unable to access formal employment, they often seek livelihoods for themselves and their dependants in the informal sector Kimalu P. et al (2002) 'a situational analysis of poverty in Kenya KIPPRA (working Paper no 6'. In Lower Kabete for example where many men drink chang'aa, women are left with a burden of bringing up the children, hence the great number of kiosks which sell both groceries, greens, milk, eggs and even dry cereals. Others open saloons in front of their homes to be able to earn some livelihood and at the same time look after their families because of their double roles as mothers and entrepreneurs. According to Child, F (1977) to overcome these obstacles, women micro entrepreneurs need to be provided with information and training on business management and on marketing and financial management. This training should be conducted close to the women's enterprises to overcome the constraints of their multiple roles as entrepreneurs, mothers and wives. Since women micro entrepreneurs may not be able to pay for training the government and other relevant organization could provide the funds and

for

or success

*

other resources.. Women have all the way identified themselves within their socially accepted roles in the society which actually reflects the division of labour and authority. Their strategic gender needs have been dragging and taking them to a state of not reaching a more equitable society as they lack information, start up funds, lack of resources, skills, knowledge and therefore participate less, and their businesses do not grow and even close down after very short span. Wilma V. Hines, Donald C Mead, Carl Liedholm (1998)

The research intends to look at some of the challenges encountered by women enterprises in Lower Kabete location of Kikuyu District. The study intends to investigate the relationship between level of Education and level of managerial skills, lack of funding, competition in the ventures they get into, level of community support hence social cultural problems relation to stereotype, gender discrimination where women are not given equal opportunities as men. The Challenges will be brought to light so that solutions can be sought to enable women micro-enterprises' do not close down shortly after opening and also women micro-enterprises be included in practical economic development.

1.2 Statement of Problem

As noted by Wilma V. et.al (1998) there were many challenges that affected the performance of women micro enterprises, with many of them collapsing shortly after they have been started. Given that micro-enterprises play an important role in employment creation, this study was meant to try and fill in the gaps in knowledge that exist on the factors that influence the performance of women enterprises in Lower Kabete Location of Kikuyu District Kenya.

TU

The study sought to investigate how the level of education, level of managerial skills, lack of funds, competition and historical social cultural injustices influence non sustainability of women micro-enterprises in Lower Kabete location of Kikuyu District. It sought to establish

whether the level of education, level of managerial skills, lack of funds, competition and historical social cultural injustices which promoted discrimination based on sex were the key factors affecting the performance of women micro-enterprises in Lower Kabete Location of Kikuyu District.

1.3 Purpose of the Study

The purpose of this study was to investigate the factors that influence the performance of women micro-enterprises in Lower Kabete Location of Kikuyu District.

1.4 The Objective of Study

The study is guided by the following objectives:

1. To investigate how level of education influence the performance of women micro enterprises in Lower Kabete Location of Kikuyu District
2. To investigate how level of managerial skills impacted on women Micro-Enterprises in Lower Kabete Location, of Kikuyu District
3. To investigate how lack of funding impacted on the performance of women micro-enterprises in Lower Kabete Location of kikuyu District
4. To investigate how competition influenced the performance of women micro-enterprises in Lower Kabete Location of Kikuyu District
- 5- To investigate how social cultural factors influence the performance of women Micro Enterprises in Lower Kabete Location Kikuyu District

1.5 Research Questions

Following were the research questions the researcher intended to answer:

1. To what extent does level of Education influence the performance of women Micro Enterprises in Lower Kabete Location of, Kikuyu District Kenya?
2. To what extent does level of management skills Influence the performance of women micro-enterprises in Lower Kabete Location of Kikuyu District Kenya?
3. How does lack of funding affect performance of women Enterprises in lower Kabete Location of Kikuyu District ?
4. How does competition influence the performance of women Micro Enterprises in Lower Kabete Location of Kikuyu District?
5. How do social cultural factors influence the performance of Women Micro-enterprises in Lower Kabete Location of Kikuyu District Kenya?

1.6 Justification of the Study

The level of unemployment, high population and poverty level among women in Lower Kabete justified the study. In Lower Kabete land is small and majority of people live in plots hence poverty and congestion. According to Gordon, (2000) Self employment and women in entrepreneurship has been growing in less developed economies like Kenya, as a means of women to survive and oftentimes to help support their families. Hence it can be seen that women entrepreneurship was a growing phenomena and has had a significant economic impact in all economies. However women owned enterprises had their fair share of challenges and constraints that needed to be addressed and specific needs that had to be identified to help them perform at par, if not better than their male counterparts. (Lee-Gossein and Grise(1990).

isiting the local retail market and shaping centres in Lower kabete, General shops,, salons

⁸¹¹ beauty parlous, Animal feed shops, tailoring shops, eateries, cloths exhibitions, one finds

closed shops or new faces of women entrants and this leads to the a question why there is great degeneration and turnover. If the government it to meet its poverty reduction strategy and MGD by the year 2010. women micro enterprises challenges must be addressed for sustainability.

The gender equity and empowerment movements have held big workshops conferences, policy papers written with very little trickledown of the workshop outputs to the women in the small villages like Lower Kabete. The goal of women empowerment in freedom and participation could be reached by ending the inequalities of power between men and women patriarchal power structures are deeply engrained in all sphere of life but women needed space to establish their own conditions and priorities in order to determine how they could assert control over both their social and private lives. Women need equal access to control over the means of production the significance of the research is to help see some micro enterprises succeeding with proper education level, adequate managerial skills, enough funding fair competition and positive socio-cultural attitudes from members of the community.

1.7 Significance of the Study

The study would be of great Significance to Lower Kabete women, Policy makers, donors as **well** the government since the study was intended to unearth challenges which affected the performance of women micro enterprises that lead to their collapse after a very short span of **time** after initiation. The recommendation would help researchers, policy makers, donors and **women** entrepreneurs to indentify with the challenges which would come out of the study and help plan how to strategize, plan, organize businesses and overcome the challenges. When

these challenges are dealt, women micro businesses would be revived/boosted, the society as whole would benefit, women would participate in the economic development of their nation.

As Gakure (2004) noted in his study that, most women entrepreneurs in Kenya tend to draw upon their domestic skills in their micro-enterprises. She subsequently concluded that as the skill base seemed to determine the choice of the business, the choices of the business entered into was largely gendered in the first place. This was a reflection of the impact of Kenya's cultural bias in education and training on career choices. Connell (2002) indicated that much of the gender construction in schools creates very distinct notions, what it meant was that to be a man and a woman, with polarized attributes for femininity and masculinity. Socialization in schools touched on the informal (hidden) curriculum, which is a critical dimension of schooling through which educational settings may introduce changes in social perceptions, but which generally continues to perpetuate values and attitudes.

AFRICANA COLLECTION

According to Ami(1972) Kenyan policy on business had been men proactive/men friendly leaving women to grapple for space with men from an already disadvantaged position. According to Behemuka J. M. (2009) Traditional development policy assumed that the construct of Gender was relatively unimportant at intra-household level. But there is evidence that suggest that significant gender-based competition over resources exists at the intra-household level hence involvement of women in entrepreneurial activities;

Limitation of the Study

Limitation envisaged in this study was that it would not be possible to visit and interview all the study women micro-enterprises in Lower Kabete location of Kikuyu District, due to time and resources. The researcher would try to work tirelessly to ensure that there is no hurried Elusions and incomplete field reports. The topic is relatively new and little research has

been done; therefore the study will rely heavily on data from the field. There were chances that problems of information holding would crop up. Some respondents feared to provide the needed information. However they were assured whatever information they gave would be confidential. The driving force will be to ensure that the study will uplift the lives of women folk. Majority of women were not willing to give details on the value of their business or reasons why they closed up due to shame of not making it in business and embarrassment.

1.9 Delimitations of the Study

The study was confined within Lower Kabete location of Kikuyu District which was partly rural. Therefore the findings of this study would be generalized to other areas, regions of the Country with caution since conditions in the district may be unique and different from other areas. In addition the study targeted women micro enterprises which were very many, some of which were not formally licensed, others conducted businesses within their homes, kiosks or by the road side but the research would focus on just a few women micro enterprises which are formal and housed in shops or kiosks namely saloons, hotels, groceries, Animal Feeds and Tailors.

1.10 Basic Assumptions of the study

The study had assumed that the stated objectives would be achieved. That the respondents would cooperate and provide honest answers to questions in the questionnaires, and divulge information from their records, relating to the study. The study also assumed that the sample population would be a representative of the whole population of women in micro enterprise in Lower Kabete Location of Kikuyu District. The study also assumed that the research tools would be adequate in collection of varied data for the desired objective of the research. It was to know why women micro enterprises were not sustainable and failed to grow, closed

before maturation. The study assumed that women enterprises in Lower Kabete Location **collapse** after a short period because they faced the following constraints:' Low levels of education, low level management skills, stiff competition, marketing , discrimination due to social cultural beliefs.

1.11 Definition of Significant Terms

Creativity - Refers to the concept of generating ideas, formulas or patterns as well as discovering the existence of opportunities and resource that involves the process of conceptualization logic exhibition reasoning and intuition.

Entrepreneur: is a person who organizes and manages a business undertaking assuming the risk for the sake of profit. 'The entrepreneur is our visionary, the creator in each of us. We're born with that quality and it defines our lives as we respond to what we see, hear, feel, and experience. It is developed, nurtured, and given space to flourish or is squelched, thwarted, without air or stimulation, and dies.'

Innovation - is a process that involves idea selection and development through harnessing, creative energy in order to convert ideas, patterns and formulas into more efficient products or processes by re-inventing re-resigning, simplifying paradigm shift or revolution processes

Micro-enterprises: is a small business venture which employs 1-5 people

Micro Finance: is the provision of financial services to low income clients, including consumers and the self-employed, who traditionally lack access to banking and related

Performance: The degree to which a feat is being or has been accomplished. For example, the level of success of a salesperson in achieving a monthly goal of writing orders for new customers. Can be defined and the accomplishment of a given task measured against preset standards of accuracy, completeness, cost, and speed. The return provided by an investment.

factors: can be defined as a constituents or an element that bring about effects or results or ^mdicates a specific number or quantity.

uence: this can be defined as anything that contributes causally to a result; a number of that determines the outcome. Synonym - power to affect persons or events especially based on prestige.

*

uence: this can be defined as anything that contributes causally to a result; a number of r that determines the outcome. Synonym - power to affect persons or events especially based on prestige.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The Term entrepreneurship was often associated with new start-ups. According to Joseph Schumpeter, the study of entrepreneurship was not complete without mentioning of Schumpeter who brought to the limelight the role of entrepreneur as the focal force of economic growth. According to Schumpeter model development in capitalism hinges on three things, the entrepreneur, innovation and credit. He envisioned the entrepreneur as being a pioneer in breaking new grounds by being innovative. He enjoys facing challenges and doing something new. The entrepreneur's motive was after profit maximization but not for a desire to raise his standards of consumption. In his ambition to conquer the competitive market in the world, the entrepreneur needed credit from the banks. It was the availability of credit that will give the entrepreneur the freedom to take risks of investment connected to innovation from production of new goods, new methods of production, finding new markets locating source of supply or re-organization of an industry. Hence the importance of credit in starting an enterprise.

According to Glueck, W. F (1988) Entrepreneurs are individuals who start a business from scratch - financial incentives and the lure of an opportunity to make new products, contribution seem to motivate more individuals to strike out on their own. About 95% of US businesses are entrepreneurships or family businesses, while most entrepreneurship are men, ^creasing number of women are starting their own businesses. The motivation and skills of ^ i n g a business and building has been a challenge.

A study by Coopers Das, 2000) of women entrepreneurs in western world, proposed that three factors influence entrepreneurship - antecedent influences(i.e background factors such as family genetic factors that affect motivation, skills and knowledge, The environmental factors(e.g. economic conditions, access to venture capital and support services, roles models).

According to Ron Strider of Business media LLC 2009) Micro-enterprise development programs (MDPs) worldwide is a means of combating poverty and gender discrimination. MDPs are considered among the most feasible strategies for helping low income women overcome poverty and for promoting gender equity. Globalization, rising rates of poverty, unemployment, and cutbacks in welfare and other safety-net programs have contributed to the popularity of the programmes There is a strong consensus regarding the contribution of small business entrepreneurship to the economic development of developed and developing countries Manthias and Mehtra 2003 et al (2003). The initiatives created jobs, expanded consumption and changed attitudes towards entrepreneurship and business. Development policy made increasingly focused on the informal sector as areas to alleviate poverty and promote gender equity among low income group.

The role of the micro and small-scale enterprises (MSEs) sector in the development process had been at the centre of the development debate for the last three decades in Kenya and elsewhere in the developing world. (Kaimenyi Et.al (2008)in a paper on entrepreneurial characteristics among micro and small scale Women Owned enterprises in Meru - Kenya. The sector was perceived as a critical component in the creation of much needed skills, employment, and generation of livelihoods for a growing number of people within the urban ^ well as the rural sector. According to Gegulo Kaimenyi, entrepreneurial characteristics

such as age, education, attitudes and perception had significant relationship with the growth of micro and small-scale enterprise. Other characteristics critical to the growth of MSEs include start up capital and a conducive environment, both business and regulatory.

In this chapter we reviewed the factors facing women entrepreneurs. The study would review secondary data from different institutions, library, Documents, journals and books providing information on managerial skills, funding, education, competition and socio-culture factors affecting women micro enterprises all over the world.

2.2 Barriers to Women's Micro-Entrepreneurs

Barriers can be defined as those factors tending to inhibit potential entrepreneurs entering the MSE sector. These may also be external in nature and beyond the control of the potential entrepreneur. "Constraints", tend to limit growth of MSEs by confining them in terms of scale and scope of operation. Those said to be internal in nature, may be controlled to some extent by the entrepreneurs. Some of these barriers and constraints include: Financial aspects; gender roles, social inequality; entrenched cultural and traditional practices; technology; legal; institutional and policy levels, among others (IFC/World Bank, 2006: Kibas, 2006).

Sessional paper No 2 of 2005 gives the following as the main challenges to the development of women MSEs; inappropriate policy design, weak implementation framework and failure to **institute** and effectively monitor policy implementation as a result, the policies failed to **address** the specific needs of the target groups and lacked ownership by the entrepreneurs; **Limited** access to markets and marketing information is a severe constraint to MSE. Women's concerns and gender-related constraints tend to negatively affect equal participation⁰ **both sexes** at the local, institutional and policy levels. Hence, this may lead to a failure to

full potential of human resources for wealth creation, as one section of the

population, which forms bigger percentage experience barriers in the form of limited mobility, discrimination, myths, negative cultural attitudes, overprotection, marginalization and lack of specific funding. Fieldman, (1984).

According to Aldag & Steers (1987), businesses of any size may fail because of a number of factors including the environment and poor management. These factors are important on both success and failure of business, lack of experience in the particular line of business contributes to failure, and a strong background in one type of business does not necessarily prepare the individual to compete successfully in another business. Since the two types of businesses have different problems and required different skills.

According to Kaplan, (1988) Involvement of women in productive activities is a very important strategy for poverty alleviation in the society and for the overall empowerment of women and therefore micro-enterprise by women should not be only seen as economic empowerment. Micro enterprises which are women designed with a right frame and implemented with a right approach can prove to be an important tool also for social and political empowerment along with economic empowerment. Social-cultural constraints have limited women's access to a meaningful business experience. Cromie and Hayes, (1988) and led to careers interrupted by family obligation. They have less human capital for the management and development of their businesses. Demands on human capital in terms of education and experience are specific to the nature of the entrepreneurial ventures, and hence vary between industries. Additionally, barriers have been seen to impede women's access to **financial** resources Carter and Allen, (1992). Thus the main obstacles that women face in business are educational and work background, psychological characteristic, motivation, perceptions and career efficacy, training and skills development, comparative earning levels,

management practices, external networking, desire to succeed and other obstacles. Birley, (1989); Bush (1992); Dumas, (2001); Robinsn,(2001);Scherer et al, (1990); Stevenson, (1989).

Factors That Affect Performance and Growth of Women Micro-Enterprises

Figure 1 shows some of the factors that affect performance and growth of women Micro-enterprises which are diagrammatically drawn showing level of education, Management skills, availability of funding, competition and effects by social cultural factors and the effects they have on the sustainability of women micro-enterprises.

Figure 1: Factors That Affect Performance and Growth of Micro Women Micro-Enterprises

WOMEN MICRO ENTERPRISES COLLAPSE AFTER SHORT TIME			
Level of Education	Level of management skills	Funding of micro-Enterprises	Social cultural Factors
Low Numeracy and calculation ability	Management skills problems	Lack of Start-up funds	Family responsibility
communication barriers	Affect Increase in profitability	No Expansion of business	Gender discrimination
Competition	inefficient production system and poor planning	Lack of collateral	Gender stereotyping
Marketing skills background and experience		Business stay small	Multiple roles and responsibilities
		Business collapse after short time	Cultural beliefs taboos

ⁿ a study by Wanjira, Munyua and Muriithi (2008) noted that most of the Kenyan women entrepreneurs they spoke to, indicated that their main reasons for going into business ^{CentUres} included the need for achievement, autonomy and flexibility, along with providing

for and educating their children. In their 2008 study in Nairobi with thirty-three women revealed that entrepreneurship is becoming an increasingly popular career choice for many Kenyans. They found that while some individuals start businesses based on their need to be independent, most of the women chose the entrepreneurial route in response to external situations, including redundancies, frustration with their current workplace and pay, or a need for greater flexibility in their lives, (Wanjira Munyua and Mureithi, 2008).

According to Ikiara (2001) he observed that in recent years the Micro and Small Enterprises (MSEs) part of the informal sector has played an increasingly important role in Kenya. World Bank report (2001) concurs that MSEs are regarded as offering an alternative route to economic growth, especially in the context of increased poverty and unemployment, as well as the advent of economic reforms that have led to the liberalization of the economy.

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

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

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

Gakure, J (2004) found that women's productive activities were concentrated in micro-enterprises that conformed to their traditional gender roles, such as food processing and garment making. The Kenya Central Bureau of Statistics (Republic of Kenya 1999) Baseline Survey reveals that while the numbers of women- and men-owned enterprises are almost equal, women outnumbered men in services (55.7 per cent women) while men outnumbered women in manufacturing (65.7 per cent men) and construction (91.2 per cent men). The choice of sector also seemed to define the profitability of the enterprises. Male-owned MSEs **had** 75 per cent more income than female-owned enterprises - women earned 4,344 Kenya shillings (Ksh) for every Ksh 7,627 men earned from their micro-enterprises.

A review by the Kenya CBS in the same period indicated that more female-owned enterprises (5,585) than male (4,045) closed down Kibas and K'Aol (2004). Of those businesses that **closed** down, lack of funds was common to both women- and men-owned MSEs; lack of customers and too much competition accounted for 26.8 per cent of women's business **closures** against 12.5 per cent of men's closures. Women also cited personal reasons, for **example** having to take care of children, where it became increasingly difficult to balance work with family responsibilities. Taking care of a sick family member accounted for 33.1 per cent women's business closures, while for men it accounted for 20.3 per cent (ibid.).

According to Mincer, J. 1978; and Pelachek (1981), women are generally at a disadvantage

when competing with men for enterprises and job opportunities. Most societies expect women to leave the labour market for purposes of childbirth, childcare and the accompanying domestic responsibilities, skills that are undervalued and perceived as incompatible with enterprise and labour market opportunities. While government statistics indicate that, in recent years, the number of women-owned firms with employees has increased, even with this growth women remain under-represented in terms of their proportion of the high-growth.

According to Roxana Semii during a workshop on promotion women leaders in Rome 13th February, 2010, noted that women entrepreneurs experience the same constrained by the same factor that affect small agricultural producers in general which are in turn compounded gender specific factors which include; lack of time; and limited mobility due to multiple domestic and productive responsibilities; women's have more limited access to assets and services, Illiteracy; low participation and limited decision making in producers' organization and Socio-cultural factors affecting their mobility and participation in public decision making.

During the workshop the participants discussed the challenges and opportunities for women entrepreneurs such as; constraints of lack of self-esteem and low levels of education; capacity-building as an important means to promote gender equality for rural women; the need to concentrate on increasing women' negotiation skills, self-esteem and leadership capacities and put in place supportive measure such as child care facilities during training sessions; gender-sensitization training, aimed at challenging gender stereotypes and norms and the Perpetuation of traditional gender roles should be provided to women and men; and sharing knowledge, exchange experiences and networking among women are critical for women's **empowerment.**

McCormick, D. (2001) noted significant differences in the performance of women's enterprises vis-a-vis those of Kenya men. Their enterprises are small less likely to grow less profitable, and begin with less capital investment than those owned by men. Not only is there a great deal of gender segregation by sector with women dominating in food processing, beer brewing, hairdressing, dressmaking, and retail of second hand cloths, while men dominate in metalwork carpentry, vehicle repair, cobblers, but women and men operate from different locations. Throughout the developing world, low-income, women micro entrepreneurs tend to work in the same types of businesses—vegetables, commodity trading, food kiosks, catering, beauty salons, and tailoring. Because these enterprises are familiar and relatively easy to start with low capital and minimal skill, a significant number of women operate businesses in these sectors. Women often get their business ideas when they see other women make money by selling a particular good or service. However, when too many women start similar businesses, the market becomes saturated and everyone's income suffers. A high percentage of low-income women lack the skills, ideas, or ability to innovate that is needed to respond to threats in the marketplace. When one business folds, they often begin another that requires similar inputs, but is in a different sector. In Kenya, women often cite more than five years of experience in business, but only one year of experience in the current business. Low-income women also tend to hold weak market positions and they could be vulnerable to gender exploitation because they lack economic and social power. An example is women fish sellers in Uganda who regularly found themselves subjected to sexual harassment and forced to provide sexual favors to fishermen in order to gain access to good quality, fresh fish at reasonable cost.

2.2.1 Level of Education

According to World Bank Report (2000) Education is a creator of human capital and that fairness in the provision of education is paramount. The report argues that failure for an individual to adequately get educated, handicaps him/her in market economy.

According to McCormick (2001), she isolated three factors that account for difference in enterprise performance, the first factor has to do with level of education, over average women entrepreneurs are less educated than their male counterparts and twice as likely men to be illiterate. The major reasons for this difference are institutional in nature. Marriage institution discourages investment in women's education and the division of labour assigns a greater share of household responsibility to girls. Women spend less time in businesses than men because of their domestic responsibilities, including housework, food preparation and childcare. This also explains why women are more likely to operate their business form the home. McCormick concludes that gendered patters of business operations are supported formal and informal institutions.

According to Lamont, (1972): Vesper,(1980), factors affecting entrepreneurship with particular reference to women was based on two prominent theories of existence one "Environmental determinism" theory which controls the success or failure of an enterprise. The task environment consist of factors that have a specific impact on business activities, such ^{as} **supply** of material, labor, capital and government regulation which the general environment **consist** of the economic, legal-political social cultural and educational aspect. Their study put forward a broader conceptualization of factors affecting Nepalese women, they were said to ^{complete} conglomeration of various factors which affect every aspect of their lives and ^{oVern} the personality traits, their education and training, the gender outlook and attitude of

the entire society.(including planners and policy makers), and their access to and control of all resources and critical inputs. Drucker, P. (2004) on micro business comments that buyer behavior depends on successful marketing campaigns depending upon the owner or manager who should have a detailed understanding of customer buying behaviors.

A 2005 Population Council study noted that for all developing countries, approximately 10 per cent of boys and 40 per cent of girls aged between six and eleven never enrol in school. This is especially pronounced in areas where factors such as employment prospects and mothers' education are lower, and where girls are more likely to have other responsibilities such as housework and childcare, and are even required to engage in income-generating activities to supplement the family household income. This is the case especially in most Kenyan lower-middle to low-income households.

According to Connell (2002), through socialization men assume the role of income provider and identify with masculine stereotypes, whereas women assume the role of homemaker and identify with feminine stereotypes. Consequently, men and women prefer job attributes and acquire skills that relate to their gender roles and stereotypes. Furthermore, if women have internalized the belief that they are not valuable in their own right and that as such their potential professional contribution is not valued either, it may lead to the perception that meeting societal demands is more important and more valuable than their personal dreams and wishes and, in actual fact, that fulfilling their own dreams is not a real option because there is no real choice.

^ack of sufficient education and training for women is another impediment to micro-terprise success. Culturally, and especially in the rural setting, the girl child was not given

equal opportunity to study like the boys; hence they had limited education and training (if any) which tends to affect effective performance in later life. One woman laments:

"We are 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 relations. One, who ventures out there to follow the entrepreneurial spirit, does so at the expense of her family." Hartman and Arora , (1990).

Education has social benefits of higher productivity and hence of income, one of the solid based is the benefit of higher productivity and hence of income which education brings over and above which a worker would derive from his own education. Minimum standard of literacy and numeracy in a society is necessary for the running of a complete advanced economy. People need to be able to make simple calculations, read advertisement about products' and **follow** simple written instructions. If such skills are widely diffused in a population each **member** gains from the education of the other because the higher levels of output and productivity benefit all, even the few who may not have acquired the skills literacy and numeracy, (Mead, D.C. and Carl Liedholm, 1998).

Education has been recognized as a central element in social and economic development (**Patrinos**, 2001). The benefits that occur from people investing in human capital where **primary** increases productivity and higher personal earning. Polachek, P. (1985) asserts that **primary** studies shows that the economic' returns to primary and secondary education are at or

above 10% a year making human capital a productive investment on the society and especially women. In Lower Kabete majority of women are primary leavers followed by form four leavers who do not have any professional skills. Majority are young mothers.

2.2.2 Managerial Skills

According to Birley, 1989, Bush 1992; Scherer Et al (1990) in Special Report 2005 South African women entrepreneurs) lack of management skills and low levels of management training are issues facing women's entrepreneurial ventures, particularly in the case of micro enterprises. Support organizations cite a lack of sales, and marketing skills are the most commonly report problems faced by female entrepreneurs, after finance. Education has social benefits of higher productivity and hence of incomes. One of the solidly based in the benefit of higher productivity and hence of income which education brings over the above which a worker would drive from his own education. Minimum standard of literacy and numeracy in a society is necessary for the running of a complex advanced economy. People need to be able to make simple Calculations, read advertisement about products and follow simple written instruction. If such skills are widely diffused in a population each member gains from **the** education of the others because the higher levels of output and productivity benefit all, **even** the few who may not have acquired the skills of literacy and numeracy. Mayoux, (1993) confirmed that lack of adequate skills are constraints faced by female micro entrepreneurs, because training for women often focuses on "traditional female skills' in tie and dye, **cooking**, tailoring, saloon businesses, for which the market is saturated. Women's high **illiteracy** rate also limits the types of vocational and skills trained they can be offered.

study by Richardson, Howarth and Finnegan, (2004) on women entrepreneurs in African

Ve,s may women entrepreneurship in Africa feel they lack abilities, skills and expertise

in certain business matter. Many of the issues mentioned appear to relate to women's relative lack of exposure to the world business. In addition this lack of access, this in turn impacts on a range of factors that adversely affect the women entrepreneurs at all levels. It is due to women's gender experiences of education and work and due to the demand of their reproductive and household roles, their lack of key dedicated 'time' to be able to explore and nurture their own resources. Their access to essential abilities, skills and experience 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.

Chaston (2004), on micro business comments that buyer behavior depends on successful marketing campaigns depending upon the owner or manager who should have a detailed understanding of customer buying behavior. To acquire data on customers requires market research. Marketing research helps the entrepreneur to collect data and utilize them in making decisions relating to firm's marketing operations. Marketing research is more about making informed decisions rather than simply evaluating decisions that have already been made.

According to Reynolds, G. (2000) In Micro and small enterprises training is an important asset to an individual as it gives the necessary skills required to run a business. Proper accounting in any enterprise helps one to know what is going on as far as the business is concerned. The micro and small enterprises are business in both formal and informal sectors, classified into farm and non-farm categories employing 1-50 workers. These enterprises are

across all sectors of the Kenyan economy and provide one of the most prolific sources of employment creation, income generation and poverty reduction.

2.2.3 Effects of Lack of Funds

Women founded micro enterprises in Kenya have been facing unearthed problems that have led to their collapse after very short span after initiation. Visiting the local food markets shows that one finds new faces of women entrepreneurs and leads to the question why this great degeneration and turn over. The policy in the Kenyan government has for years since independence been men proactive/men-friendly leaving women grappling for space with men from an already disadvantaged position. The Gender equity and empowerment movements have held bit workshops and conferences in the major cities with very little trickledown of the workshop output to the women in the small village.

According to Gordon, (2000) key issues facing new and growing women owned micro enterprises in the United states include access to capital, access to information, and access to network. 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 in increasing volume of production **on** both of which are of importance for their competition in the global market. Lee- Gosselin (1990) found that in general the most -up problems seem to be lack of capital.

Also important is lack of confidence in female business owners, ability on the art of banks, suppliers and client alike as well as family issues.

According to Lamont women enterprises are not given conducive environment for the growth entrepreneurship among women in Nepal, where;

- a) Social and family values or attitudes conducive or non conducive to women's role as entrepreneurs;
- b) The education and training system that impacts upon entrepreneurship and whether it is gender neutral or not;
- c) The legal framework of a country laws governing inheritance, property rights, contracts access to assistance from facilitating institutions, etc) which creates difficulties for potential women entrepreneurs;
- d) Predominant personality traits

2.2.4 Competition in Micro-Enterprises

According to Alison Height, (2004), women being the backbone of rural economies in developing countries and specifically in Africa play a significant role to ensure their families well being. This is seen in terms of providing food, shelter health and education for the children. Being the majority (about 55%) of the rural population their role is crucial in bring **about** change in their communities. Most of the rural women provide their families through subsistence farming and other agricultures activities supplemented by petty trade or micro enterprises, however many challenges face rural women micro-entrepreneurs. They include: competition from well established male dominated enterprises, lack of acute information **support**, finance for expansion, risk-taking, domestic commitments and stereotyping among others. GOK Economic Survey, (2005)

UNIDO document, (2003) most micro-entrepreneurs in rural areas suffer from lack of training ¹⁸¹¹ ac^visory services that would allow them to upgrade their managerial and technical skills

and solve immediate problems thus improving productivity and increasing profitability. In Uganda micro and small enterprises play an important role in the economic and social life of their majority of citizens. However growth and competitiveness of this sector are hampered by a lack of managerial and technical skills, weak, infrastructure, difficulties in accessing loans and complicated company registration process.

Competition is a frequently used measure of a degree of competitiveness of a market concentration. The market can be measured by looking at the percentage of the total market that is controlled by the largest four to five retailers in particular sector. Although more than a quarter of households in Kenya are women-headed, only five percent of the women own land in their own name Feldman, (1984) At a recent "Kenya Gender and Economic Growth Assessment" seminar in may 2006, a case clearly illustrating the plight of women was present by an official from the Ministry of Trade and Industry. A loan approved for the woman applicant by the joint loan scheme at the Ministry, failed to materialize because her husband refused to pledge the family's land title deed as collateral. Owning the title deeds as collateral to finance expansion is still a hurdle for most women entrepreneurs, given the property is not usually registered in their names Karanja, (1996) The Government is, however moving towards solving this problem through Sessional paper No 2 of 2005 and the Micro -finance Bill of 2005. The later became an Act of Parliament in December 2006.

Accessibility of initial capital even when available is also a major hurdle for women entrepreneurs. Microfinance institutions (MMFIS) and commercial banks choose where they
0Cate> ^us excluding entrepreneurs in remote regions, leading to regional disparities. Credit
condition when forming a group, paying membership fees, group registration fees and joining
i
Vln g plans , result in delays in accessing initial capital, thereby worsening the women's

household financial burden Stevenson and St-Onge, 2005; Alila 1, (2002). However, this is no long the key barrier and constraint, but lack of creativity, innovativeness and responsiveness (on the part of Capital suppliers) that now hampers women's entrepreneurship in Kenya. Whereas many MFIs emerged to provide initial and working capital, relevance and cost-effectiveness is often inappropriate in satisfying the particular needs of potential and operating women entrepreneurs (Government of Kenya, 1999)

The Chief Executive of the Association of Micro Financing Institutions indicated that women still face many barriers in accessing microfinance, but the association has not yet done anything specific to explore or address particular constraints Stevenson and St-Orge, (2005). This could be an admission that, even with the many MFIs emerging with the aim of addressing women's particular microfinance needs, there is as yet, no solution in sight.

Development Finance Institutions (KDFIs) have vast financial resources, their impact is yet to **be felt** among the MSEs, and particularly by women entrepreneurs most of whom have no collateral. Consequently, most banks have created special facilities to support MSSEs as a **result** of Government encouragement and their own need to expand. However, many **entrepreneurs** and, in particular women, tend to steer clear because of lack of information, and **conditions** such as high transaction costs and interest rates averaging above 35per cent per **annum**. Commercial banks, which have microfinance **Programs**, include cooperative Bank, Kenya Commercial Bank, Barclays Bank, Standard **Chartered** Bank, Equity Bank

^petition (Markets) and information related factors are said to be major challenges.

^Petition is seen in form of the size of market share in the rural setting; Most of these

markets are not expanding new competitions such as mini super markets with wide varieties of products for those who were engaged in selling household products are emerging

Lack of accurate information on the new markets and market segments, and the ever increasing demands by clients for variety pose challenges to the rural entrepreneur. This coupled with lack of knowledge on business management, inadequate resources and support mechanisms from spouses adverse their limitation.

2.2.5 Socio-Cultural Factors

According to Ranabhat, (1995) the socio-culture constrains in women entrepreneurs were cited problems among women entrepreneurs were their low level of confidence as demonstrated in the ILO,(1987) report which shows a high level of self confidence in men, and a medium level of confidence among women. The measure the entrepreneurial qualities of the Nepalese women showed that women entrepreneurs are more concerned about the high quality of work and efficiency. But they were found to be weak in self confidence, persuasion and assertiveness in comparison to male entrepreneurs, women entrepreneurs think that being hardworking is a characteristic of a successful entrepreneur.

Maysami et. al. (1999) found that the working home conflict - the tension caused by the dual responsibility of managing a business and maintain a family to be the main stumbling block **for** female business owners. Many women end up adopting socially constructed gender values **which** devalue them, creating an inability to recognize themselves, their dreams and aspirations in the context of social norms. According to Chege (2003), women who conform to gendered societal norms are the perfect embodiment of a Kenyan woman. Therefore, those who build successful businesses or careers are perceived to be venturing into masculine roles.

Women with this 'strong female image' may still hold and transfer societal myths regarding women entrepreneurs on to their business, affecting their attitude and the ways in which they pursue business success and growth Brush and Hirsch (1999). Further, women's socialization may affect their self-assessment about being prepared with regard to business creation. Brush (1997) noted that 'the gendered perspective of the founder influences the organizing process and resultant new organization, whether it is for high growth or not. This perspective creates unconscious biases regarding capabilities and potential.' Our study also confirmed this notion that despite the growth of women's own businesses, a large majority started small and stayed small, never employing more than ten people.

Families also lack confidence in women's capability, whether it is related to their mobility outside home or to mortgage as collateral to obtain loans from bank. Such lack of confidence in women's capabilities is evident, not only in the family circle, but also in the supporting agencies such as banks. Lack of family confidence and negative social; pessimism towards women have had a disabling impact on building up women confidence Ranabhat, (1995).

The changes that have been happening in Kenya due to people embracing the modern life styles and other natural factors have changed the scenario but to the detriment of women. In lurkana for example, the traditional family structure is breaking down under extreme pressure **from** drought. Insecurity and environmental degradation which has caused the drift of destitute women to the settlements. Opportunities in the monetary economy are few though **both** men and women are affected. The position of women is worsened by the fact that most have no formal education which reduces opportunities to be trained. Some resort to illegal cupations including charcoal burning, beer brewing and prostitution. Prices obtainable for MP * * * * such^{as} basket making are low. Exploitation of the environment, especially in

Turkana district has resulted in an increasingly severe shortage of raw materials. Despite these handicaps, women are still responsible for feeding and educating their children. HIV/AIDS is an increasingly serious problem is mainly affecting women in the Settlement (Kabira,2002)

Many rural women are unaware of specific support mechanisms, including sources of funding for the income generation activities. In the absence of coordinated effort among the key stakeholders including the government, these entrepreneurs will continue to suffer 'eking' a living at survivalist level only. This is coupled with the reluctance of the formal public institutions to help women in micro- and small-scale enterprises.

2.2.6 Gender Division of Labour

Women entrepreneurs' play an important role in local economies, and a large percentage of micro-enterprises in developing countries are undertaken by women. Increasingly women in rural areas successfully are turning to self-generated employment in small-scale enterprise activities in the informal sector to support their households. Rural women frequently have primary responsibility for agricultural production, in addition to domestic responsibilities and childcare. These responsibilities place heavy demands on women's time, and microenterprise activities can potentially increase the workload of women. Improving of labor saving technologies in any of these areas can free up time micro-enterprises activities.

Barwa (2003) on women entrepreneurs in Vietnam the author found that women face addition **handicaps** due the prevailing social and cultural gender based inequalities and biases, for **distance** 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 P^oerty and social mobility.

Barwa (2003) research 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, and weak business associations. Lack of networking and poor access to education and training programmes. . Competition and obtaining quality raw materials, and balancing time between the enterprise and the family were ranked as major startup problems.

Married women should be given support by their spouse in respect of finances, motivational encouragement, advice and actual involvement in the running of business. Access to credit by women entrepreneurs at the level of micro and small-scale enterprises, should be facilitated through innovative programs and financing arrangements that go beyond the conventional approaches; which require collateral and capital among other conditionalities.

The public sector and formal financial organizations should be sensitized on the value of gender-balanced participation in the informal sector enterprises. A major goal should be to promote the social and economic empowerment of women, as they constitute a vulnerable social category that is critical in sustainable development endeavors.

Gender division of labor leading to gender stereotyping of jobs is a traditional feature of Kenya society. Women's working hours tend to be very long and strenuous. In the rural setting household chores such as cooking and washing, fetching water and firewood, combined with agriculture-related activities, engage them for more than ten to twelve hours. In the urban

setting most working women face double responsibilities of household work as well as professional demands of their jobs. A high level of stress and irritation has been expressed by many of these women who end up trying to be super women. Trying to cope with, and even excel in both the inside and outside worlds, often leads to psychological trauma.

Thus the contribution of women in terms of hours of work is much higher than that of men. In fact, women still continue to contribute more time and income to total household production, even if we do not ascribe a value to women's wage income accrued from the invisible labour involve in household chores. CEDA, (1981)

2.2.7 Stereotype of Women in Businesses

Social attitudes concerning the value of traditional women's work activities and their potential **abilities** can limit the participation rate and sustainability load ultimate commercial success of **female** micro-entrepreneurs. In the past women businesses have frequently been for marginal **activities** with limited marketing potential and poor return for labor. They have often been **based** on the implicit assumption that women's income is supplementary to that of the male **head** of household. Loans for men are usually larger and more long term than those provided for women. However, much evidence indicates that women are very good credit risks, with **much** small scale credit business for women reporting very high repayment rate in a range of **sectors** and activities.

2-2.8 Lack of Accurate Information

e new markets and market segments, and the ever increasing demands by clients for variety **^ e** challenges to the rural entrepreneurs. This, coupled with lack of knowledge on business **•fttiagement**, inadequate resources and support mechanisms from spouses are adverse

limitations. Hookings and Essoo(2003) view women micro entrepreneurs as facing constraints and barriers to obtaining money to start and grow their business- Women for inexperience's of negotiating with the banks , their lack of financial confidence to argue what they are entitled to, lack of information of what is going in business aroitf^ vvor^ which can be given through education and IT knowledge. Ability to raise capital , not being taken as seriously as men hence stereotype . This was confirmed by an international i<-P0lls by Finnegan Et al (2004) on Hispanic female business owner which indentific* problems areas as obtaining lines of credit, capital management, customer database, business planning> managing debts, gender problems which seem to be synonymous across Asia anc* African countries.

2.2.9 Lack of Markets

According to ILO report (2000) practitioners use a number of techniques to women break into new markets, offer new products, or strengthen their businesses. I*1 Ethiopia, the Amhara Credit and Savings Institution would like to reach more women, but its success rate remains minimal and BDS clients in the country are overwhelmingly Ghana, Opportunity International (OI) offers a joint business training and credit program, market saturation keeps women from generating sufficient income even after they complete program. In an effort to encourage women to branch out from traditional businesses, established an apprenticeship program in non-traditional sectors, but almost women eventually chose to enter traditional sectors anyway. OI then assisted vendors, traditional business for women, to form institutional partnerships with government, hospital cafeterias, and restaurants. In this instance, women were willing to pay high quality training that would help them obtain lucrative institutional contracts.

In India, rural women produce goods for urban markets, but have difficulty with packing and cannot compete with larger businesses. They now are seeking packing design assistance and financing for a packing machine so they can link to an expanded value chain through urban markets. And in Pakistan, ECDI and the ILO report (2000) (IPEC) were able to link women micro entrepreneurs into a broader value chain. Though homebound and possessing limited exposure to markets and poor access to BDS, many of the women were eager to increase household income by establishing enterprises. ECDI and the ILO offered the women management training, courses in developing entrepreneurial competency skills, and access to micro-technologies so they could take their products to higher-end markets. The women established tent markets outside their homes, which eventually encouraged the government to allocate space for a weekly bazaar where they could sell their products.

According to Harper J. Et al (2008) pg. 38, business failure is most common due to insufficient experience. Entrepreneurs who have more experience will possess the knowledge to perform more effectively the roles and tasks necessary for success. One can gain or learn more from failure than successes.

A leading entrepreneurship Scholar, Rita McGarh, has argued that because entrepreneurs typically seek success and try to avoid failure, there are project errors introduced that can not only inhibit learning and interpretation process but also make project failure more likely or expensive than necessary. She proposes that there are benefits to be gained from the pursuit of risky opportunities even if the pursuit increase the potential for failure

2.3 Recommended Services for Women

To some extent practitioners agreed on the most appropriate services for low-income women entrepreneurs—skills development and training (there was some debate over the need for

training but most respondents were in agreement), credit, marketing, assistance purchasing inexpensive inputs, market assessment training, help with product diversification and quality assurance, and links to new markets. Some practitioners feel that advocacy is also very important to prevent harassment by local authorities. In Kenya, SITE worked with municipal authorities and private sector actors to support construction of handicraft sheds, which municipal authorities and private sector actors viewed as an advertising opportunity as well as a demonstration of social responsibility.

To avoid the saturation problem, practitioners recommend that BDS providers help women learn how to conduct market assessments and identify growth areas, and they offer training in starting-up businesses with high growth potential. The key is to continue innovation and avoid stagnation. One way to do this is through exchange visits so that women have an opportunity to observe non-traditional businesses. The goal here is to encourage women to assess the market economy and move forward with an idea to generate income—success leads to openness to try new ideas. For example, in Pakistan, MEDA and ECDI are assisting homebound rural women to access mainstream embroidery markets because local markets are saturated. The producers are linked to middleclass urban women who seek to buy hand-embroidered garments. In this way, producers do not need to change industries and they can tap into a broader value chain by modifying their products to serve a new market.

But offering business services may not be enough to help low-income women become more successful. Because external social constraints are so powerfully positioned against low-income women micro entrepreneurs, the best BDS programs will likely entail a social dimension such as linking women with specialized agencies like literacy centers, health

clinics, or legal advocacy groups. That said, it is important for providers not to let the social dimensions of a program become too cumbersome and constrain success.

According to Kibas, P. (2006) women micro-enterprises to develop to their full potential needs support through encouraging and assistance from relevant business support initiatives; appropriate financial assistance to women entrepreneurs; general information and education programmes, mentoring programmes and support for networking structures. The probability of women becoming successful can be increased by exposure of the individual to formal learning experiences and to the tasks associated with owning a business. This exposure can be accomplished through mentors or role models in the workplace, home career guidance, internships and cooperative education programme. Anna, Gaylen, & Chandler,(1999) recommends three types of support which are Operational support represents the amount of support provided in the way advice or expertise, Emotional support considers the encouragements provided to the participant by others and Financial Support is the important of financial resources provided by different institutions

An example of a program with a dual social and business purpose was developed by Tuokoe Binti Zetu. a Kenyan NGO. The fishing sector in Kenya is very profitable and is considered a male domain, even though 75% of the sector's customers are women traders. In order to buy fresh fish at affordable prices, women who need a guaranteed, steady supply of fish to generate a living wage are subject to the whims of fishermen who demand sexual favors. Tuokoe Binti Zetu helped women fish traders form a group to acquire fishing permits, training from experienced fishermen, and a fishing boat and gear. The group employed young, male HIV-positive orphans to fish on the group's behalf and employed truckers to transport the fish. Elimination of the middle man; i.e., the fishermen, has greatly increased the group's

profit. Tuokoe Binti Zetu also helped secure a safe place for the boats to dock and educated the community in embracing cultural change. As conflicts between the group and male fishermen emerged, Tuokoe Binti Zetu arbitrated the settlements.

2.4 Summary of Literature Review

This section has attempted to review literature related to Women Micro-Enterprises. From the reviewed literature has attempted to highlight the stigmatization of women entrepreneurs in developed and developing countries like Kenya.. The literature reveals that even successful women entrepreneurs are viewed negatively because society does not expect women to succeed on their own without male assistance. The study will, in a way, bring out the stereotypes, bring to light some of the injustices meted on women micro-enterprises, highlight the factors that affect women in businesses some of which are; low level of education, training and management skills, lack of start up funds, social cultural factors which are imbedded in most societies where women are seen as lesser human beings. Some recommendations have been given and strategies which can help increase the level of visibility of women as entrepreneurs and the role their collective and individual enterprise play in the economy.

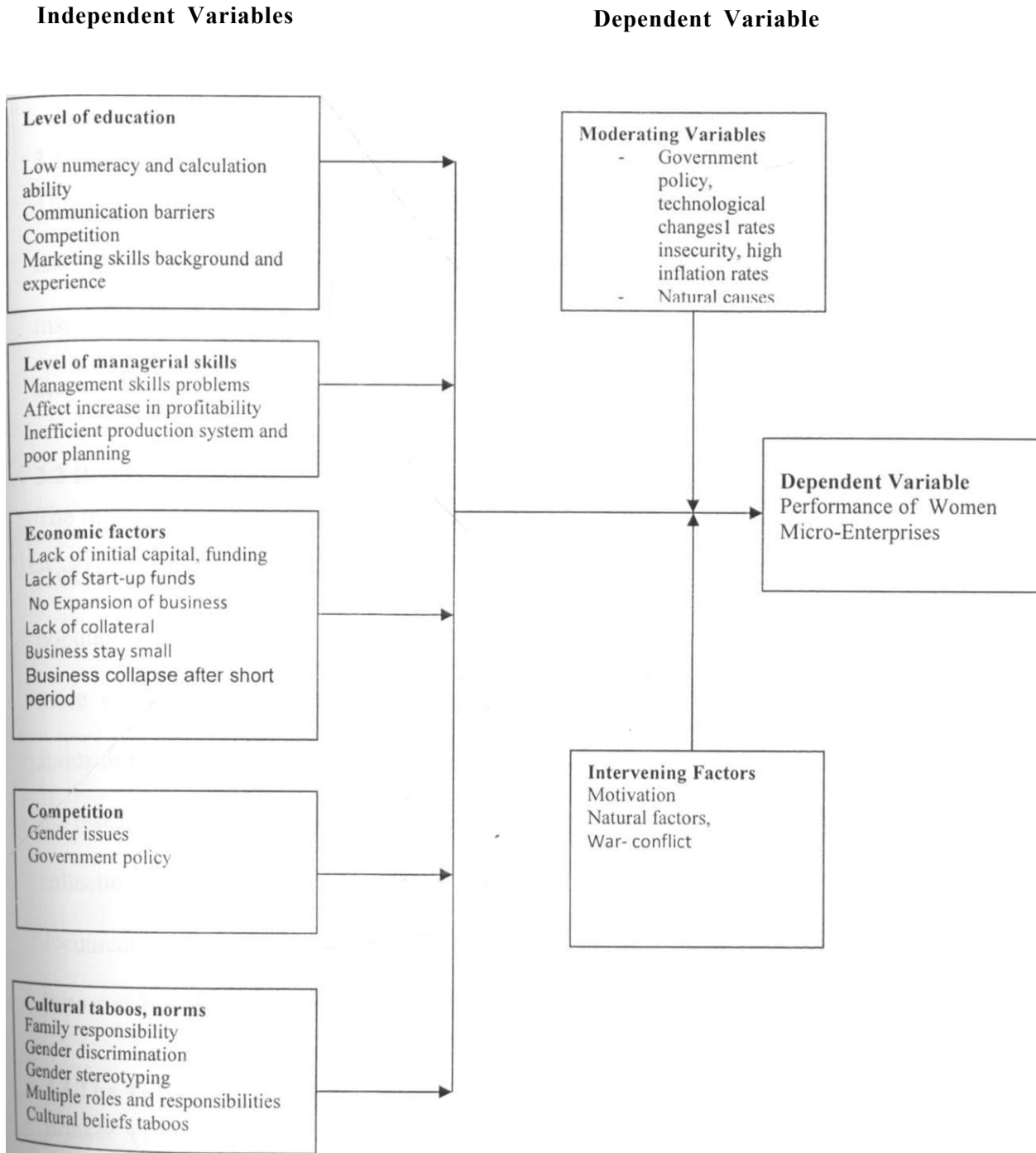
The literature has also analyzed the role of women micro-enterprises in helping achieve the MGD'S which have a fixed time frame and also practice the policies put in place by the government papers like Sessional Paper No. 2 of 2005, which promotes micro-enterprises^{ln} creating employment, poverty reduction and empowering of women so that they can Participate in Economic Development. The literature has tried to bring out factors which [^{M8e} women micro-enterprises to close down after opening citing cases developed and 'ing countries; with the objective of attracting government attention to the challenges

so that suitable policies can be put in place. Funding, education and management skills can be given to help alleviate women's micro-enterprises present state of deprivation and poverty due to collapse of their businesses.

2.5 Conceptual Framework

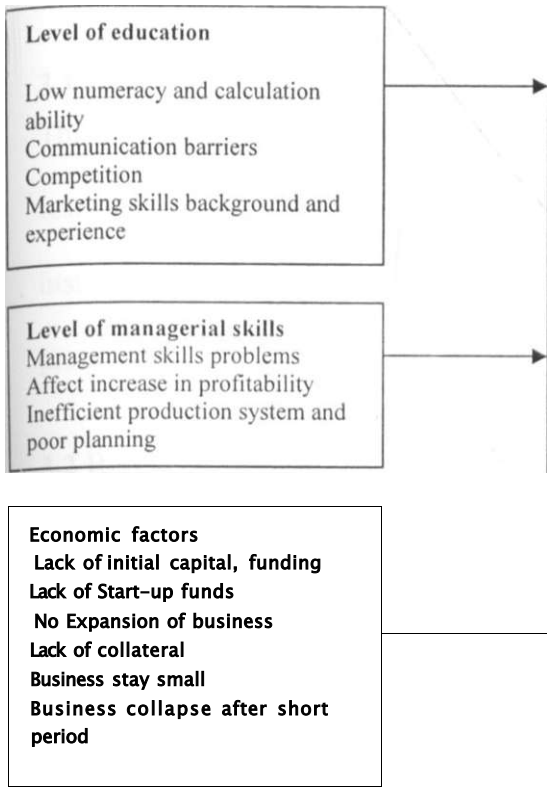
The framework helps identify concepts over the study and the relationship between independent variables viz level of education, degree of management skills, competition and social cultural factors and dependant variables like the life span of the business, profitability and expansion. Dependent variables are also moderated in that they are issues beyond the reach of micro entrepreneurs like government policies, politics, technological changes, high bank interest rates and inflation. The independent variables give the various challenges that women in the area encountered in the day to day running of their businesses. Level of education, managerial skills and lack of funding are the major challenges that hinder the sustainability of women businesses. Poor reading culture which hinders them from reading business manuals is partly to blame. Competition in business also affects the growth of women businesses because they all open similar businesses for lack of business knowledge, poor records keeping and division of capital to care for their families. Funding is an important factor which requires that the business person has ample capital for investment and re-investment All this is shown in Figure. 2.

Conceptual Framework Fig. 2



Conceptual Framework Fig. 2

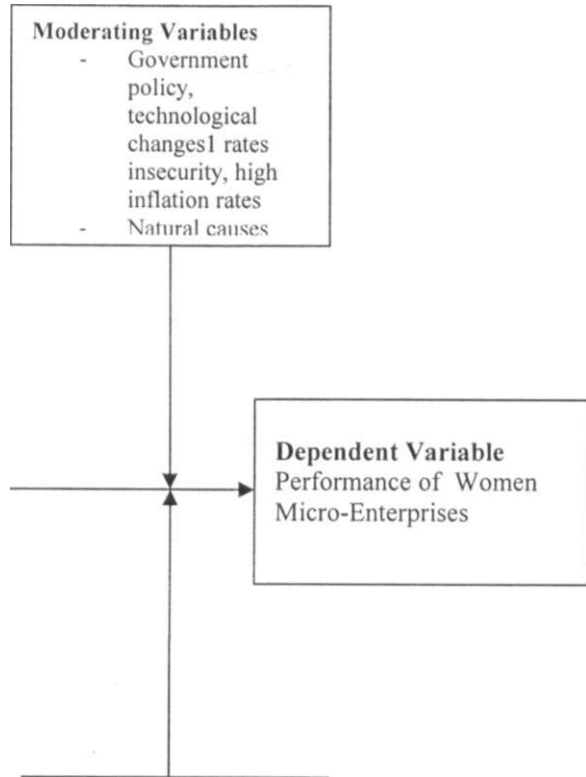
Independent Variables



Competition
 Gender issues
 Government policy

Cultural taboos, norms
 Family responsibility
 Gender discrimination
 Gender stereotyping
 Multiple roles and responsibilities
 Cultural beliefs taboos

Dependent Variable



Intervening Factors
 Motivation
 Natural factors,
 War- conflict

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter gives a detailed outline of how the study will be carried out. It describes the research design, the target population, the sample size and sampling procedure, research instruments, Reliability and validity of instruments, data collection and data analysis procedures.

3.2 Research Design

The research design the researcher used in conducting this study was descriptive survey, Gay (1981) defines descriptive survey as "An attempt to collect data from members of a population in order to determine the current status of that population with respect to one or more variables." It involved collection of data in order to answer question on the current status of the subject of the study. Kothari (2003) recommends descriptive design as it allowed the researcher to describe record, analyze and report conditions that exist or existed. The data collection process largely involved interviews with key informants and the analysis of official documents, reports and publications. Interviews will provide a personal assessment of the factors affecting women entrepreneurs in Lower Kabete.

3.3 The Target Population

Brinker (1998) defines a target population as a large population from whole sample Population was selected. The target population of this study was made up all women Micro-entrepreneurs in Lower Kabete Kikuyu Division. Out of which a stratified sampling of women micro enterprises which are licensed and have permanent residence were used to get a sample. Most of these micro-enterprises run business in the open, others are licensed daily.

The researcher decided to use micro-enterprise whose businesses are licensed and records can be accessed from the Country Council of Kikuyu Offices. The selected women micro enterprises are saloons businesses, animal feeds, Hotels/eateries and tailors will be selected using purposeful sampling.

Table 3.1: Types of women founded Micro Micro-Enterprises in Lower Kabete Location

Category of business	Total Population	Sample
Saloons	61	20
Tailors	16	10
Animal Feeds	20	8
Hotels/Kiosks	50	20
Total	147	58

3.4 Sample Size and sampling procedures

According to Best and Kahn (2008), the ideal sample should be large enough to serve as adequate representation of the population about which the researcher wishes to generalize the findings. There are 147 Micro-Enterprises in Lower Kabete. According to Krejcie and Morgan for determining the sample size from a given population, (Mulusa, 1990). The population is 147 micro enterprises with a sample of 58 which is 39.4 per cent of the population. This number was randomly selected to participate in the study. Further the Micro-finance institutions questionnaires of three financial institutions and selected 10 women groups will be used to further confirm when the said factors like level of education, management skills, social cultural barrier contribute in the collapse of women micro Enterprises in Lower Kabete.

3.5 Research Instruments

Questionnaires will be used for this study because they are much more efficient from a much larger sample (Gay 1992). Questionnaires also allow respondents to give frank answers to sensitive questions if they are not required to disclose their identity (Mulusa, 1990). Two categories of questionnaires will be used. The women Micro-enterprises Questionnaire will help elicit information from the women entrepreneurs on what factors affect their performance in business and their views on the same. The Questionnaires for Micro finance Institutions will help bring out some of the challenges which affect women micro-enterprises due to lack of start-up funds. The researcher will also conduct a survey where women micro entrepreneurs will be interviewed on the reason for non growth and collapse in their businesses.

3.6 Instrument Validity

Mugenda and Mugenda (1999) define validity as the accuracy and meaningfulness of inferences based on research results. It is the ability of instruments to measure what they are intended to measure. A pilot study will be carried out. After the study, certain items which seem ambiguous or not clear will either be eliminated or altered. The instruments will be validated by the supervisors who are experts in the area of study (Mugenda and Mugenda, 1999). The content validity will be ascertained through the results of the pilot study.

3.7 Instrument Reliability

Reliability of measurement concerns the degree to which a measure of how consistent a Particular measuring procedure give similar results over a number questionnaires will be Ministered to the same Micro-entrepreneurs, micro-finances and members of women groups ft. pilot study. A time lapse of ~~one~~ ^{one} week between the first test and the second test will be lowered. To avoid contamination of result, the instrument will pilot test in 3 locations

namely Muthure, Kibichiku and Mwimuto in Kikuyu district. These are immediate neighboring locations with similar entrepreneur characteristics. After piloting the internal consistence produced will be used to determine the reliability of instrument.

3.2 Operational Definition of Variables

Table 3.2 shows the definition of variables. The independent variables namely Educational level, managerial skills level, funding, competition, social cultural factors, the indicators that will show the success of each and the measures that will be used

Objectives	Variables	Indicators Outcome/Dependent	Measurement Scales	Study Design	Tools analysis
<p>to what extent does the level of education, management skills, lack of finance to run micro-enterprise, competition, and social cultural obstacles affect the performance of women enterprises in Lower Kabete, Nation of Kikuyu District Kenya.</p>	Independent Variable	-Sustainability of businesses	More than 50% High	Descriptive Survey	
	Factors affecting performance:	-Training level			
	Level of education	-No. of women enterprises	Below 30% low		Ordinal
	Level of management skills,	-No. of women micro enterprise growth success			
	Level of managerial skills,	-Empowerment of women micro-enterprises	Percent % out of 100		Measures Central tendency
	Funding for startup	Amount of loans taken and repeat borrowers			Mode
	Competition	-Growth of business			Median
	Gender issues				Mean
	Dependent Variables				
	Performance of women Micro-enterprises in Lower Kabete				

3.8 Data Analysis and Interpretation

This involved modeling and transforming data with the goal of highlighting useful information, suggesting conclusions, and supporting decision making. The data was first edited to inspect its completeness. It was then coded, tabulated and processed using data analysis software particularly SPSS and a simple computer spreadsheet to come up with statistical measures such as Frequency and percentages. Tables were used to present the result obtained. The data was being presented in form of tables and percentages to give a substantial impression of the intended message.

3.9 Ethical Issues Encountered

According to Roberts Gilley and Street, 2003 businesses put in place business ethics to help monitor and control moral behaviors which help them in a competitive advantage and achieve profitability. It is key determinant to business competitiveness, outcome, success, growth and sustainability. In my study some ethical issues were brought out by women who complained that their weighing machines were taken by the city council askaris who requested for bribes if salons were not painted. They also harassed hotel owners with closure claiming that their white coats were dirty, but this was only a trick to get bribed- there was a lot of corruption where men could buy beer for the officials but women were required to have affairs with them.

3.10 Pilot study

To avoid contamination of results, the instruments were pilot tested in 3 sub-locations namely Muthure, Kibichiku and Mwimuto in Kikuyu district. These are immediate neighboring locations with similar entrepreneurial characteristics. The pilot study found that majority of women micro-entrepreneurs were in age bracket 26-35, their education level was secondary most of them were drop outs i.e. form 2 leavers, major problem was lack of funding

represented by 65%; 55% was management skills, while discrimination on gender and stereotype was rated third with 40 % followed by lack of market for products and competition

After piloting there was internal consistence since majority of the respondents cited management skills and funding and education as their main challenges. Other problems were cited like competition, lack of markets high government licences charges, high electricity bills especially for salons. This shows almost similar challenges to the ones given by the main research respondents. This confirmed reliability of the instruments the researcher used.

3.11 Summary

The women Micro-enterprises Questionnaires helped elicit information from the women entrepreneurs on what factors affected their performance in business and their views on the same. The Questionnaires to Micro finance Institutions and Women groups were meant to support the main questionnaire to help confirm the challenges which affected women micro-enterprises. and confirm there were serious issues that need to be addressed for women micro-enterprises to grow and contribute to job creation. This will result in poverty eradication through supporting women who are the majority in micro-enterprises, but stay small, or close **up** soon after starting due to lack of start-up funds, lack of management skills, Discrimination, low level of education, lack of markets and competition.

CHAPTER FOUR

DATA ANALYSIS PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presented the data findings and analysis there-to on the study on factors affecting the performance of women micro- enterprises: A case of Lower Kabete location of Wangige Division, Kikuyu district, Kenya. The study targeted 58 respondents out of which 50 filled and returned their questionnaires constituting 86.2% response rate. Data analysis was done through Statistical Package for Social Scientists (SPSS). Frequencies and percentages were used to display the results which were presented in tables.

4.2 Analysis of Women Micro Entrepreneurs in Lower Kabete

The study looked into the types of businesses the women were involved in. The study revealed that women micro businesses (which were licensed) in Lower Kabete, composed of saloons (36%); small hotels/kiosks (30%); tailors (18%), and animal feeds (16%). The study confirmed that the majority of women were in micro- businesses which did not require big capital and could be operated by the women themselves along side their household chores.

Table 4.1: Analysis of Women Micro Enterprises

Business type	Frequency	Percentage
Saloons	18	36.00
Tailors	9	18.00
Animal Feeds	8	16.00
Hotel/Kiosks	15	30.00
Total	50	100.00

CHAPTER FOUR

DATA ANALYSIS PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presented the data findings and analysis there-to on the study on factors affecting the performance of women micro- enterprises: A case of Lower Kabete location of Wangige Division, Kikuyu district, Kenya. The study targeted 58 respondents out of which 50 filled and returned their questionnaires constituting 86.2% response rate. Data analysis was done through Statistical Package for Social Scientists (SPSS). Frequencies and percentages were used to display the results which were presented in tables.

4.2 Analysis of Women Micro Entrepreneurs in Lower Kabete

The study looked into the types of businesses the women were involved in. The study revealed that women micro businesses (which were licensed) in Lower Kabete, composed of saloons (36%); small hotels/kiosks (30%); tailors (18%), and animal feeds (16%). The study confirmed that the majority of women were in micro- businesses which did not require big capital and could be operated by the women themselves along side their household chores.

Table 4.1: Analysis of Women Micro Enterprises

Business type	Frequency	Percentage
Saloons	18	36.00
Tailors	9	18.00
Animal Feeds	8	16.00
Hotel/Kiosks	15	30.00
Total	50	100.00

4.2.1 General Information on Women Micro Enterprises

The study sought to know the respondents ages. The findings of the study were that the majority of them 42(84%) were aged between 26 and 45 years. While only 16% were over 45 year old. This meant that the majority of the women were not young. Their age bracket meant that they were still engaged in reproductive roles which therefore meant they could not run the businesses efficiently because of sharing their time between the businesses and the running of their young families The Table 4.3 show respondents by age.

Table 4.2: Distribution of respondents by age

Age	Frequency	Percent
26 to 35	18	36.00
36 to 45	24	48.00
Over 45	8	16.00
Total	50	100.00

4.2.2: Distribution of Respondents by Education

On the distribution of the respondent by the level of education the study found that majority of the women micro businesses in Lower Kabete i.e 34(68%) had at least secondary education. The study therefore revealed that most of the micro businesses in the location were run by women who had reasonable level of education. This therefore showed that the level or insufficient education could not therefore be the cause of the early and frequent collapse of women micro businesses in Lower Kabete as earlier assumed. It is shown in table 4.2.4.

Table 4.3: Distribution of Respondents by Education

Education level	Frequency	Percent
Primary	16	32.00
Secondary	29	58.00
Diploma	5	10.00
Total	50	100.00

4.2.3 Managerial Skills Level of the Respondents

The skills employed in running businesses determine their success or failure. The researcher sought to know whether performance of women micro-enterprises was affected by the level of managerial skills possessed by the entrepreneur. This variable was measured by training courses attended by the concerned women, the information available to them on running businesses and whether they are able to keep proper accounting records.

The study also sought to know whether the respondents had attended any training on how to manage businesses in the previous two years. From the findings of the study, the table below **shows** that the majority of the respondents (41) 82% had no Management skills and abilities while 18% had some skills such as book-keeping, hair dressing course, efficient use of capital, computer skills etc. This information shows that most of women micro entrepreneurs **from** Lower Kabete had no management skills and abilities to help them run their businesses. This may explain why most businesses had not been able to operate for long in the location.

Table 4.4. Key Management Skills and Abilities of Respondents

	Frequency	Percent
Yes	9	18.00
No	41	82.00
Total	50	100.00

4.2.4 Information Available on Running of Business by the Respondents

When women were asked whether they had access to the materials that would enable them learn about managing their businesses, a majority them said there was very little information available to help them run their businesses. The study revealed that 85% of the respondents did not have access to business information. Only 32 said they had access to business information. They were mostly saloon operators who access magazine on new technology and new products relating to their professions.

Table 4.5 Information Available on Running of the Business by the Respondents

Response		Frequency		Percent
No	~	"48	~~~~	85.00
Yes		12		24.00
Total		50		100.00

4.2.5 Who Runs the Business in Women Micro Enterprises

The study established that the women businesses were either run by the respondents or members of their families. This study shows that most of businesses were operated at family level due to low profits which were not enough to employ assistants. This was confirmed by

(45)92% of the respondents. Only (5) 10% of the businesses employed assistant. These were mostly in saloons, tailoring, hotels and animal feeds. The table below shows what the respondents said.

Table 4.6: Who Runs the Business in Women Micro Enterprises

Who Runs Business	Frequency	Percentage
My self	31	62%
Family members	14	30%
Employee/Assistant	5	10%
Total	50	100

4.2.6 Engagement In Other Businesses by Respondents

On whether the respondent were engaged in other businesses to supplement their income, the study found out of that 68% had no other businesses while 32% engaged in additional income generating activities such as farming, poultry keeping, cattle rearing etc. See Table (4.2.19) this confirms the need to provide adequate funding to women micro-entrepreneurs to enable them sustain their businesses and contribute meaningfully to poverty reduction and achievement of vision 2030.

Table 4.7: Engagement in Other Business by Respondents

	Frequency	Percent
	16	32~
No	34	68
Total	50	,100

4.2.7: Distribution Respondents According to Business Engagement

The study found out that 38% of the respondents owned salons, 30% hotels/Kiosks, 18% tailoring businesses and 14 % animal feed shops. This showed that the type of women micro businesses in Lower Kabete was quite varied. It also showed that the majority of those businesses were salons and hotels/kiosks. The nature of these did not require much specialization. This explains why most of the operators trained on the job and did not require much capital.

Table 4.8: Distribution of Respondents according to Business Engagement

	Frequency	Percent
Saloon	19	38
Tailor	9	18
Animal feeds	7	14
Hotel/kiosk	15	30
Total	50	100

4.2.8: Study Location Samples and Names Respondents Businesses

From the findings of the study the respondent enterprises were located in Kikuyu Town, Lower Kabete, Kingeero and Wangigi Market. The study also found that the name of some enterprises were varied: for example Pevota Hair Salon Kikuyu, Wambui Salon Wangigi, Wangure Cereals Kikuyu, Dummy animal Feeds Kingeero, Mkulima Hotel Lower Kabete, Ljuzi Tailors Wangigi and many others. This information shows that most of the respondent enterprise was located around Kikuyu and Wangigi Market.

4.2.9: Respondents Length in Business

On how long the respondents had operated their businesses the study found that 62% of the respondents had operated their businesses for between 1 to 5 years; 24% in the last 12 months and 14% for more than five years. This shows that most of women businesses in Lower Kabete generally had been in operation for between 1 to 5 years. This also showed that closing of businesses down before their full cycle was experienced. The researcher would suggest that further research be done to determine the reasons why most businesses did not survive after their fifth birthday. This can help identify the causes for their collapse and rapid rate of starting new similar businesses.

Table 4.9: Respondents' Length in Business

Time	Frequency	Percent
Less than 12 months	12	24
Between 1 to 5 years	31	62
More than 5 years	7	14
Total	50	100

4.2.10 Impact on Funding to Women Businesses

On the value of the business, the study found that 60% were valued less than 20,000 and 40% of the businesses were valued for more than Kshs20,000. This shows that most of the women owned business on Lower Kabete were valued less than 30,000. The study also found that the respondents did not have similar business in other areas. The study confirms that majority of women businesses have a very small capital base and hence confirms that lack of funding may be one of the causes of women businesses closing down and slow growth.

Table 4.10:Funding to women Micro Businesses

	Frequency	Percent
Less than Kshs.5000 -10,000	16	32
Between Ksh 10,000 -20,000	14	28
Between Ksh20.000-30,000	14	28
Over Ksh30,000	6	12
Total	50	100

4.2. 11 Problems Faced by the Respondents

The problems faced by the respondents in their business were lack of capital 14.96%, Education 13.94%, domestic problems as shown by 13.94%, government taxes as shown by 11.56%, Lack of markets for respondents products as shown by 12.24%, level of managerial skills as show by 11.56% and Competition as shown by 10.94% and others as show by 11.22%. The other factors were market conditions, lack of direct connection between the respondents and suppliers, high cost of electricity, rent and harassment by council \skaris. The study revealed that the respondents' main problem was initial capital followed by domestic problems, level of education and markets showing they have many challenges which contribute to collapse of their businesses.

Table 4.11: Problems Faced by the Respondents

	Frequency	Mean	Percent
Lack of capital	44	7.25	19.3
Competition	31	5.75	12.75
Domestic problems	41	4.25	13.75
Lack of managerial skills	34	2.7	11.55
Lack of market	36	0.7	11.4
Lack of government taxes	34	2.7	11.55
Education	41	4.25	13.75
Others	33	3.7	11.2
Total	294	36.75	100

4.2.12 Level of Competition of Respondents

The study found that the respondents faced competition from other similar business* the respondent also rated competition as fairly stiff.

Table 4.12: Competition level of Respondents

Competition level	Frequency	Percent
Very stiff	17	34
Fairly Stiff	20	40
Not Stiff	5	10
Not sure	8	16
Total	50	100

4.2.13 Advantage Competitors' Posses Over Respondents

From the findings in the above table, the study established that the main competitors were men. The competition showed that there was advantage of education, managerial skills, capital, sources of product of sales, costing of products among others. This confirms that

women are disadvantaged by the fact that they have low education level since they are expected to deal with costly and complicated formalization procedures, harassment due to the high taxes where they equipments are auctioned, lack to time to attend training due to home engagements. They compete with men who are favored by the systems can access loans, have a lot of time and with ability to negotiate with the government officers.

Table 4.13: Advantage Competitors' Posses over Respondents

	Frequency	Percent
Education	37	16.59
Managerial skills	31	13.90
Capital	41	18.38
Sources of product for sale	34	15.24
Costing of products	36	14.14
Others	44	19.73
Total	223	100

4.2.14 Social Cultural Attitudes towards Respondents

The study also established that the community had negative attitudes towards women **entrepreneurs the attitudes affects the performance of business due to lack of marketing skills,** lack of support in terms of funds which erode the respondent confidence, very few male **customers, lack of motivation, competition, lack of enough time, close up due to lack of** customers and interference with growth of business.. On the respondents who had gained specific skills they indicated that they had acquired those skills through apprenticeship on the **job training, from workshop, formal training, hair technology and beauty, and in a saloon.** **This information indicates that majority of the respondents acquired their skill through** apprenticeship, internship and through formal training. On the management skills acquired by the respondent they include hairdressing courses and tailoring courses.

4.2.15 Attitudes of Lending Institution to Women Micro Entrepreneurs

The study also requested the respondent to indicate how their household duties affects their business, from the finding the household duties affects the respondent business through lack of enough time for the business, lack of encouragement and support, lot of time consumed through household chores, opening of business late due to attendance to household chores , being bread winner, where business proceeds are used to fend the family, closure of business most of the times, lack of time to devote to business due to household work, closing of business late due to attending of household chores, little time is left to expand the business, reduction of working hours to take care of the family, diversion of funds to family and tilling land which end up opening business late. This information shows that household chores affects the time the respondents open up their business.

On the attitude of the lending or banking institution towards women the study found that ,they need security which women entrepreneurs doesn't have, some institution loans are easily accessible, they don't trust women since they think they don't have security, these lending institution require security which women doest have, the lending institution have expensive product, discrimination of women and they need men to give security, they need collaterals which women do not have, they think women are risky to give loans and they think women are inferior compared to men and that they lack security.

4.3: Analysis of Women Groups Education Level

The study sought to know the level of education of various women entrepreneurs in various women groups, from the findings most of the respondents is shown by 69.3% had secondary education whereas 30.7% of the respondent indicated that they had primary education. This information shows that most women entrepreneurs in women groups had secondary education

as their highest level of education. On the numbers of women in various women groups the study found that the number ranged between 12 and 50 members. On the contribution they give per individual this ranged between 100 to 3000 and the duration in which they give this amount ranged between One week and one month. This information the women groups were very active in the region.

Table 4.14: Distribution of Respondent by Education

Education level	Frequency	Percent
Primary	4	30.7
Secondary	9	69.3
Total	13	100

M? "VERsi_rY ,

4.3.1 Presence of Bank Account by Respondents

On the presence of bank account the study found that most of these women groups as shown by 69.3% did not have bank accounts whereas 30.7% of the women groups had bank accounts. On the proportion they saved the study established that it ranged between 200 and 1000 Kenya Shillings. The study also revealed that the women groups were getting their loans from microfinance institutions and merry go rounds. This reveals majority of women did not have bank accounts and those who had saved very little.

Table 4.15: Presence of Bank Account by Responds

	Frequency	Percent
Yes	4	30.7
No	9	69.3
Total	13	100

4.3.2 Amount Borrowed by Respondents

On the amount borrowed by the women group the study found that most of the women group borrowed below 20,000 as shown by 61.5% while 38.5% borrowed 20,000 and above. This shows that most of the women group accessed small amounts of money from the lenders this could be attributed to lack of security and low attitude of lenders to borrowing women. On the kind of security they gave the study revealed that they offered domestic animals, household items, shares, furniture's and other members of the group act as security for them. The study revealed that the women group members did not receive any education on the use of borrowed funds. The women groups lacked the management skills which could help them in the management of these borrowed funds.

On the changes on business environment the respondents suggested that, for women to improve their business they needed direct access of products, education on management skills, improvement on infrastructures, lowering the loan interests, prolonging the repayment period, support from government through media, exhibitions and technological knowledge and policies put that recognize women challenges..

Table 4.16: Amount Borrowed by Respondents

	Frequency	Percent
Below 20,000	8	61.5
20,000 and above	5	38.5
Total	13	100

4.4 Analysis of Information Supplied by Women Groups

On the respondents level of education the study found that the entire respondent had their highest level of education as secondary school education. On the kind of business the respondent were doing the study revealed that they ranged between dairy farming, kiosk, saloon, tailor, animal feed, hotel selling clothes and, selling eggs and bookshop and secretarial. On how long the respondent had been in the business this ranged between one years and 20 years. On how the respondent get their goods the study revealed that they good their goods by buying from manufacturers and distributors.

On how much the respondent sold per week this ranged between 3,000 and 6,000, while in one month this ranged between twelve thousand and twenty thousand and sales per year this ranged between one hundred thousand and two hundred and fifty thousands. The study found that most of women were not members of women groups and that they kept record of business. The study also established that the respondents had bank account. On the amount saved in the bank account the study revealed that this was equivalent to 15% of total sales.

On whether the respondent paid licenses to tffc council the study established that they paid the licenses to the council which ranged between Kshs. 3,000 and Kshs9,200 .On the challenges they encountered in their business they includes lack of enough capital to stock their business, very high competition, lack of additional capital to expand the business, lack of permanent structure, price fluctuation, lack of education and paying loan and licenses which are very high. The respondent would like to be given loans, lower interest on loan, management skills, family support and government support and access to more funds.

4.5 Analysis of Information supplied by Microfinance Institutions

The study revealed that the average level of education for most women micro entrepreneurs was primary level of education on the kind of the businesses they conducted - included, salons, farming, tailoring, hotels, kiosks, cereals shops and green groceries. The number of women micro-entrepreneurs who sought for loans ranged from 50 to 120. Their turnover (deposit) ranged from Kshs.100, 000 to 500,000 shillings per annum and the loans given to individuals ranged between 5,000 to 50,000 shillings while those given to groups ranged from 10,000 to 1000,000. The study also revealed that only 50% of those who took loans were first time borrowers and 20 were second time borrowers. The study also revealed there were no defaulters.

The challenges faced by women micro entrepreneurs included lack of financial knowledge to invest, lack of capital, lack of permanent structure, lack of security, poor attitudes by of the society and stiff competition from male counterparts. The women micro entrepreneurs should attend financial seminars, get education, get management training and get government support. On the education on borrowed funds, government, financial institutions, NGOs should partner to get solution to these challenges to help women invest wisely and empower them through education, management skills and help them access and embrace computer technology.

4.6 Summary

The study examined factors that influenced the performance of women micro-enterprises in Lower Kabete Location, Kikuyu division which limit growth and development of women enterprises. After investigations the study confirmed the assumption the researcher had that; women had low level of education, minimal management skills, Lack of funding were the

major problems since women did not own properties. The challenges faced by women micro entrepreneurs included lack of financial knowledge to invest, lack of capital, lack of permanent structures, lack of collateral, poor attitude by the society and stiff competition from male counterparts. The women micro entrepreneurs should attend financial seminars, get education, get management training and get government support. They should be educated on use of borrowed funds, evaluation of business growth and sound investments.

CHAPTER FIVE

SUMMARY OF THE STUDY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

From the analysis of the data collected, the following conclusions and recommendations were made. The responses were based on the objectives of the study :to establish the extent to which the following factors affect performance of women micro enterprises in Lower Kabete Location of Kikuyu District: managerial skills, lack of funding competition and social cultural factors.

5.2 Summary of Findings

According to Angela Leigh-Doyle, OECD Conference 29th November 2000, there was global recognition that small and medium enterprises (SMEs) have become major engines of growth in many national and local economies. The numbers of women owned businesses continue to grow year after year in most developing and developed countries and in many places, women are starting businesses at a higher rate than men. However it has been noted that women owned SMEs collapse shortly after opening due to a number of factors such as, limited access to capital for women, level of management skills, expertise levels, size of businesses and social cultural injustices. Barriers remain where women experience discrimination, do not feel fully valued or believed that finance providers do not understand their businesses. Availability of data still hampers the analysis of factors impeding women's economic development which prompted the researcher to carry out this research

From the findings, the study established that the majority Women Micro enterprises in Lower **Kabete** were run by women aged between 26 and 45 years which shows they are mature and still of child bearing age. They run -their businesses or they are run by members of their

family. This shows that most of the businesses were operated at family level. They were operated at family level due to low profits which weren't enough to pay other employees. There is need for close monitoring of the businesses hence they are close to their homes since the respondents have little children to take care of and need to exercise better control and quality service delivery.

The study further revealed that the respondents were doing financial accounting for themselves while they had not attended any business training in the last two years indicating low quality and unreliable financial data.

On the value of the business the study found that 60% were valued at less than 10,000 Shillings. Those valued between 10,000 to 20,000 thousand shillings were shown at 28%, while only 12% of the business were valued at more than 20,000 thousand shillings. This shows that most of the women owned business on Lower Kabete location, were valued at less than 10,000 thousand shillings. The study also found that the respondents did not have similar business in other areas. The problems faced by the respondents in their business included lack of government support, domestic problems, lack of capital, lack of market, level of managerial skills and competition. The respondents got their initial capital from own saving, loan from microfinance institutions and borrowing from friends. The study found that the respondents saved their money through banks, merry go rounds and investing in other businesses. The study also revealed that the respondents faced fairly stiff competition from other similar businesses run by men.

The study also established that the community has negative attitudes towards women entrepreneurs and this affects the performance of business due to, lack of support in terms of

funds which erode the respondent confidence, very few male customers, lack of motivation, competition, and lack of enough time, close up due to lack of customers and interference with growth of business. The study established that they gained specific skills through apprenticeship on the job training, from workshop, formal training in hair technology and beauty, and in salons. This information indicates that majority of the respondents acquired their skill through apprenticeship, workshop and through formal training. On the management skills acquired by the respondent they include hairdressing courses and tailoring courses.

The study also established that household duties affected women businesses for example, a lot of time was consumed doing household chores, opened their businesses late due to demand on household chores, being bread winners, where business proceeds were used to feed the family, closure of business most of the times early, closing of business due to attending of household chores, little time is left to expand the businesses. This information shows that household chores affected the time the respondents opened up their businesses. On the attitude of the lending or banking institutions towards women the study found that the institutions' needed security which women entrepreneurs did not have. While some institutions' loans were easily accessible, they did not trust women since they thought they did not have any have security in terms of assets.

5.2.1 Women groups

The study revealed that most of the women groups 69.3% did not have bank accounts as shown, whereas 30.7% had bank accounts. On the amounts saved by individuals in women groups, this ranged from 200 hundred and 1,000 thousand shillings. The study also revealed that the women groups were getting their loans from microfinance institutions and Merry Go Rounds. The micro finance lending provided loans to groups of people, where the cohesion

within the group is considered to be their security. Each group comprised of five to ten members and although the loan was advanced to a group, each individual would run their own businesses. The liability of the members of the group was allocated both jointly and severally. In case of default by one member of the group the whole group was required to pay.

On the amount borrowed by the women group it was found to be below 20,000 as shown by 61.5%. This shows that most of the women groups accessed small amounts of money from the lenders. This could be attributed to lack of security. On the kind of security women group gave, the study revealed that they offered domestic animals, household items, shares, furniture and other members of the group act as security for them.

The study revealed that the women group members did not receive any education on the use of borrowed funds. This information shows that the women group lacked the management skills which could help them in the management of these borrowed funds. For example business planning, book-keeping skills, marketing skills and even use of computers would help in sustainability of their businesses and lessen the effect of the competition.

On the changes on business environment the respondents would like put in place for women to improve their businesses they included: direct access to products, education in management, improvement of infrastructure, lowering the loan interest rates, prolonging the repayment period, support from government through giving entrepreneurial education, holding workshops, exhibitions, women be helped to access more loans and through investment in human capital which is education and skills acquisition.

5.2.2 Women Micro Entrepreneurs

On how long the respondents had been in the business this ranged between one and 20 years. With majority of women showing 57% to have been in business for less than 5 years which shows poor sustainability on women businesses. On how the respondents got their goods the study revealed that they got their goods from retailers and distributors. Which implies that their profit margin was minimal. On how much the respondent sold per week, this ranged between 3,000 and 6,000 thousand shillings, 12,000 and 20,000 thousand shillings saving per month and 100,000 to 250,000 shillings per year. The research revealed that women used their profits and sometimes capital to buy food for their families, hence lack business growth and collapse. The study found that most of women were not members of certain women groups and that they kept record of their businesses. The study also established that the respondents had bank accounts. On the amount saved in the bank account the study revealed that this was equivalent to 15% of total sales.

The study revealed that the respondents paid licenses to the council which ranged between 3,000 and 9,200 thousand shillings. On the challenges they encountered in their businesses they included lack of enough capital to stock their business, very high competition, lack of additional capital to expand their businesses, lack of permanent structures, price fluctuations, low level of education, immediate repayment of loans and licenses fees which were very high. The respondents suggested that if they are given loans with lower interest rates, with a grace period of say six months, and are given training on how to plan and use their loans, licenses' fees were lowered and government supported them through organizing for exhibitions, finding market for their products, introduced technology where they can Google on current micro-businesses, this would help in sustainability and growth of their businesses.

5.2.3 Microfinance Institution

The study revealed that the average level of education for most women micro entrepreneurs seeking loans was primary level of education. This contradicted the women respondents whose majority claimed to have secondary education which is not still enough to help them run their businesses effectively. More research could be carried out to find the actual level of education to establish whether it actually contributes to their business collapsing.

On the kind of the business women conduct they include, salons, Dairy and poultry farming, tailoring, hotels kiosks, cereals shops, animal feeds and green grocers. On the number of women micro entrepreneurs who seek loan they range from 50 to 120 women. Their turnover (deposit) in a year ranges from 100,000 to 500,000 thousand shillings. The amount of loan given to individuals ranged between 5,000 to 50,000 thousand shillings and to groups between 10,000 to 100,000 thousand shillings. The study also revealed that of those micro entrepreneurs used shares and group members as security. The study also established that those who took loans only 50 are first time borrowers and 20 are second time borrowers. The study also revealed that there were no defaulters. This reveals that most business women did not borrow for second time showing the reason why their businesses stayed small. There is fear of default hence they operate with small deposit which they feel safe.

On the challenges faced by women micro entrepreneurs they include lack of financial knowledge to invest, lack of capital, lack of permanent structures, lack of security, poor attitude by members of the society and stiff competition from male counterparts. The women micro entrepreneurs should attend financial seminars, get education, get management training and get government support on the education on borrowed funds. This shall be diverted to business activities, evaluation of business growth and learn on how to invest wisely.

5.3 Conclusion

From the findings the researcher concluded that women micro enterprises were very important. The government through its various Sessional Papers singled out the SMEs as future generators of employment (Republic of Kenya) a Strategy for Small enterprise development : toward the year 2000' was prepared it documented the major impediments to small enterprise development and enunciated policies for improving the performance of the sector. The paper identified the critical barriers to MSEs for example, difficulty in raising capital, limited managerial skills, regulatory constraints, low marketing skills, limited extension services and difficulty in getting access to technology.

Sessional Paper No 2 of 1992 'on SMEs and Jua Kali' the government outlined the contributions of SME sector to the national economy through employment creation, enhancing the participation of indigenous Kenyans in the economy, promotion of local savings and investment, promoting the development of entrepreneurship and managerial skills among local Kenyans and engendering the acquisition of skills among workers. The Sessional Paper no 2 of 2005 was prepared which also supported MSEs plus many other papers. The researcher confirmed the efforts the government is putting through papers and policies but on the ground women micro businesses are still not given enough support. Given the entrepreneurship potential to support economic growth, it is the duty of the government to develop a culture of entrepreneurial thinking. This could be done in a number of ways, by integrating entrepreneurship into education system, legislating to encourage risk taking for women micro-enterprises, National campaigns. A example is the United Kingdom's enterprise week, which was launched in 2004 under the umbrella of Global entrepreneurship

week, a worldwide celebration and promotion of women and youth entrepreneurship which started in 2009. Drucker P (1970), Knight Francis A 'Risk, Uncertainty and Profit.'

The study confirmed that most women micro enterprises collapsed was likely to be due to lack of capital to start business. This could be addressed through the government, NGOs, and financial institutions coming together to form a fund which would give loans to women micro-enterprises. The two should also organize to train them on how to plan and use the finances loaned. Seminars, workshops or even organizing trips to visit successful women micro-businesses, would go a long way in empowering the micro business women to participation in building the nation.

The Government through its ministries be persuaded to get markets for products or services from women businesses, this would help them make profits and therefore experience growth and sustainability of their businesses.

Gender issues came out strongly where women were overworked. This could be addressed by treating women micro business women as a special category of people and provide them with services of child care through day care centres would ease the burden on the women . The community be sensitized on the importance of women micro-enterprises to enable them support women. Where both men and women may be given seminars on business management, planning, organization, monitoring and evaluations, keeping records, knowledge on availability of loans, interest rates and negotiation skills. A theory supported by Chusmir, (1983) that women have been impeded from acquiring adequate levels of human capital because of the social and cultural forces, confirms that social cultural constraints have limited women's access to a meaningful experience and led to their careers being interrupted by

family obligation. They have less human capital for the management and development of their businesses.

The study also revealed that most of women micro entrepreneurs in Kikuyu District had secondary education as their highest level of education; this was low level of education and in turn could be the reason for the poor performance of women micro enterprises. There was contradiction on what women entrepreneurs said was their level of education and that given by women groups and micro finance institutions. This calls for further research. Majority of women micro- entrepreneurs in Kikuyu District lacked funding for their business due to lack of security and Negative attitudes by banks/financial institutions when extending loans to women micro businesses due to lack of collateral affected stocking of their business and expansion which lead to low performance due to being unable to march with their competitors who own property hence access loans easily.

Women micro entrepreneurs faced stiff competition from their competitors due to lack of funds to expand their business and the study concluded that competition led to poor performance of women micro enterprises. Women have special problems, they are discriminated in financial institutions where collateral is required, they are held responsible for activities around the household even when they are employed outside the house or have businesses. Tiggers and Gree (1994) supported this by identifying three reasons that work behind women's disadvantageous position in the capital market: women are likely to have lesser amount of equity and less experience, resource lenders may discriminate against women due to their outmoded gender beliefs; and the reduced number of applications for loans by women due to women's own belief that they will be discriminated

From the findings, the study concluded that household duties affected women micro businesses, through lack of enough time for the business, lack of encouragement and support, much time being consumed in household chores, being bread winners, where business proceeds were used to feed the family, closure of business most of the times, lack of time to devote to business due to household work and closing of business early due to attending of household chores.

5.4 Recommendations

From the above findings and conclusions the study recommended among others that the following changes in business environment be put in place for women businesses to stop collapsing shortly after commencement:-

Women micro-entrepreneurs are provided with services like education to help them in communication, building confidence in them; management skills be provided by either the micro finance institution before giving them loans. The government should come up with strategies to address this lack of skills which would help them to be accountable for their business where planning, organizing evaluation and also put in place policies, implement them through empowering women in catering for this category of women SMEs for economic development and help the country achieve MDG by 2030 as stated in country's visions.

Government should put in policies which favors women enterprises where they can access loans at lower interest rates, they be given a grace period like 6 months before repayment starts. The media could be used to create awareness of what is available in terms of services and politics be prevented in women empowerment affairs. The study also recommends an in-depth study on the level of awareness among women micro entrepreneurs on the presence of the women fund. Use of media was recommended since it is most popular to women. It also

recommended that the government could organize for workshops, focus groups discussions, through government ministries, NGOs, or Micro Finance Institutions where women micro-entrepreneurs could be given vouchers for training to acquire planning, budgeting, marketing skills. National shows and exhibition plus competitions be organized to help empower and expose women to the national, regional and global women micro-enterprises.

The researcher finally recommends the government to integrate entrepreneurial education in the national curriculum which would go along way in equipping women and men in the very important sector which is known for creation of employment. Gender discrimination issues are addressed where women would be given equal chance in the acquisition of loans from financial institutions. Women reproductive roles, home care be quantified to help come up with policies which appreciate and support them.

Use of information technology is recommended to help women keep in touch with global development, networking where women are linked with others outside the country; micro finance support, implementation and monitoring of youth development funds/women Enterprise Fund to assist women get funding. Linkages between MSEs and large enterprise in Kenya be strengthened to stop inadequate technological transfer and development and poor information How and competition.

5.5. Suggestions for Further Research

The researcher recommended further research to replicate the study to other parts of the country to find out whether they experience similar challenges.

REFERENCES

- Aldagi, R. J. (1987), "Management" Pg. 788 South-West Publishers, Chicago
- Alstete, J.W. (2002). On becoming an Entrepreneur: International Journal of Entrepreneurial
- Anthias, Et. Al (2003)' Handbook of research on minority entrepreneurship'.
- Bayeux L. From vicious to virtuous circles: gender and micro-enterprise development, Occasional paper for Beijing, No.3, UNRISD, Geneva, 1995.
- Barwa,S.D (2003),ILO Vietman working paper Impact of start business women entrepreneurs
- Bender, S.L, (2000) Seven Characteristic of The American women Entrepreneur:
- Brush, C. (1997) 'Women-owned businesses: obstacles and opportunities', Journal of Development Entrepreneurs, 2(1): 1-25.
- Brush, C. and R. Flisrich (1999) 'Women-owned businesses. Do they Matter?' in Z. Acs (ed.), Are Small Firms Important? Their Role and Impact, Norwell, MA: Kluwer Academic Publishers.
- Carr (1993) Women in Small Scale Industries, London
- Casson, M. (1982) The entrepreneur, Totowa, NJ: Barnes & Noble Books
- Central Bureau of Statistics, ICEG and K-Rep, National SME Baseline Survey 1999 Nairobi
- Chege, R. (2003) A Curriculum of the Training of Trainers in Gender Mainstreaming, Nairobi: African Women's Development and Communication Network (FEMNET).
- Child, F (1977), "Small Scale Rural Industry In Kenya", Occasional Paper No. 17. University of Carlifornia.
- Chohen, Williams, (1983) The Entrepreneur and Small Business Problem Solver
- Communications Commission of Kenya (2006) Annual Report 2006,

- Connell, R. W. (2002) 'The globalization of gender relations and the struggle for gender democracy', Kleine Verlag, pp. 87-98
- Dignard L. and Havet J. Women in Micro and Small-Scale Enterprise Development Boulder, Co., Westview Press, 1995.
- Dollinger M (1985) Entrepreneurship an Small Business New York.
- Dorothy McCormick and Paul Ove Pedersen(1996) 'Small Enterprises, Longhorn Kenya
- Downing J. Gender and the Growth of Microenterprises in Small Enterprise Development, London, 1991.
- Drucker, P.F. (1983) Innovation & Entrepreneurship" Harper & Row Publishers New York
- Epstein S. and Vyakarnam S. (1991). Basic Requirements of Female Entrepreneurs. Developing Rural Enterprise in Africa: Issues, Cases and Perspectives. Recommendations and cases based on the Expert Consultation on Small Rural Enterprises in Africa, Rome, 1991.
- Finnegan G.F. and Danielson K. Promoting the Development of Women Entrepreneurs - Means and Ends in Women's Entrepreneurship Development, in Asian Entrepreneur, volume 6:2 & 3, May-Dec. 1997.
- Glueck, W. F. C(1988) "Business Policy Strategic Management, McGraw Hill Publishers
- GOK. Republic of Kenya (1998) Economic Survey, Nairobi: Government Printers.
- Harkim, C. (2006) 'Women, careers, and work-life preferences', British Journal of Guidance & Counselling, 34: 279-94.
- Hirsrich, RD and Peters (1998) Entrepreneurship: Starting, Developing and Managing a New enterprise, New York: Irwin.
- Hisrich.** R. D. and M. Peters (1998) Entrepreneurship: Starting, Developing, and Managing a New Enterprise, New York: Irwin. •

House-Midamba B. and Ekechi, F.K. African market women and economic power: the role of women in African economic development Westport, Conn., Greenwood Press, 1995.

Harper J. Et al (2008)

Hookoomsing and Essoo, (2003) SEED working paper No. 14 on Gender and Small Enterprises, ILO

ILO Entrepreneurship and small enterprise development in urban and rural sectors in Africa, Part I of Report of the Director-General, Eighth African Regional Conference, Mauritius, 1994.

ILO General conditions to stimulate job creation in small and medium-sized enterprises, Report V, International Labour Conference, 85th Session, 1997.

ILO Rural Women in Micro-Enterprise Development, A training manual and Programme for extension workers, Geneva, 1997.

ILO The dilemma of the Informal Sector, Report of the Director General to the 78th Session of the International Labour Conference, 1991.

ILO Women in Micro and Small Enterprises: Research Outline, unpublished working paper, Entrepreneurship and Management Development Branch, Geneva, 1993.

Iyer L. Women Entrepreneurs: challenges and strategies Friedrich Ebert Stiftung, New Delhi, 1991.

Kibas, P. B. and G. O. K'Aol (2004) 'The Kenyan entrepreneur: typologies and characteristics', Paper prepared for Frontiers of Entrepreneurship Research 2004: Twenty-Fourth Annual Entrepreneurship Research Conference, , accessed March 2008.

Kimalu, P,et al, A Situational analysis of poverty in Kenya, KIPPRA Working Paper No. 6 (2002)

King, K. (1996) Jua Kali Kenya: Change and Development

Kothari, M. (2003) Research Methods

- Kraus-Harper U. 'Entrepreneurship Development for Enterprising Women' in "Small Enterprise Development" M. Harper, IT Publications, London, 1991
- Marc Dollinger, (1985) "Entrepreneurship & Small Businesses
- Massies, J. L. (2002), Essentials of Management, Prentice Hall Publishers New Delhi
- Maysami, Cooper et. al.,(1999). Journal of Small Business Management, Vol 37
- Mayoux,L (2000) 'Jobs, Gender and Small Enterprises ILO Geneva
- McGrath, R.G.(2002) "Entrepreneurship, Small firms and wealth creation" Sage Pub. London
- Meredith G Et al (1987) The Practice of Entrepreneurship, Switzerland ILO
- Mincer, J. (1978) Family migration decisions', Journal of Political Economy,86(5)
- Mugenda and Mugenda (2003) Research Methods
- Mungai E.N. (2006), MBA Thesis,
- Ndua, G. and Ngethe, (1984) Role of Informal Sector in Development Of MSE case of Nakuru Kenya IDS UON Miscellaneous paper
- Nichols-Marcucci P.(1994) 'Women Entrepreneurs in the Philippine^ Italian Association for Women in Development, Rome, International Labour Office, Geneva.
- OECD (2004), Women Entrepreneurship: Report for 2nd OECD conference for small and medium size enterprise(SMEs) Istabul 305 June 2004, Paris
- Olson, Shirly F , Et.al (1992) Female Entrepreneurs Journal of small business Management Vol 30
- Otero M.(1987) 'Gender Issues in Small Scale Enterprises' USAID, Washington, Ronald Press New York
- Polachek, S. (1981) 'Occupational self-selection: a human capital approach to sex differences in the occupational structure'. Review of Economics and Statistics, 63(1): 60-69.
- Population Council (2005) Accelerating Girls' Education: A Priority for Governments',

- Schumpeter, J.A.(1934) The theory of Economic Development, Harvard,
- Sessional Paper No. 2 of 2005 on Development of SME's for wealth and employment creation for poverty reduction
- Stevenson, L. and A St-Onge (2005) Support for Growth-Oriented Women Entrepreneurs in Kenya, ILO
- Stoner, Et al., (1999), Role in Female Owners of Small businesses, Journal of small business
- Tandon, N. (2002). E-commerce Training with Small-scale Entrepreneurs in Developing Countries: Some Findings, Paper presented at the DfID meeting: Poverty Elimination and the Empowerment of Women: Strategies for achieving the international development targets, London: DfID.
- UNIDO paper , (2003), Developing Rural and Women Entrepreneurship
- Van Der Wees C. and Romijn H. Entrepreneurship and Small Enterprise Development for Women in the Developing Countries: an Agenda of Unanswered Questions, ILO, Management Development Programme, Geneva, 1987.
- Wanjira Munyua and M. Mureithi (2008) Harnessing the Power of women entrepreneurs: Report for gender Research in Africa Project. New Frontiers in the Gender
- Wolf, S.(2001) Determinants and Impact of ICT use for African SMEs, Implications for Rural South Africa, Bonn. Centre for Development Research.
- World Bank (1992) Entrepreneurship and the Development Challenge of
- World Bank (2001) Engendering Development: Through Gender Equality in Rights, Resources, and Voice, World Bank Policy Research Report, Oxford: Oxford University Press.
- World Bank (2001) Engendering Development: Through Gender Equality in Rights, World Bank Policy Research Report, Oxford ,OUP
- World Economic Survey 1992. Washington DC
- Young K. and Moser C. Women and the Informal Sector, Institute of Development Studies Bulletin, Vol. 12, No.3, 1981.

- Schumpeter, J.A.(1934) The theory of Economic Development, Harvard,
- Sessional Paper No. 2 of 2005 on Development of SME's for wealth and employment creation for poverty reduction
- Stevenson, L. and A St-Onge (2005) Support for Growth-Oriented Women Entrepreneurs in Kenya, ILO
- Stoner, Et al., (1999), Role in Female Owners of Small businesses,Journal of small business
- Tandon, N. (2002). E-commerce Training with Small-scale Entrepreneurs in Developing Countries: Some Findings, Paper presented at the DfID meeting: Poverty Elimination and the Empowerment of Women: Strategies for achieving the international development targets, London: DfID.
- UNIDO paper , (2003), Developing Rural and Women Entrepreneurship
- Van Der Wees C. and Romijn H. Entrepreneurship and Small Enterprise Development for Women in the Developing Countries: an Agenda of Unanswered Questions, ILO, Management Development Programme, Geneva, 1987.
- Wanjira Munyua and M. Mureithi (2008) Harnessing the Power of women entrepreneurs: Report for gender Research in Africa Project. New Frontiers in the Gender
- Wolf, S.(2001) Determinants and Impact of ICT use for African SMEs, Implications for Rural South Africa, Bonn. Centre for Development Research.
- World Bank (1992) Entrepreneurship and the Development Challenge of
- World Bank (2001) Engendering Development: Through Gender Equality in Rights, Resources, and Voice, World Bank Policy Research Report, Oxford: Oxford University Press.
- World Bank (2001) Engendering Development: Through Gender Equality in Rights, World Bank Policy Research Report, Oxford ,OUP
- World Economic Survey 1992. Washington DC
- Young K. and Moser C. Women and the Informal Sector, Institute of Development Studies Bulletin, Vol. 12, No.3, 1981.

APPENDICES

Appendix I: Introductory Letter

Letter to the respondents

Margaret W. Karanja

Reg. L50/72789/2008

B.O.Box 30197,

NAIROBI

23.4.2010

Dear Respondent

I am a student of University of Nairobi College of Education and Continuing Education undertaking a study on the factors affecting the performance of women micro enterprises in Lower Kabete location Wangigi Division, Kikuyu District.

The questionnaire attached is aimed at gathering information from you. All responses will be treated confidentially and will be used only for the intended academic research purposes.

Thanks in advance for your cooperation.

Yours faithfully,

Margaret W. Karanja

Appendix II: General Questionnaires for Women Micro-Entrepreneurs

Dear Respondent

You are kindly requested to fill this questionnaire. It seeks to assess Factors Influencing the performance of women Micro Enterprises' in Lower Kabete Location. You have been chosen and requested to respond to the questions as honestly as possible. Your responses will be treated strictly confidential and will be used only for the intended research purposes.

Tick the most appropriate option from the choices given or write your feelings in the spaces provided. Your positive response will be highly appreciated.

Questionnaire for Entrepreneurs

A" Personal Details

1. Age Brackets

Below 25 years

26 - 35 years

36 - 45 years

Over 45 years

A. Education Level

2. Education Level and training?

Primary

Secondary

Diploma

College/univ[^]

3. Name of Enterprise and physical location

4. Key skills and abilities Yes No

If you have specific skills please give details below and how you acquired them (apprenticeship, on the job training, workshops, formal training).

Management Skills - List specific skills

5. Are you engaged in any other Business so that you can gain Income?

Yes No

6. Which business are you engaged in?

Green Grocer/Mama moa

Hair saloon

Poultry rearing 1

Dairy farming

Cereals business_

Retail shops/kiosks

7. How long have you been in business?

Less than 12 months

Between 1 - 5 years

More than 5 years

B: Managerial skills

1. Who runs the business for your? 1

Myself

Family members

Employee

Give reasons for 6 above

2. Who does the financial accounting for you in this business?

Self Employed an Accountant

3. Have you attended any business training in the last 2 years?

Yes 1 No 1

C: Impact of Funding to Women Micro Businesses

4. In your business what would you say is the value of your business?

a) Less than Kshs. 5,000/=

b) Between Kshs 5,000/=

c) Between Kshs 10,000/=

d) Over KSHS. 20,000/=

5. Do you have a similar business in another area?

a) Yes No

6. Which problems have you faced in your business: (you can tick more than one)

a) Lack of Capital

b) competition

c) domestic problems

d) Lack of managerial skills

e) Lack of market

f) Lack of government support(excess tax)

7. If the answer to question 6 above is lack of capital, where did you get the initial capital to start your business?

(a) Own Savings

(b) Loan from Micro-Finance Institution?

(c) Borrowing from friends

(d) Other sources

How do you save your money?

a) Bank

b) Merry go round

c) Others(specify)

D: Competition

9. Do you face any competition from other similar enterprises?

Yes No

10. How would you rate the rate of Competition in the area?

- c) Between Kshs 10,000/=
 - d) Over KSHS. 20,000/=
5. Do you have a similar business in another area?
- a) Yes No
6. Which problems have you faced in your business: (you can tick more than one)
- a) Lack of Capital
 - b) competition
 - c) domestic problems
 - d) Lack of managerial skills
 - e) Lack of market
 - 0 Lack of government support(excess tax)
7. If the answer to question 6 above is lack of capital, where did you get the initial capital to start your business?
- - (a) Own Savings
 - (b) Loan from Micro-Finance Institution?
 - (c) Borrowing from friends
 - (d) Other sources
- How do you save your money?
- a) Bank
 - b) Merry go round
 - c) Others(specify)

D: Competition

9. Do you face any competition from other similar enterprises?

Yes No

10. How would you rate the rate of Competition in the area?

Appendix III: Questionnaire for the Micro-Finance Institution

Dear Respondent

You are kindly requested to fill this Questionnaire. It seeks to access factors influencing the performance of women Micro Enterprises in Lower Kabete, Kikuyu division. The study intends to show the role financial institutions play in supporting micro-enterprises. You have been chosen and requested to respond to the questions as honestly as possible. Your responses will be treated strictly confidential and will be used only for the intended research purposes.

Tick the most appropriate option or write your feelings in spaces provided. Your positive response will be highly appreciated.

1. What is the average level of education of most women micro-entrepreneurs?

Primary Level

Secondary Level

College/University Level

2. What type of Businesses do they conduct?(Classification)

c. *Ho U,*
Tir...

3. What is the number of women micro entrepreneurs who seek loans in your Bank?

Out of those how many are in:

i) Group

ii) Individual

4. What is their turnover (Deposits) in a year (Volume of Activities)?

5. How much loan have you given to groups/individual in a year?

Individual_

Group_

6. What is the level of Individual Borrowing, and Group?

Individual,

Group_

7. What securities/collateral do they offer for loans?

8. Those who take loans, how many are repeat borrowers?

1st time |_____|

2ⁿ time i_____i

3^r time I_____I

More that 4 time 1 I

9. What is their default rate both individual and Group?

10. What are some of the challenges that women Micro-enterprises face?

11. What recommendation would you give for them to overcome these challenges

12. How do you educate them on use of borrowed funds

5. How much loan have you given to groups/individual in a year?

Individual

Group_

6. What is the level of Individual Borrowing, and Group?

Individual

Group_

7. What securities/collateral do they offer for loans?

8. Those who take loans, how many are repeat borrowers?

1st time i

2ⁿ time i

3^r time I

More that 4 time I I

9. What is their default rate both individual and Group?

10. What are some of the challenges that women Micro-enterprises face?

11. What recommendation would you give for them to overcome these challenges

12. How do you educate them on use of borrowed funds

Appendix IV: Questionnaire for the Women Groups

Dear Respondent

You are kindly requested to fill this Questionnaire. It seeks to access factors affecting the performance of women Micro Enterprises in Lower Abate, Kikuyu division. The study intends to show the role women groups play in supporting micro-enterprises. You have been chosen and requested to respond to the questions as honestly as possible. Your responses will be treated strictly confidential and will be used only for the intended research purposes.

Tick the most appropriate option or write your feelings in spaces provided. Your positive response will be highly appreciated.

1. What is the average level of education of women entrepreneurs in your group?

Primary Level

Secondary Level

College/University Level

I

2. What is the number of your group?
3. What contribution do you give per individual over what period?
4. Do you have a bank account?
5. If you have how much do you save (Proportion)?
6. Where do you get your loans? e.g. (Banks, Micro-finances, women groups merry go round)

Appendix IV: Questionnaire for the Women Groups

Dear Respondent

You are kindly requested to fill this Questionnaire. It seeks to access factors affecting the performance of women Micro Enterprises in Lower Abate, Kikuyu division. The study intends to show the role women groups play in supporting micro-enterprises. You have been chosen and requested to respond to the questions as honestly as possible. Your responses will be treated strictly confidential and will be used only for the intended research purposes.

Tick the most appropriate option or write your feelings in spaces provided. Your positive response will be highly appreciated.

1. What is the average level of education of women entrepreneurs in your group?

Primary Level

Secondary Level

College/University Level

2. What is the number of your group?
3. What contribution do you give per individual over what period?
4. Do you have a bank account?
5. If you have how much do you save (Proportion)?
6. Where do you get your loans? e.g. (Banks, Micro-finances, women groups merry go round)

7. How much do you Borrow?

Below Kshs 20,000

Kshs 20,000 and above

100,000 and Below

Other Amounts {___

8. What Securities do you give to get a loan?

9. What education on use of borrowed funds is given to the women in the group?

10. What changes in the business environment would you like put in place for women to improve their micro-businesses?

Thank you for your timely response



NATIONAL COUNCIL FOR SCIENCE AND TECHNOLOGY

Telegrams: "SCIENCETECH", Nairobi
 Telephone: 254-020-241349, 2213102
 254-020-310571.2213123.
 Fax: 254-020-2213215.318245.318249
 When replying please quote

P.O. Box 30623-00100
 NAIROBI-KENYA
 Website: www.ncsi.go.ke

oir Ref: NCST/RR1/12/1/SS/543/3

Date: 17th June 2010

Ms. Margaret W. Karanja
University of Nairobi
P. O. Box 92
KIKUYU

Dear Madam,

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on "*Factors affecting the performance of women micro-enterprises: A case of Lower Kabete Location of Wangigi Division Kilcuuyu District Kenya*" I am pleased to inform you (hat you have been authorized to undertake research in **Kikuyu (Kiambu) District** for a period ending 3rd December 2010.

You are advised to report the **District Commissioner and the District Education Officer Kikuyu (Kiambu) District** before embarking on the research project. * (

On completion of the research, you are expected to submit two copies of the research report/thesis to our office.

P. Njiru VAKUNDI
FOR: SKRETARY/CEO

Copy to:

The District Commissioner
 Kikuyu (Kiambu) District