

FACTORS AFFECTING WOMEN PARTICIPATION IN MICRO-FINANCING PROGRAMMES IN KENYA: A CASE OF MICRO AND SMALL ENTERPRISES IN GARISSA COUNTY

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DECLARATION

This Research Project Report is my original work and has not been presented for any other award in any other University/Institution of learning.

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DEDICATION

This research project is dedicated to my lovely husband and children for the support they gave me during the entire period of my study. I also want to recognise friends for the support . God bless you all.

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LIST FOR ABBREVIATION AND ACRONYMS

AGAPE	Asociación General para Asesorar Pequeñas Empresas (Colombia)
BRAC	Bangladesh Rural Advancement Committee
CIDA	Canadian International Development Agency
CSD	Centre for Self-Help Development (Nepal)
CUES	Credit Union Empowerment and Strengthening (Philippines)
DFID	Department for International Development (UK)
FORA	Fund for the Support of Small Entrepreneurship (Russia)
MFI	Microfinance institution
NGO	Nongovernmental organization
PVO	Private and voluntary organization
ROSCA	Rotating Savings and Credit Association
SAT	Sinapi Aba Trust (Ghana)
SEDP	Small Enterprise Development Program (Bangladesh)
SEWA	Self-Employed Women's Association (India)
SHG	Self-help group
SUM	Special Unit for Microfinance
SMS	Small and medium entrepreneur
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNIFEM	United Nations Fund for Women
USAID	United States Agency for International Development
WEP	Women Empowerment Program
WEDTF	Women's Entrepreneurship Development Trust Fund (Tanzania)
WWF	Working Women's Forum (India)

ABSTRACT

Microfinance firms act as agents of women economic empowerment through offering loans to women. Statistics from the micro-financing institutions in Garissa shows that few women participate in borrowing loans in Garissa town, an implication that women in Garissa may not enjoy economical empowerment in near future if no action is taken. This study therefore was set to assess the factors affecting women participation in micro-financing programmes. The objectives of the study focused on, the effect of culture, personal characteristics and legal framework on women participation in micro-financing. The study adopted a descriptive survey design and the data was collected by use of a questionnaires and interview guide for key informant who included the Bank Managers. The target population consisted of 240 women entrepreneurs who operate small businesses in Garissa town and the sample size comprised 148 respondents. The instruments were Pilot-tested to ascertain the content, construct and face validity. Descriptive statistics used include frequencies, percentages, means and standard deviation. Inferential statistics used include: Pearson product-moment correlation. Tests of significance was tested at $\alpha=0.05$. The Statistical Package for Social Science (SPSS) in data analysis. The study established that there are several cultural factors such as, women having no right to own property, women being treated as property, male chauvenism, Marriage style, family size, gender stereotype, Women's negative attitude, family type and inheritance practices which affects women participation in micro-financing. The study also established that there are personal characteristics such as one's level of education as attested by 87% of the respondents, religious affiliation, political affiliation and social networking which affect women participation in micro-financing. Lastly on legal and regulatory framework had significant relationship with participation of women in micro-financing programme, the study established that 65% of the respondents said that they do not have equal right of share of property with men. The study therefore recommended that, The government agents should be more active on training women on need to take loans for economic development and come up with policies that empower women economically by emphasizing on loan borrowed. The study suggests other studies on the determinants of women economic empowerment in Kenya for comparative purpose and the coping mechanisms that women employ to survive economic times to be carried out to supplement the findings of this study.

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

The beginning of formal micro finance programs can be traced back to the 1950s after World War II. They proliferated in the 1960s and 1970s and in the process, lending methodologies suitable for low income clients in both rural and urban areas were developed (United Nations Development Program [UNDP], 1998). By the 1970s some commercial banks particularly in some parts of Asia, had gained decades of experience in mobilizing large amounts of saving from rural people. According to the World Bank, Africa as a continent had been left behind in the development of microfinance programs. This is based on the fact that Africa's microfinance institutions tend to be smaller and less advanced as compared to those in Asia and Latin America. However, there is a common factor in the objective of the microfinance programs globally. The microfinance programs are often designed for the poor of whom women are the majority (Cheston, 2002). Women as micro and small entrepreneurs have increasingly become the key target group for micro finance programs. Consequently, providing access to micro finance facilities is not only considered a pre-condition for poverty alleviation, but also considered as a strategy for empowering women for economic development (Karanja, 1996).

In Kenya, micro finance institutions have strived to eliminate poverty. One such institution is the Kenya Rural Enterprise Program (K-REP), a non governmental organization that was started in 1984 under the funding of the USAID. The mission and goal of K-REP at that time was to channel financial and technical assistance as well as training to local Non-Governmental organizations wishing to start or expand credit programs for SME development. Other micro financial service providers include, Cooperative Bank of Kenya, Kenya Commercial Bank,

Barclays Bank, Standard Chartered Bank, Equity Bank, National Bank of Kenya, Kenya women trust fund (KWFT) and SACCOs (K-REP 2002).

Support services to MSEs cover both financial and non-financial interventions provided to enhance the development and sustainability of the sector. According to the Baseline Survey of (1999), there were an estimated 260 organizations (private and public, national and international) with support programmes. In an attempt to understand the scope of these organizations, the 1999 MSE Survey enquired into the different types of assistance received by MSE operators. The operators cited both formal and informal assistance, and financial and non-financial assistance. In general, there seemed to be considerable support. The survey noted that the bulk of the MSEs credit (69.1 per cent) came from informal savings and credit associations, otherwise known as Rotating Savings and Credit Associations (ROSCAS). This was in line with other findings that only 4 per cent of accessed credit was obtained from formal financial channels, such as NGOs, micro-finance schemes, commercial banks and Savings and Credit Cooperative Societies (SACCOS). At the same time, there were about 150 organizations with credit programmes for MSEs in Kenya; of these 130 were NGOs. These organizations serve all regions in the country although most of them are located in urban areas. Loans from Kenyan microfinance institutions tend to be limited in amount, have no grace period, are short term in design and carry very high interest rates. Consequently, most women entrepreneurs are likely to have multiple short-term loans to cater for both businesses and social needs. Studies have shown that loans to MSE entrepreneurs only satisfy a fraction of their financial needs (Women Entrepreneurs in Kenya, 2008). According to Gray (1996), women face a lot of biasness in the banks, the officials at the

bank prefer to talk to their husband this is because the women have no collaterals to acquire the loan. These bottlenecks are real today in these financial institutions.

Financial availability and accessibility is cited in many studies as being one of the major barriers and constraints to growth, macharia and wanjiru (1998). These setbacks include lack of start-up (seed) capital; lack of awareness of existing credit schemes; high interest rates; lengthy and rigorous procedures for loan applications; and, lack of collateral security for finance. These factors have become a major barrier to the growth potential of businesses owned by women. Although more than a quarter of households in Kenya are women-headed, only five per cent of the women own land in their own name (Feldman, 1984). Accessibility to initial capital, even when available, is also a major hurdle for women entrepreneurs. Microfinance institutions (MFIs) and commercial banks choose where they locate, thus excluding entrepreneurs in remote regions, leading to regional disparities. Credit conditions when forming a group, paying membership fees, group registration fees and joining saving plans, result in delays in accessing initial capital, thereby worsening the women's household financial burden (Stevenson and St-Onge, 2005; Alila et al., 2002). However, this is no longer the key barrier and constraint, but a 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 fact that there are many formal organizations providing credit to MSEs while, at the same time, only 4 per cent of their credit is accessed from them, implies a gap in their effectiveness

therefore need to carry out a study to establish the factors affecting women from participating in micro financing programmes in a bid to improve their economic status.

1.2 Statement of the problem

The national average of men working in MSEs is about 51 per cent, compared to about 49 per cent for women. However, in the rural towns such as Garissa, women are at higher percentage, averaging 55.8% percent compared to men an indication that more women participate in MSEs than men. This implies that micro- finance institutions should be very active in such towns to promote women entrepreneurs in small scale businesses for economic empowerment World Bank (2001).

A survey of the MSE sector indicates that several interventions have been put in place by a number of stakeholders to ensure that the sector plays its role fully. The Sessional Paper No. 2 of 2005, launched by the Ministry of Labour and Human Resource Development (MLHRD), defined eight key areas for formalizing and strengthening the MSE Sector. These eight key areas included, putting in place infrastructure, policy development, marketing, training and skills development, technology transfer, legal and regulatory structures, and access to finance. Both the Government and the private sector (including the NGOs) are engaged in various efforts to empower the entrepreneurs, in particular women, to grow their enterprises. Sessional paper no. 2 of 2005 on development of micro and small enterprises for wealth and creation of employment and povert reduction. (Republic of Kenya,2005).

Despite these interventions the records in formal and informal financial institutions in Garissa town shows that the number of women participating in borrowing money from such institutions

is minimal compared to men. This study therefore sought to establish the factors that affect women entrepreneurs from participating in micro-finance programmes in Garissa town.

1.3 Purpose of the Study

The purpose of this study was to establish the factors affecting women participation in micro-financing in Kenya. A case of micro and small enterprises in Garissa county.

1.4 Objectives of the study

In order to achieve the purpose of the study, the following specific objectives were stated:

- i) To establish the cultural factors affecting the participation of women entrepreneurs in microfinance program in Garissa town
- ii) To establish the personal characteristics affecting the participation of women entrepreneurs in microfinance program in Garissa town.
- iii) To establish the policy and regulatory environment affecting the participation of women entrepreneurs in microfinance program in Garissa town.

1.5 Research questions

- i) What cultural factors affect women entrepreneurs from participating in microfinance program in Garissa town?
- ii) What personal characteristics affect women entrepreneurs from participating in microfinance program in Garissa town?
- iii) What policy and regulatory environment affect women entrepreneurs from participating in microfinance program in Garissa town?

1.6 Research hypotheses

This study was guided by the following hypotheses;

Ho 1 : There is no significant relationship between cultural practices and women participation in microfinancing programmes.

Ho 2: There is no significant relationship between personal characteristics such as education political factors, religious factors social factors and women participation in microfinancing programmes.

Ho 3: There is no significant relationship between policy regulatory environment and women participation in micro-financing programmes.

1.7 The Significance of the Study

This study may serve as a revelation for all MFIs in designing and implementing effective loans schemes directed to women entrepreneurs so that more women may be willing to participate in such programmes. This study may also help policy makers and financial institutions in the formulation of appropriate policies that consider women as critical actors in the financial life of the country. Policy interventions and strategies that are viable should be developed to enhance growth and give an indication of how women beneficiaries use these loans to enhance their living standards. The study also serves as reference point for researchers interested in micro finance and related issues.

1.8 The Scope of the Study.

The study focused on the cultural, personal characteristics and policy regulations affecting women entrepreneurs from participating in micro-financing programmes in Garissa town. The respondents constituted the women entrepreneurs operating small businesses and managers of micro-finance institutions in Garissa town.

1.9 Limitation of the Study.

The researcher encountered some challenges among them:

Time Constraint- Limited time posed a challenge to the study but the researcher created time to ensure that an extensive study was undertaken. Research assistants were also used to administer the questionnaires.

The other limitation was mistrust from the respondents side. Considering that there have been several attacks of business premises by the al-shabaab groups, the respondents declined from participating in the study for further attack of their businesses, however the researcher did thorough introduction with the help of introduction letter from the university to convince them to participate in the study. Lastly the researcher focused the study in Garissa town due to limitation of funds and security issues.

1.10 Assumptions of the Study.

One of the assumptions of the study was that few women participated in the available micro-financing programmes in Garissa town. Another assumption was that the data collection instruments were valid and the respondents answered the questions correctly and truthfully. Also the researcher assumed that research assistance with administer the instrument with

integrity. Finally the researchers assumed that the study may be useful to policy makers, micro-financing institutions and women entrepreneurs .

1.11 Definition of significant terms

Gender stereotyping- in this study refers to sex differences of male and female characteristics which are merely cultural with no entrepreneurial productivity connotations in an enterprise

Microfinance Institutions- in this study refers to the institutions dedicated to assisting women enterprises in groups who have no access to the more institutionalized financial system, in.

Women entrepreneurs: women in MSEs running their own business rather than employed in any organization.

1.12 Organization of the Study

This study is organized in five chapters, chapter one focuses on the introduction which composes of the background of the study, statement of the problem, purpose of the study, objectives of the study, research questions, hypotheses, significance of the study, assumptions of the study, definition of significant terms and organization of the study. Chapter two focuses on literature review on factors affecting participation of women in micro- financing in Garissa town. Chapter three covers the research methodology which describes the research design, the target population, sampling technique, sample size, research instruments, instruments validity and reliability, data collection procedures and data analysis techniques. Chapter four consists of data analysis, presentation and interpretation of research findings , while chapter five is concerned with the summary, discussion, conclusion and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature related on the factors that influence women participation in microfinancing. It is divided into the following parts: cultural factors affecting women entrepreneurs from participating in microfinance program, personal characteristics affecting women entrepreneurs from participating in microfinancing program, legal and regulatory barriers affecting women entrepreneurs from participating women entrepreneurs from participating in microfinance program.

2.2 The concept microfinance and women's empowerment

The focus on women's empowerment in the context of microfinance brings to light the significance of gender relations in policy development circles more prominently than ever before. Women are vaunted as a 'weapon against poverty' (DFID 2006,). The rationale for providing women access to microfinance services is that gender inequalities inhibit economic growth and development (World Bank, CIDA (1999), UNDP, UNIFEM). Hence, the Canadian International Development Agency (CIDA) provides "increased access to productive assets (especially land, capital, and credit), processing, and marketing for women" (CIDA 1999). Critics of the development perspective argue that the policy development approach to empowerment is extremely instrumental. As Cornwall and Edward (2010) put it, "women's empowerment is heralded as a means that can produce extraordinary end. their empowerment

extolled as the solution to a host of entrenched social and economic problems. The predominant image of empowerment in development is that of women gaining (material) means to empower themselves as individuals, and putting this to the service of their families and communities.” This is primarily because empowerment is understood in relation to deliberate and planned interventions such as electoral quotas, education, economic empowerment initiatives, legislative change and non-governmental public action.

The alternative perspective emphasizes that women’s empowerment emerges as a result of cultural; economic and other changes; the availability of new technologies in their lives (e.g. mobile phones and satellite television); women’s current opportunities and constraints and as a process in time across generations (Cornwall and Edwards 2010). Since the context of women’s lives matters and the same interventions are not effective everywhere, most of the policies remain ineffective (Abdullah, Aisha and King 2010; Sardenberg 2010a). The experiences of empowerment and disempowerment are related not just to material means and interventions, but also to social relationships (Kabeer and Haq 2010; Sardenberg 2010a), narratives (Priyadarshani and Rahim 2010), voice (Goetz and Nyamu Musembi 2008), choice (Kabeer 2008) and negotiations (Huq 2010; Johnson 2010). This critique is well reflected in the three paradigms of women’s empowerment through microfinance: (i) feminist empowerment paradigm; (ii) financial self-sustainability paradigm; and (iii) poverty alleviation paradigm (Mayoux 2005, 2006). It is not that MFIs do not pay attention to women’s empowerment issues; however, they do so marginally by adhering to the latter two paradigms. As Mayoux (2005, 2006) explains, “in the financial self-sustainability paradigm, women’s empowerment strategies are seen as entailing unacceptable costs, as the paradigm’s explicit aim is to develop fully financially self-sufficient

MFIs. In the poverty alleviation paradigm, women's empowerment is seen as an external imposition by a Western influenced middle-class feminist elite, with little relevance to the needs of poor women. It is also seen as politically sensitive and involving conflicts within households and communities that may undermine organizational sustainability." Both paradigms perceive conflicts between women's empowerment and development aims. Thus the feminist paradigm – where the central concern lies in promoting gender equality and human rights – has been emphasized as an effective route to women's empowerment through microfinance institutions. Although microfinance programmes adhere to the latter two paradigms, there are arguments on why MFIs should adopt empowerment approaches:

Firstly, microfinance practices do not always produce automatic empowerment benefits for women; therefore, empowerment must be strategically planned for in MFIs. Secondly, empowerment approaches allow microfinance institutions to realize their full potential in contributing to a number of critical dimensions of women's empowerment. Finally, empowerment approaches are often compatible with other approaches to microfinance (e.g. financial sustainability), and can actually enhance the aims of these other approaches in many cases. – Mayoux (2006)

An agenda of targeting women for loan access, and detaching the empowerment aspect, will thus be an anti-poverty strategy that is not only rationally unmusical, but also morally incomprehensible. For this reason, the agenda for MFIs should be to develop useful linkages between the functions of MFIs and their empowering potential.

2.3 The role of microfinance on women empowerment

The question of whether microfinance empowers women has attracted attention in both academic and policy circles. The answers range from microfinance having the potential to empower

women fully and how the programme can actually disempower women. The logic of microfinance's potential for empowerment is similar to the economic model of empowerment: microfinance makes women economically independent by putting capital and financial resources in their hands. Economic independence results in higher bargaining power for women in their households and communities, and subsequently results in higher prestige and self-esteem. Here the functions of microfinance are synchronous with its potential to empower. Microfinance has been seen as contributing not only to poverty reduction and financial sustainability, but also to a series of 'virtuous spirals' of economic empowerment, increased well-being and social and political empowerment for women themselves, thereby addressing goals of gender equality and empowerment (Mayoux and Hartl 2009).

Empowerment through microfinance is identified and measured in various dimensions: impact on decision-making, on self-confidence of women, on their status at home, on family relationships and the incidence of domestic violence, on their involvement in the community, on their political empowerment and rights (Cheston and Kuhn, 2002). Although it is difficult to measure the exact impact of access to microcredit on different dimensions – such as impact on decision-making and on self-confidence, studies have shown that MFIs indeed have a positive effect on each of these different dimensions of women's empowerment. For instance, an MFI institution in the Philippines (Tulay sa Pag-unlad [TSPI]) reported a dramatic increase, from 33 to 51 per cent, in women's role as funds managers in their households, with only 5 per cent relinquishing control of household funds management during that period (Ledesma 2002). Similarly, in Nepal, Shrestha (1998) found that women participating in the MFI programme were able to make small purchases of necessary items such as groceries independently. This echoed

the findings of Ashe and Parrott (2002). They found that in “listing the ways how Pact’s Women’s Empowerment Program (WEP) had changed their lives, the three most frequently mentioned categories had to do with: empowerment and education, increased self-confidence and a greater role in decision-making, followed by literacy and the knowledge of women’s rights.” Savings and lending did not make it to this list. The Nirdhan Utthan Bank in Nepal found that most of their women clients were making decisions about business investments jointly with their husbands, rather than their husbands making such decisions alone (PLAN, 2001). In the context of Bangladesh, Kabeer (1998) argued that just bringing financial resources to the households gave women an agency and a sense of the power they have within themselves.

According to the field studies conducted under the IFAD gender mainstreaming review, the empowerment of women – regarding the dimensions of their ability to make decisions and their experience of self confidence and self-esteem – indicated that women were able to “decide on spending their own income although men were often consulted, articulate their views and command attention and respect within the household, and often within the community. Increased self-confidence was especially pronounced when women had been exposed to training on women’s rights and social and political issues” (Kay, 2003). Other studies indicate that the self-help groups (SHGs) mediated by microcredit have helped women gain control over assets and subsequently acquire self-esteem, knowledge and power (Zaman 2001; Simanowitz and Walker, 2002). In addition to the impact on women’s decision-making power and agency, MFI access is also reported to have positively affected women’s relationships within the household, particularly the experience of domestic violence. This is an important finding given the nature of patriarchal culture in most of the households in Asia. For instance, in her study of the Small

Enterprise Development Project (SEDP) in Bangladesh, Kabeer (1998) notes that women's contribution to the household helped bring about a reduction in abuse and strengthening of their relative position within an interdependent relationship with their husbands.

Empowerment in public spaces is also determined by women's ability to form social networks and social capital and their ability to sanction, influence and change social norms. According to Krishna (2003), empowerment means increasing the capacity of individuals or groups to make effective development and life choices and to transform these choices into desired actions and outcomes. The nature of empowerment here is of women not only at an individual level, but collectively as well. The linkage between this aspect of empowerment and microfinance was explored by Sanyal (2009) in her study of 59 microfinance groups in West Bengal. She found that economic ties produced through access to microcredit led to improvements in women's social capital and their ability to influence social norms. This fostered women's capacity to undertake collective action and facilitated their collective empowerment. In addition, research indicates that social networks enable mutual assistance that generates trust and solidarity, which in turn lower costs to MFIs and contribute to their likely sustainability and to continued empowerment benefits, because they essentially reduce risk and thereby lower some elements of the cost of providing services to poor people.

A case study in Narathiwat, a predominantly Muslim province in southern Thailand, illustrates women's empowerment both within the household and at the community level (Kay, 2003). Here, SHGs were formed to manufacture products such as batik and embroidered articles. The author notes that the project has fostered participation of all members, including women. This has led to "enhancement of women's status in the household and also at the community level.

Some members of the women's groups are reportedly engaged in local community management structures and issues." Finally, major evidence of women's empowerment through microfinance was found in its impact on women's political empowerment and rights. In the Philippines, for instance, Cheston and Kuhn (2002) note that women clients of Opportunity Microfinance Bank have gained leadership experience and confidence as leaders of their Trust Banks, and have gone on to be elected as leaders within their *barangays* – a community-level political unit. In Bangladesh, Hashemi, Schuler and Riley (1996) found that microfinance programmes of the Bangladesh Rural Advancement Committee (BRAC) promoted social and political awareness and participation in political campaigns and protests. In Nepal, Shrestha (1998) found that the CSD programme resulted in women's political participation: 96 women were elected to village and district development committees.

In India, there is evidence of microfinance programmes leading to women's political empowerment through political mobilization. WWF has a money-lending branch, and it has also successfully trained and mobilized women to take civic action to support women's rights and against social problems (Cheston and Kuhn 2002). Similarly, Sanyal's study (2009) recorded that women in self-help microcredit groups in West Bengal mobilized in response to issues related to domestic violence, men's extra-marital affairs, acquiring public goods and anti-gambling and anti-alcoholism campaigns.

2.4 Cultural factors affecting women entrepreneurs from participating in microfinance program

Studies have shown that the biggest cultural constraint on women's empowerment through microfinance programmes doing research is the culture of patriarchy pervasive throughout Asia.

The patriarchal culture is dynamic and thus exercises constraints in different contexts, in varied forms and at various stages in the empowerment process. As Kabeer (1999) notes, “many feminists recognize that poor men are almost as powerless as poor women in access to material resources in the public domain, but remain privileged within the patriarchal structure of the family.” Thus, although studies show that women’s access to microcredit empowers them in various ways, the same studies and many others also reveal that in the context of women’s empowerment, it is safe to say that “loan alone moans”. Research conducted on perspectives of women loan borrowers in Bangladesh has emphasized the negative aspect. Findings show that although the benefits of loans accrued to men and other household members, the responsibility and accountability for repaying the loans lay with the woman client, which caused increased levels of stress and dependency (Kabeer 1998; Goetz & Gupta 1996; Rahman 1999; Todd 1996).

It has also been argued that such loans hardly pull women and their households out of poverty (Fisher and Sriram 2002). As women bear the burden of repayment, they often borrow from other sources to pay back loans, leading to indebtedness. When women borrow for themselves, they lack the means to repay, because women generally invest in existing activities that are low profit and insecure (Mayoux 2006). Similarly, in Nepal, although Shrestha (1998) states that women in CSD programmes were gaining autonomy, the researcher also notes that there were no noticeable changes in the nature of gender relations and their prescribed roles and responsibilities within the household. Women’s mobility increases in terms of income-generating activities, but the social stigma of women’s mobility remains. Hence, there was a realization that “women’s empowerment takes much more than access options. The programme needs to consider some strategic or structural changes and incorporate gender mainstreaming actions in order to inch

towards the overall empowerment of women.” Research by Gaiha and Nandhi (2005) on the role of SHGs in contributing to women’s empowerment reveals that empowerment was collaborated by different sources and methods in varying degrees. These included gaining self-confidence, greater respect within the family, a more assertive role in family decision-making, and better buying and selling skills. Practices such as polygamy, patriarchal control over resources and social norms of reproductive responsibilities truncate this success.

Again, in the context of microfinance programmes facilitating political empowerment for women in Nepal, although Shrestha (1998) shows that 96 CSD women were elected as political representatives, they were nominal representatives and did not have any influence on the decision-making process once elected. The use of credit loans also indicates the influence of patriarchal culture, thus negatively influencing women’s empowerment. Particularly in South Asia and parts of Latin America, most women use loans for their husband’s activities (Goetz and Gupta 1996; Basnet 1995). Similarly, Kabeer (1998, 28) finds that microfinance has been effective in increasing incomes and assets, although certainly not in the poorest households. Women tend to spend income, when they do control it, on household consumption and ‘security-related assets’ such as homestead land, whereas men borrowers are more likely to invest in further productive activities. How strong and real gender empowerment is through these loans is indicated by the name in which any new assets are registered, and why. Kabeer found that many women continue to register land and productive assets in their husband’s name because of inheritance laws: assets will be inherited by sons if registered in the husband’s name, and by daughters if registered in the wife’s name (Kabeer 1998).

The low empowerment effect of access to loans is evidenced when “even where they use loans for their own activities, women’s choice of activity and the ability to increase their incomes are seriously constrained by gender inequalities in access to other, supplementary resources for investment; responsibility for household subsistence expenditure; lack of time due to unpaid domestic work; low levels of mobility; and vulnerability all of which limit women’s access to profitable markets in many cultures” (Mayoux and Hartl 2009, 12). In the context of Pakistan, Zaidi et al. (2007) note that women’s empowerment across a range of indicators of decision-making actually decreased and the reasons were unclear. Rahman’s study (1999) also showed that 40 to 70 per cent of the loans disbursed to women were used by the spouse and that tensions within the household increased. In a study of the relationship of economic empowerment to microfinance in West Bengal, Basu (2006) reports that among women who had taken out loans for income generating activities, only 5 per cent reported having total autonomous control over the money. Fifty-six per cent reported that they share control with their husbands, and 38 per cent that their husbands have sole control over the proceeds of the loan.

In five states of India, another study of the impact of microfinance on the decision making power of women showed that although women in SHGs who had access to microcredit were involved in decision-making in their households more than women in the control group – their empowerment “did not show any significant impact on some of the key decision-making areas of family planning, children’s marriage and the buying and selling of land” (Bali-Swain 2006). Swain and Wallentin (2009) found that unless existing social norms and culture are challenged, microfinance through SHGs does not empower women. In her classic study of SEDP in Bangladesh, Kabeer (1998) showed that although women who borrowed loans reported having a

sense of self-worth, these subjective perceptions did not translate into actual changes in well being, gender relations at home or any benefits. This resonates with other studies of gender relations at the household level (Sen 1990, Kandiyoti 1998). In addition, economic empowerment may come at the cost of psychological stress and health. The work burden for women increases, because microcredit programmes, although useful, increase women's work by involving them in time-consuming meetings and income-generating activities without taking any action to reduce their traditional responsibilities (Mayoux and Hartl 2009; Cheston and Kuhn 2002). This resonates with Kabeer's (1998, 21) thoughts on the challenging nature of women's empowerment, when she explains that "different aspects of women's disempowerment, and hence empowerment, are closely related so that initiatives in relation to one aspect are likely to set off changes in other aspects, although not in easily predictable ways."

There is also evidence of not only lack of impact of microfinance programmes, but danger of disempowerment, because credit, which is actually a debt, may lead to severe impoverishment or abandonment and may put serious strains on networks with other women. Moreover, pressure to save may mean women forgoing their own necessary consumption (Mayoux 2006). The nature of economic empowerment through microfinance is also not very appealing, because it tends to reduce empowerment gained through other sources, especially through social capital and social networks. Research shows that if social meetings are only about money transactions, and if women falter in repaying loans, women's existing networks may come under serious strain (Rahman 1999). In a similar vein, Ngo and Wahhaj (2011) note that in situations where microloans are given to women who do not have the ability to engage in economic activities autonomously or to have autonomous control of the resources, microfinance projects do not empower women. Similarly, in impoverished communities where microfinance operates, it is

usually kinship ties and marriage systems, rather than microfinance loans, which help claim household and community resources (Ngo and Wahhaj 2011). Such negative impact of MFIs on social capital counters the positive effect explored in the other studies described above. This indicates how the same phenomena here, social capital and networks – can simultaneously weaken and strengthen MFIs.

An in-depth gender analysis of the impact of MFIs on women's empowerment ought to take into account not just how MFIs impact women borrowers, but also how they impact them as an exclusive category in relation to men who receive microfinance loans. The review of positive and negative effects of MFIs on women's empowerment raises an important issue: what is it about these effects that are women-specific. In other words, are these outcomes only related to women as opposed to men? And does this effect on women take place because they are women? A powerful distinction exists between two feminist perspectives: one group argues that women cannot be thought of as a social collective because gender cannot be generalized Spelman 1988; Butler 1990; Mohanty (1991)

Women may also struggle with the heavier workload created by the responsibility for loan repayment. Changes in the access to finance influence the distribution of working time between men and women in the same household and between activities yielding different returns . Evidence suggests that up to a point microcredit increases the workload of women and girls, perhaps offset by more equality in household decision-making .From an institutional standpoint, MFIs may decrease the percentage of women clients as they move upmarket in search of better financial returns or even transform into commercial banks. The proven business case for targeting female borrowers must therefore be emphasized, while at the same time strengthening MFI strategies for reaching women ILO (2007)

2.5 The extent to which women participate in micro-financing

Women's control over financial resources is increasingly seen as a key factor in explaining these mixed results. While only a limited number of impact assessments exist that focus on this issue, the available evidence highlights that a significant part of women, who may have access to finance, may not have control over the loans contracted these was an assessment of K-RE P(1996)

The Kenyan government recognizes that women entrepreneurs have not been on an equal footing when it comes to their access to opportunities and assets but it has yet to effectively address the barriers facing women in business (athanne, 2011). In Garissa Informal financial support services include several variations on Merry-Go-Rounds (MGRs) and ROSCAS. Informal financial support mechanisms have their roots in traditional mutual guarantee systems, making them very popular. A typical ROSCA involves a group of 5 to10 members and agreed ((CARE,2008)

2.6 Legal and regulatory barriers affecting women entrepreneurs from participating in microfinance program

The micro finance sector in Kenya operates under ambiguous and hostile environment, particularly with respect to micro finance clientele who mostly operate from temporary structures. Therefore, fostering entrepreneurship in Kenya, particularly among the women entrepreneurs requires an enabling environment that recognizes the operation of MFIs as well as SMEs. An enabling legal and regulatory environment would go a long way in ensuring that the micro finance industry thrives and is able to empower many low income or poor people

including women entrepreneurs. Local authorities in collaboration with the government on the other hand, need to cultivate harmonious relationships with the SMEs and develop adequate business facilities for rental. (George O. K'Aol, 2008)

According to K'Obonyo, et al., (1999) there are several legal and regulatory factor that affect women participation in micro-financing. Such factors include; registration of business names; obtaining licenses; adhering to statutory requirements and contracting. Due to the aforementioned factors, women entrepreneurs are the least prepared to engage in contractual processes key to doing business in Kenya. Contracts involve long legal processes such as leasing, drawing up business contracts, legal representation and other aspects which place the woman entrepreneur in a disadvantaged position. Most MSEs find these processes lengthy and time consuming, thus they cannot grow or expand their enterprises.

According to the Poverty Reduction Strategy Paper (PRSP) of 1999, a large number of Kenyans derive their livelihood from the MSEs. In the past, microfinance institutions (MFIs) established using either an NGO or a savings and credit co-operative societies framework have been important sources of credit for a large number of low income households and MSEs in the rural and urban areas of Kenya. The MFIs have, however, operated without an appropriate policy and legal framework. There is therefore need to focus more on these institutions to enhance their effectiveness in the provision of savings, credit and other financial services to the poor and MSEs. Over 100 organizations, including about 50 NGOs, practice some form of microfinance business in Kenya. About 20 of the NGOs practice pure micro financing, while the rest practice micro-financing alongside social welfare activities. Major players in the sector include Faulu

Kenya, Kenya Women Finance Trust (KWFT), Pride Ltd, Wedco Ltd, Small and Medium Enterprise Programme (SMEP), Kenya Small Traders and Entrepreneurs Society (KSTES), Ecumenical Loans Fund (ECLOF) and Vintage Management (Jitegemee Trust). The Kenya Post Office Savings Bank (KPSOB) is also a major player in the sector but only to the extent of providing savings and money transfer facilities. Many microfinance NGOs have successfully replicated the Grameen Bank method of delivering financial services to the low-income households and MSEs Kenya MF survey (fsp, 1999).

2.7 Personal characteristics affecting the participation of women entrepreneurs in microfinance program

The available literature shows that there are some personal characteristics such as religious affiliation, level of education, ability to interact and political affiliation that affect women participation in microfinancing programmes. These are as discussed in the subsequent section

2.7.1 Religious affiliation

Religion sometimes preaches low value of women and Riria cited Ngunjiri, (2010) recognized three factors that affect women access to resources: lack of financial resources, socialization from culture and religion that dehumanizes women and literacy levels. However both men and women should be empowered for economic growth to be seen. Knowledge about religion is also necessary for women in order to protect them from exploitation of men in the name of religion and to understand the difference between religious obligations and cultural rituals.

Active participation of women in religious groups for welfare and fund raising provides them with skill and add to their abilities that could bring positive change in their status (Bari, 2005). The search for an empowering anthropology begins with a probe into Africans myths and

origin. It is also clear that injustice done to the humanity of the women is linked also with biblical narratives and their interpretations of the entrance of sin into biblical affairs (Ngunjiri, 2010). According to (Oduye cited Ngunjiri, 2010) Women empowerment is greatly hampered by several factors such as culture, traditional religion, Christianity, colonialism, westernization and market economy. Mission Christianity advocates for women's most important work being wives and mothers. However many churches have changed e.g. Anglican Church was among the main church in Kenya to ordain women.

2.7.2. Level of education

Education is a basic human right and a special tool for achieving the goals of equality development and peace (UN 1995 cited Muia and Otiende, 2004). Education is crucial in changing the status of women and improving their empowerment. Two-thirds of the world's illiterate people are women. In Africa, the high illiteracy rates for women have meant that they are in the lowest paying jobs mostly manual occupations.

In Kenya 78.9% of people in the lowest paying jobs are women. Women empowerment includes access to available opportunities, information, basic resources of education, decision-making authority and ability over one's life (UN, 1995 cited Muia and Otiende, 2004). Majority of women in the world are illiterate and this has led them to get low and less opportunities of jobs and increased cases of public and domestic violence against girls and women (Porter, 1999).

Women are also deprived of their basic education and are not provided with employment and decision-making authorities as men have. In addition women literacy rates shows that investment in human capacities tend towards favoring men over women (Skalli, 2001). More –educated women have a higher income. Education equips them the job opportunities. Access to

employment expands their choices (Kabeer, 1998). Equal access to education and equal opportunity in the gaining the skills are necessary for women to compete in the labor market. The better education a woman has the more able and willing to compete with men and this leads to increase in their productivity and in turn reduces discrimination against them (Ngunjiri, 2010). The level of education affects women's economic participation through determining both the livelihood of women's labor force participation and their competitiveness of labour market. Secondly higher levels of education provide the highest returns for women's empowerment in terms of employment opportunities (Digummarti and Digummarti, 1999).

The United Nations Educational Scientific and Cultural Organization (UNESCO) defines a literate person as someone who can with understanding, both read and write a short, simple statement on their own everyday life. To achieve this mainstreaming gender perspective in policy formulation, planning, programming and implementation in all sectors of development is imperative. As it is said, knowledge to the poor is power to the poor. Women's general education and Literacy creates a situation of dependency on others that can limit individual's prospects for empowerment (Muia and Otiende, 2004).

For older women illiteracy is high in almost all developing countries. This is due to very limited educational opportunities for women a decade ago. Women in rural areas are particularly disadvantaged in attaining literacy. In rural areas illiteracy rate for young women is consistently two to three times that in urban areas. Research in Africa points to the important role of women in children's education (Digummarti and Digummarti, 1999).

The programme of action of the international conference on population and development focuses on education as one of the most important means and give women the knowledge skills and self-confidence necessary to participate fully in developing processes. Basic education gives women access and printed knowledge, essential skills and new technologies which improve their opportunities (Digummarti and Digummarti ,1999).

Education is a important tool for controlling the social environment .it provides guidelines to analyze information, control environment and protect them from violence (Malhotra, 1997).It enhances women's well-being and reduces violence against them, giving them a more autonomy in shaping their lives. It also improves their status within the family and gives them a greater voice in household decisions including financial decisions (Digummarti and Digummarti, 1999)

2.7.3 Political affiliation

Politics is an activity that takes place in a human environment. Political influence is not something that everyone has to an equal degree even within the ruling groups. Often in any society it's only the minority who has it. In a society where political equality is not highly valued, the degree of participation will be less than what may be considered to be appropriate in another society that puts a higher premium on political equality (Muia and Otiende,2004).One of the determinants of women economic empowerment is political participation. Greater number of women in politics will support women at every level. Democracy is key in developing political awareness and these calls for democratic political systems.

Bari (2005) states that political participation is vital for developing individual and collective activity as well as creating opportunity that leads them towards empowerment political awareness at the local level is also key.

2.7.4 Social Networking

Social networking means respondents circle of friends and their involvement in social gathering to participation. Women's social network or non-family group affiliation have some influence on women's economic empowerment. This includes participation in community issues such as healthy and provides chances to women for their empowerment. It also encourages individuals to develop collective consciousness and motivation for action (Peterson and Hughey, 2004). Social networking provides women with a window of opportunities to discuss their issues and to work out their solution. In other words neighborhoods, churches, religious groups and voluntary associations provide pattern for empowering individuals (Peterson and Hughey, 2004).

2.8 Theoretical Framework

Several theories on entrepreneurship have been advanced; such theories include the McClelland's (1961) theory of the need to achieve, and Rotter's (1966) locus of control theory. The McClelland's (1961) theory suggests that individuals with a strong need to achieve often find their way to entrepreneurship while Rotters theory (1966) suggests that the locus of control of an individual can be seen as either internal or external. The internal control expectation is related to learning and thus motivates and supports active striving, while the external control expectation impedes learning and encourages passivity. However, this study will use the gender and development theory postulated by Blumberg (1988). The Blumberg (1988) theory of gender and development asserts that women's economic power relative to men, at "nested" levels ranging from the couple to the state, is the most important of the many factors affecting the level of gender stratification in a given society/human group at a given point in history, geography or

social structure. In other words, enhanced female economic power is proposed as the prime factor in reducing gender inequality and poverty. The theory further asserts that with greater economic power, one gains greater control of a series of “life options” that occur in all human societies. Among these “life options” are relative male/female household power with respect to decision-making and overall leadership.

Studies have shown that there is low participation of women in SME precipitated by lack of capital, low levels of education and other cultural factors hence low economic empowerment for women. Guided by the Blumberg (1988) gender and development theory which champions for women economic empowerment, this study will therefore seek to establish the factors affecting women participation in micro-financing programmes in Garissa county.

2.9 Conceptual framework

Conceptual framework is a graphical/narrative of relationships of the study variables-network where the independent variables network with moderating/intervening and the outcome also called dependent variable is the output (Orodho, 2005). This is shown in Figure 1

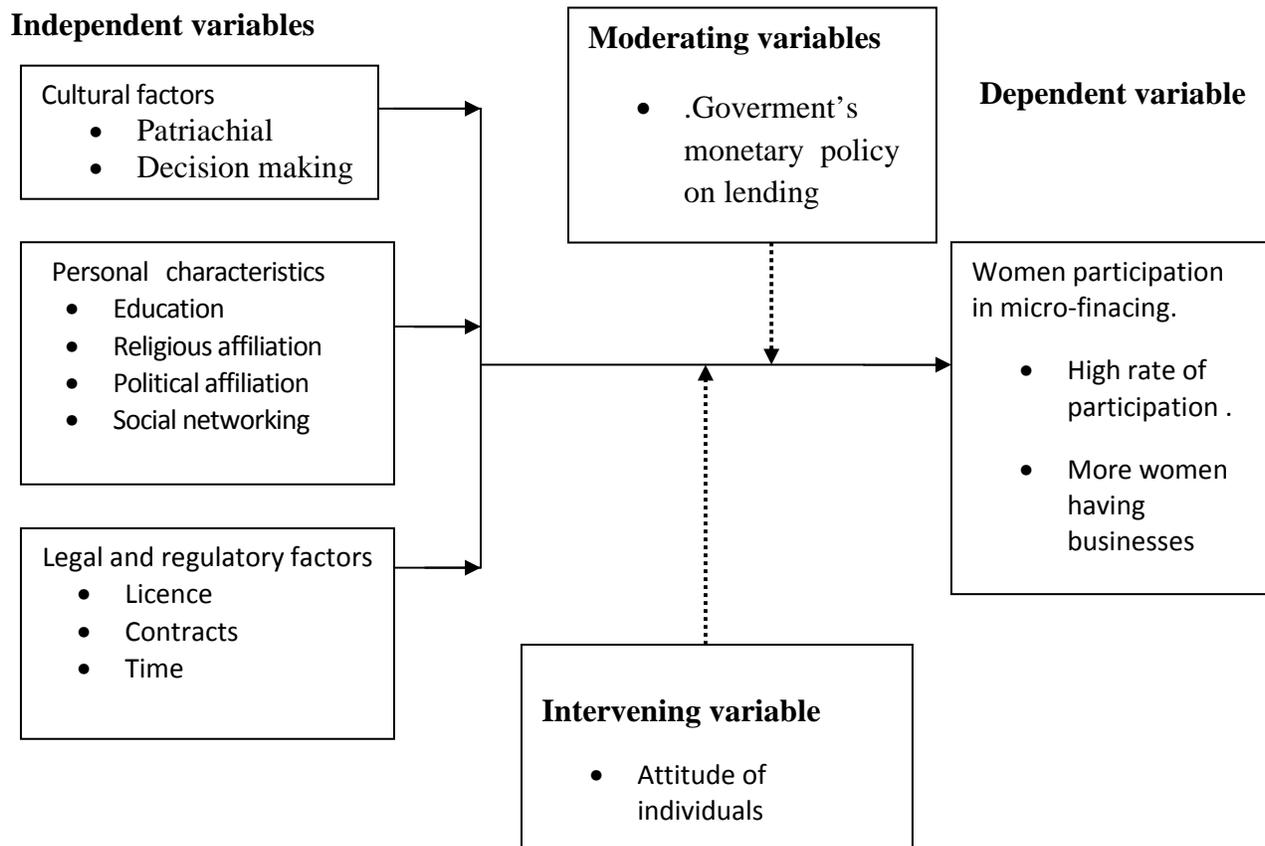


Figure 1 conceptual framework

Figure 1 shows that women participation in micro-financing activities depend on the cultural practices in a given area, the personal characteristics of women such as age and educational level, Legal and regulatory factors. In this case the cultural practices, personal characteristics, legal and regulatory factors makes the independent variables for the study. The moderating variable for this study was government's monetary policy on lending.

2.10 Summary of research gaps

The reviewed literature has shown that studies have been done to establish the beneficiaries of women financing. A studies by by Kabeer (1998), Goetz & Gupta (1996), Rahman (1999) and Todd (1996) focused more on perspectives of women loan borrowers these studies have. These studies have shown that although the benefits of loans accrued to men and other household members, the responsibility and accountability for repaying the loans lay with the woman client, which caused increased levels of stress and dependency to women. These studies never addressed the issue of the factors making women not participate in micro-financing. This study was therefore to establish the factors affecting women participation in micro-financing despite the efforts made by the governemnt agencies and NGOs to facilitate women participation in micro financing .

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the procedures used in the study. The chapter focuses on research design, location of the study, target population, sample strategy, sample size, research instruments, and data collection techniques and data analysis

3.2 Research design

This study adopted descriptive survey design. the descriptive survey is used in preliminary and exploratory studies to gather data at a particular point in time with intention of describing the nature of the existing conditions, or identifying standards against which existing conditions can be compared, or determining the conditions and the relationships that exist between specific variables. this design was suitable because the study strived to investigate factors affecting women participation in micro-financing programmes in Kenya without manipulating the variables.

3.3 Target population

This study targeted all the women operating small businesses in Garissa town and the manager of financial institution in Garissa town. According to the financial records (2011) at the municipal council of Garissa there were 240 women operating small businesses in Garissa town and 10 financial institutions

3.4 Sampling procedures and sample size

Sampling is a means of selecting a given number of subjects from a defined population as representative statement made about the sample should also be true of the target population (Orodho, 2005). To determine sample size, the researcher used Krejcie and Morgen, (1970),

table. "See appendix D" attached. According to the table out of targeted population of 240 women owning small businesses in Garissa town 148 of them were sampled. Five out of seven key informant institutions were included in the respondents forming 148. Simple random sampling was used to select the women to participate in the study. For the manager of the financial five out of seven managers of seven financial institutions were purposively sampled to participate in the study.

3.5 Research instruments

Research instruments used in this study was the questionnaires and the interview guide for the key informants. The questionnaires had open ended items to facilitate individual opinions and closed ended to get specific information. Kombo and Tromp, (2006), noted that questionnaires gathers data of a large sample, saves time, confidentiality is upheld and there is no opportunity for interview bias. The questionnaires were distributed to the respondents randomly. The respondents were expected to fill the questionnaires after which they were collected by the researcher. For triangulation 5 key informants were interviewed to supplement the information got from the questionnaires. The secondary data was collected from libraries such as current journals, and other publications.

3.6 Instruments Validity.

Validity is defined as the accuracy and meaningfulness of inferences, which are based on the research results (Mugenda and Mugenda, 1999). Face validity refers to the likelihood that a question is not misunderstood or misinterpreted, thus, helping to iron out ambiguity through pre-testing to increase the likelihood of face validity. According to Borg and Gall (1989), content validity of an instrument is improved through expert judgment. Content validity refers to whether an instrument provides adequate coverage of a topic. Expert opinions help to establish content validity (Wilkinson, 1991). As

such, were sought from the supervisors and other experts from the School of Education, University of Nairobi, in order to help improve content validity of the instruments.

3.7. Instrument Reliability.

Reliability refers to the consistency of the research and the extent to which studies can be replicated (Wiersma, 1986). In order to improve the reliability of the instrument, an assessment of the consistency of the responses on the pilot questionnaires was done. Test-retest technique of reliability testing was used whereby the pilot questionnaires were administered twice to the respondents, with a one week interval, to allow for reliability testing. Then the scores were correlated using Pearson Product-Moment Correlation formula to determine the reliability coefficient. Reliability coefficient of 0.754 and 0.731 respectively was achieved. Reliability of not less than 0.70 was accepted and appropriate (Mugenda & Mugenda, 2003).

Formula for pearson correlation coefficient :

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

3.8 Data Collection Procedures

The researcher first obtained an introductory letter from the Extra-mural centre Garissa- Nairobi University. Permission to conduct the research was sought from district officer garissa central to collect data at Garissa town. Consequently the researcher got in touch with municipal council clerk office to obtain a sample frame as the content to be used to select the respondents. Data

collection was done using questionnaire and interview guide for key informants who were administered by the researcher. The purpose of the study was clearly stated, instruction to the respondents were given on the first paragraph of the questionnaire. Then respondents were given time to complete answering the questionnaire and these were collected immediately at the end of the response time. The respondents who needed to be assisted the researcher assist had to create time to ensure to assist explain when necessary. The researcher had an opportunity to explain to the respondents the goals of the study before they start filling the questionnaire.

3.9 Data analysis

The raw data was collected , edited, errors and omission were checked for any inconsistencies. The close-ended questions had a code, whereas coding for the open-ended questions was done after data collection. The coded data was then entered into template and analyzed thematically using computer software spss. Cross tabulations was used to establish relationships between different variables. Data presentation was used in the form of tables, frequencies, and percentages, this gave a clear picture of the research findings at a glance and aid in making comparisons. Several data analysis techniques such as univariate statistics (tables, frequencies, and percentages) and bi-variate statistics such as Cross tabulations, and regressions were used to establish the relationship of the variable.

3.10 Operational Definition of Variables

Table 3.1 Operational Definition of Variables

Objectives	Variables	Indicators	Level of scale	Tool of analysis
<ul style="list-style-type: none"> To establish the cultural factors affecting the participation of women entrepreneurs in microfinance program in Garissa town 	Cultural practices (Independent variables)	<ul style="list-style-type: none"> Men having low opinion on women Patriachial Men dominating in Decision making 	Ordinal	Measure of central tendency and coefficient correlation
<ul style="list-style-type: none"> Establish the personal characteristics affect women entrepreneurs from participating in microfinance program in Garissa town 	Personal characteristics (Independent variables)	<ul style="list-style-type: none"> Low levels of education Age of women in business 	Ordinal	Measure of central tendency and coefficient correlation
<ul style="list-style-type: none"> To establish the policy and regulatory environment affecting the participation of women entrepreneurs in microfinance program in Garissa town 	Policy and regulatory environment (independent variables)	<ul style="list-style-type: none"> High interests rates Difficulties in getting Licence Failure of the microfinace institutions to sign Contracts with women Too short time given for loan repayment 	Ordinal	Measure of central tendency and coefficient correlation

3.11 Ethical considerations of the study

Participants were given the assurance that their identity would be anonymous in order to uphold privacy so as to avoid any repercussions that can follow their private life. Therefore, they were asked not to write any of their names on the questionnaire. The participants were assured that all information obtained from them would be confidential and was only to be used for the purpose of this study only.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter focuses on the questionnaire return rate, demographic information of the respondents, data presentation and interpretation of findings. The presentation was done based on the research questions.

4.2 Questionnaire return rate

Questionnaire return rate is the proportion of the questionnaires that have been returned after they have been administered to the respondents. Out of 148 questionnaires 140 of the were returned making the questionnaire return rate to be 95%.

4.3 Demographic information of respondents

This section deal with the demographic information of the respondents such as marital status, religious status, age, level of education and occupation.

4.3.1 Education level

The study sought to establish the level of education for the respondents. This aimed at establishing whether respondents across all the levels of education participated in the study. The results are as presented in Table 4.1

Table 4.1 Education level of respondents

Level of education	Frequency	Valid Percent
Primary	47	34.0
Secondary	42	30.0
Diploma	6	4.0
Certificate	3	2.0
Bachelors degree	20	14.0
No formal education	22	16.0
Total	140	100.0

Table 4.1 shows that most of women who participated in the study have primary education followed by those with secondary education. Table 4.1 also shows that there are women with no formal education who own business. Those with certificate education comprised the least respondents. Since the sampling was done randomly the results in table 4.1 implies that majority of the women who operate SMEs in Garissa town have primary education as the highest level of education.

4.3.2 Age distribution

The respondents were also asked to indicate their age, this aimed at establishing whether the age of the respondents affect their participation in micro financing. Table 4.2 shows age distribution of the respondents.

Table 4.2 Age distribution of the respondents

Age in years	Frequency	Valid Percent
Between 18-28 year	3	2.0
29-38 years	45	32.0
39-48 years	67	48.0
49-58 years	25	18.0
Total	140	100.0

Table 4.2 shows that majority of women owning SMEs in Garissa town are aged between 39-48 years. Surprisingly, those of age 18-28 constitute the minority. This is an indication that women within the age group 18-28 have not accumulated capital to start their own business. The results also shows that there are a few women above age 49 who operate their own businesses.

4.3.3 Marital status of respondent

The respondents were asked to indicate their marital status with the aim of establishing whether marital status affects women participation in micro- financing for their business. The results are as indicated in Table 4.3

Table 4.3 Marital statuses of the respondents

Marital status	Frequency	Valid Percent
Married	98	70.0
Single	14	10.0
Divorced	14	10.0
Separated	8	6.0
Widowed	6	4.0
Total	140	100.0

As indicated in table 4.3 majority of womern operating business at Garissa town are married. This group constitute 70 % of the respodents. They are followed by those who are either single or divorced. Those who are separated or widowed constitute the least group in that order. This implies that husband plays a major role in establishing businesses for their wive as shown by the majority of the married women participating more in business.

4.3.4 Religion affiliation of respondent

On religious affiliation. The study sought to establish whether religion plays any role on women participation in micro-financing. The status of women religion is as tabulated in Table 4.4

Table 4.4 Religious affiliation of the respondents

Religion	Frequency	Percent
Islam	126	89.7
Christianity	14	10.3
Total	140	100.0

Table 4.4 shows that 89.7% of the respondents who participated in the study are affiliated to Islam and 10.3% are affiliated to Christianity religion. However the study established that none of the respondents belonged to the ATR and Hindu religion. The domination of the women subscribing to islamic religion who have businesses in Garissa town is in line with the 2009 census report which indicated that 90% of the residents in Garissa town are affiliated to Islam.

4.3.5 Business experience of respondent

The study also sought to establish the working experience of the respondents. This aimed at establishing whether the number of years in business influences women to participate in micro-financing programmes. The results are as in table 4.5

Table 4.5 Number of years in business

Number of years in business	Frequency	Valid Percent
Less than 5 yrs	36	26.0
Between 6-10 yrs	28	20.0
Between 11- 15 yrs	34	24.0
Over 16 yrs	42	30.0
Total	140	100.0

On the number of years in business Table 4.5 indicates that majority of respondents have been in business for more than 16 years followed by those who have been operating for less than five years. This is an indication that majority of the respondents have been in the business for over five years and therefore they were able to give report of their businesses based on the experience.

4.4 Factors affecting women in micro-financing

The purpose of this study was to establish the factors that affect women participation in micro-financing in Garissa town. The results are as shown in the subsequent section

4.4.1 Women participation in borrowing loan

One of the objectives of study was to establish the extent to which women participate in micro-finance programmes. They were asked to indicate whether they borrow loan from the microfinancing institutions. The results are as in Table 4.6

Table 4.6 Women participation in borrowing loan

Loan borrowing	Frequency	Percent
Yes	43	32
No	97	68
Total	140	100.

Table 4.6 show that 32% of the respondents said that they borrow loan and 68% said that they do not borrow loan. This is an indication that majority of women operating SMEs in Garissa town do not participate in borrowing loans.

4.4.2 Frequency of borrowing loan

On the frequency of borrowing loans they were also asked to indicate the frequency at which they borrow loans and the results are as in Table 4.7

Table 4.7 Frequency of borrowing loan

No. of times in borrowing	Frequency	Percent
Ones	18	41.1
Twice	13	31
More than twice	12	27.6
Total	43	100

Table 4.7 shows that 41.1% of the respondents said that they have ever borrowed loan once, 31% of them said that they borrowed twice and 27.6% said that they borrowed more than two times. This implies that even those who borrow loans the majority of them have done it once. This results mimicks the earlier studies which indicated that the Kenyan government admitted

that women entrepreneurs have not been on an equal footing when it comes to their access to opportunities and assets (Athanne, 2011).

4.5 The effect of culture on women participation in micro-financing

One of the objectives of the study was to establish the effect of culture on women participation in micro financing. In a bid to establish whether culture affect the way women participate in micro finances they were asked to give opinion using the likert scale of 5= strongly agree,4= agree, 3=neutral, 2= disagree 1=strongly disagree.

Table 4.8 effects of culture on women participation in micro-financing

Statement	Mean	Standard deviation
Women have no right to ownership of property in African married family life and therefore they face challenges of lack of property equivalent to required collateral value for credit access.	2.0	4.7
Women in African married family life are by themselves treated as property together with the children are owned by the man (husband), therefore without permission she has no authority to attach any family property including her own earned income to any collateral value for credit access.	1.9	4.01
Single women are free to enter into any bank produce their property including their own earned income as a collateral monetary value for credit access.	2.2	3.9
Most of the commercial banks chief executives are male dominated and as financiers' they do not value or trust women with large sums of money So they have negative attitude on women enterprises' access to credit	4.0	1.09
The commercial banks financiers' do not trust women with bank loans because the women have no right to own land and get a title deed.	4.2	1.1
_women lack loan repayment or recovery strategy. The financiers have negative attitude on women enterprises' access to credit	4.01	0.9
The financiers' do not trust women with vigorously operating business enterprises that could earn enough profits to enhance adequate funds for a stable Commercial Bank Loan's repayment or recovery strategy. Therefore, the financiers have negative	3.9	1.1

attitude on women enterprises' access to credit from financial institutions.		
Men in the African traditional society are superior over women and therefore, it is men who have been authorised to possess property such as land, title deeds, animals, children and the wife who belongs to the women group enterprises or go it alone as a sole woman business proprietor so in married family life women lack access to credit overshadowed by husbands.	1.8	4.2
However, single, widowed, or more educated women who are free from male domination in married family life relationships have been able to break out of this dominion of gender stereotyped intimidation and have proved to be more productive than men in their business enterprises.	1.9	3.8
Although men in the African traditional society are said to be superior over women, currently women have been proved to be more aggressive in business and efficient in commercial bank loans' credit recovery or repayment than their male counterparts.	3.78	0.8

Table 4.8 shows that there are cultural factors that affect women participation in micro-financing, such factors include, Women having no right to ownership of property in African married therefore no property to give as collateral value for credit access, Women being treated as property together with the children are owned by the man (husband), therefore without permission she has no authority to attach any family property including her own earned and that single women are free to enter into any bank produce their property including their own earned income as a collateral monetary value for credit access. Other factors include, Men in the African traditional society are superior over women and therefore, it is men who have been authorised to possess property such as land, title deeds, animals, children and the wife who belongs to the women group enterprises or go it alone as a sole woman business proprietor so in married family life women lack access to credit overshadowed by husbands, on the other hand however, single, widowed, or more educated women who are free from male domination in married family life

relationships have been able to break out of this dominion of gender stereotyped intimidation and have proved to be more productive than men in their business enterprises.

4.6 Other cultural factors affecting women participating in micro-financing

Besides, women having no right to owning property, women being treated as property and male chauvinism, there are other cultural factors that affect women participation in micro-financing as presented in Table 4.9 using likert scale Where 5 means strongly agree, 4 Agree, 3, disagree, ,2 strongly disagree and 1 neutral.

Table 4.9. Other cultural factors that affect women participation in micro-financing

Factor	Mean	Standard deviation
Marriage style	4.2	1.0
Family size	3.9	1.9
Clan system	2.0	3.5
Child bearing	3.0	2.1
Gender stereotype	4.4	1.01
Male dominance	3.5	1.2
Tradition African belief	4.01	1.9
Ones religion affiliation	3.2	2.2
Inheritance practices	3.2	2.1
Family type	2.2	3.5
Ones marital status	4.4	1.0
Family responsibility	4.3	1.9
Women's negative attitude	2.0	3.4

Table 4.9 shows that there are several cultural factors that affect women participation in micro-financing. Such factors include; Marriage style, family size, gender stereotype, male dominance,

Tradition African belief, ones marital status and family responsibility. The study also shows that some cultural factors such as Women’s negative attitude towards loans, family type, inheritance practices, ones religion affiliation, child bearing and clan system do not affect women on participation in micro-financing.

4.6 .1 Testing the null hypothesis

Testing the significance relationship between culture and women participation in microfinancing has been presented in table 4.10

Table 4.10: Pearson correlation between influence of culture on women participation in micro-financing

		Culture	Women participation in micro-financing
Culture	Pearson Correlation	1	.083
	Sig. (2-tailed)	.	.151
	N	140	140
Women participation in micro-financing	Pearson Correlation	.080	1
	Sig. (2-tailed)	.151	.
	N	140	140

Table 4.10 shows that there was a positive Pearson correlation at 0.083 between culture and women participation in micro-financing. This implies that there is a positive relationship between culture and women participation in micro-financing in Garissa town. The findings therefore rejects the hypothesis that there is no significant relationship between cultural practices and women participation in micro-financing programmes.

The results of this study resonate with earlier studies which had shown that cultural practices affects women participation in micro-financing programmes. A study by Kabeer (1999), Kabeer (1998); Goetz and Gupta (1996); Rahman (1999) and Todd (1996) established that patriarchal culture is dynamic and thus exercises constraints in different contexts, in varied forms and at various stages in the empowerment process. Other studies have also shown that in South Asia and parts of Latin America, most women use loans for their husband's activities (Goetz and Gupta 1996; Basnet 1995). Similarly, Kabeer (1998) found that micro-finance has been effective in increasing incomes and assets, although certainly not in the poorest households. Women tend to spend income, when they do control it.

4.7 Personal characteristics affecting women participation in micro financing

The other objective of the study was to establish the effect of personal characteristics that affect women from participation in micro- financing. Some of the personal characteristics that were investigated by the study are, the level of education, Religious affiliation, political affiliation and social networking.

4.7.1. Effect of education on women participation in micro-financing

The study sought to establish the extent to which one's level of education influence women participation in micro-financing. The results show that is 87% of the respondents said that education level determines woman's financial management capabilities.

4.7.2 Effect of religious affiliation on women participation in micro-financing

The study also sought to establish the effect of religious values and beliefs on women participation in micro- financing programmes. The respondents were asked to indicate the extent

to which they feel whether religion affect women participation in micro-financing. The results are as presented in Table 4.11

Table 4.11 The extent to which religious affiliation affect women participation in micro-financing programmes

Factor	Greatly contribute GC	Least contribute LC
• Leadership position	70	30
• Participation in decision making	60	40
• Women in clergy	40	60

Table 4.11 shows that leadership position and participation in decision making contribute greatly women participation in micro financing. This implies that those women in leadership position are more likely to participate in taking loans than those not in religious leadership positions. The other factor is participation in decision making in the religion groups, such participation encourages women to take personal decisions on financial management.

The respondents were also asked to indicate whether religion plays any role on issues of women economic empowerment. The results show that, 80% of the respondent said that religion plays a significant role while 30% saying that it does not play any role. Among those who said that it plays a role said that religion affiliation gives them a chance to join women group hence get advice on financial management.

4.7.3 Effect of political affiliation on women participation in micro-financing

On effect of political affiliation on women participation in micro-financing Table 4.12 summarizes the results.

Table 4.12 The extent to which political affiliation affect women participation in micro-financing programmes

Statement	Yes	No
Do you vote in general elections	90	10
Do you vote for somebody of your choice	80	20
Do you campaign for somebody of your choice	60	40

Table 4.12 shows that 90% of women said that they vote in elections and 80% of the respondents said that they vote for somebody of their choice. The study also established that 60% of the respondents involve themselves in campaigning for the candidate of their choice while 40% of women do not campaign for somebody of their choice. This is an indication that women are not fully independent on matters of politics. The respondents were also asked to indicate whether women should contest in elections. The results show that 95% of the respondents said that women should participate in elections and 5% said that women should not participate.

4.8 Effect of social networking on women participation in micro-financing

On social networking the respondents were asked to indicate whether they belong to any women group association. The study established that only 30% of women are members of women

groups. This is an indication that majority of women are not members of women groups that create sense of belonging, self esteem hence giving them chance to acquire loan.

4.8.1 Testing the relationship between personal characteristic and women participation in micro-financing

The study sought to establish the relationship between personal characteristics and women participation in micro-financing. The results are as in table 4. 13

Table 4.13: Pearson correlation between personal characteristics and women participation in micro-financing

		Personal Characteristics	Women participation in micro-financing
Personal characteristics	Pearson Correlation	1	.092
	Sig. (2-tailed)	.	.161
	N	140	140
Women participation in micro-financing	Pearson Correlation	.092	1
	Sig. (2-tailed)	.161	.
	N	140	140

Table 4.13 shows that there is a positive correlation between personal characteristics and women participation in micro-financing. The results show that there was a positive Pearson correlation at 0.092 between personal characteristics and women participation in micro-financing.

On line with personal characteristics a study by Riria cited Ngunjiri, (2010) had indicated that Religion sometimes preaches low value of women and recognized three factors that affect women access to resources: lack of financial resources, socialization from culture and religion that dehumanizes women and literacy levels and indication that religious affiliation affects

women participation in micro-financing. Another study by UN 1995 cited Muia and Otiende, (2004) also established that education as one of personal characteristics is crucial in changing the status of women and improving their empowerment an implication that the level of education affects women's economic participation through determining both the livelihood of women's labor force participation and their competitiveness of labour market.

The findings of this study are in line with Malhotra, (1997) who also established that education is a important tool for controlling the social environment by providing guidelines to analyze information, control environment and protect them from violence hence enhancing women's well-being and reduces violence against them, giving them a more autonomy in shaping their lives. It also improves their status within the family and gives them a greater voice in household decisions including financial decisions (Digummarti and Digummarti, 1999)

On social networking the findings of this study mirrors the findings of Peterson and Hughey, (2004) who established that women participation in community issues provides chances to women for their empowerment. It also encourages individuals to develop collective consciousness and motivation for action. Social networking provides women with a window of opportunities to discuss their issues and to work out their solution. In other words neighborhoods, churches, religious groups and voluntary associations provide pattern for empowering individuals (Peterson and Hughey, 2004).

4.9 The effect of legal and regulatory framework on women participation in micro-financing

The other objective of the study was to establish the legal and regulatory framework that affects womens participation in micro-financing programmes. One of the aspects of the legal framework is awareness of one's right. The respondents were asked to indicate whether they are aware that

they have equal right of share of property with men. The results shows that 65% of the respondents said that they do not have equal right of share of property with men and 35% of the respondents said that they are aware that they have equal rights of share of property, through further probing the study established that 20% of the respondents said that they are aware that the Kenyan constitution supports women ownership of property while 80% said that they are not aware of such rights in the constitution. This is an indication that despite Kenyans overwhelmingly passing the new constitution, majority of women are not aware of their rights to own property which they could use as collateral in borrowing loans from micro-financing institutions.

4.10 Respondent’s opinion on legal framework that affect women participation in micro-financing

Other than the personal awareness of the rights to the ownership of the property for economic development, the respondents were asked to indicate the legal framework that enhances women economic empowerment. The results are as in table 4.14

Table 4.14 Respondent’s opinion on legal framework that affect women participation in micro-financing

Legal framework	Yes	No
Company policies	60	40
Bank policies	50	50
Acts of parliament	90	10
Constitution	95	5
By-laws	45	55

Table 4.14 indicates that company policies, bank policies, acts of parliament and constitution are some of the legal frameworks that affects women participation in micro-financing. For instance the bank policies especially the one that requires women to produce any property to gaurantee them when applying for loan denies women a chance to get loan since they do not have such property in a male domineering society.

4.10.1 The legal factors that mostly affect women participation in micro-financing

The study also sought to establish other legal factors that mostly affect women economic empowerment. Such factors are as in table 4.15 using likart scale of 5= strongly Agree, 4=agree, 3=Neutral, 2=Disagree, 1 =strongly disagree

Table 4.15 The legal factors that mostly affect women participation in micro-financing

Factor	Mean	Standard deviation
Property ownership	4.3	1.9
Inheritance	4.1	1.6
Societal perception	3.5	1.99
Domestic violence	4.3	1.3
Lack of participation in decision making	4.5	1.0

Table 4.15 shows that all the factors had a mean of over 3.5 hence respondents agreed or strongly agree to the statements that property ownership, inheritance, societal perception, domestic violence and lack of participation in decision making are the factors that mostly affect women participation in micro-financing programmes.

4.10.2 Pearson correlation between influence on legal framework and women participation in micro-financing

In order to establish whether there is any relationship between legal framework and women participation in micro-financing, pearson coefficient correlation was carried out the results were as in Table 4.16

Table 4.16 : Pearson correlation between influence on legal framework and women participation in micro-financing

		Legal framework	Women participation in micro-financing
Legal framework	Pearson Correlation	1	.098
	Sig. (2-tailed)	.	.101
	N	140	140
Women participation in micro-financing	Pearson Correlation	.098	1
	Sig. (2-tailed)	.101	.
	N	140	140

* *Correlation is significant at the 0.05 level (2-tailed).*

The findings revealed that there was a positive Pearson correlation at 0.098 between legal framework and women participation in micro-financing. The level of 0.098 is higher than the level of correlation significance of 0.05; therefore there is a positive relationship between legal framework and women participation in micro-financing hence rejection of the hypothesis that there is no relationship between legal framework and women participation in micro-financing.

The results of this study concludes with the findings K'Obonyo, et al., (1999) who established that there are several legal and regulatory factor such as registration of business names; obtaining

licenses; adhering to statutory requirements and contracting which affect women participation in micro-financing programmes. Due to the aforementioned factors, women entrepreneurs are the least prepared to engage in contractual processes key to doing business in Kenya. Contracts involve long legal processes such as leasing, drawing up business contracts, legal representation and other aspects which place the woman entrepreneur in a disadvantaged position. Most MSEs find these processes lengthy and time consuming, thus they cannot grow or expand their enterprises.

CHAPTER FIVE
SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSIONS AND
RECOMMENDATION

5.1 Introduction

This chapter summarizes the findings of the study and presents, discussions, conclusions, recommendations and suggestions for further research.

5.2 Summary of findings

Microfinance firms act as tools of women economic empowerment. This study therefore was set establish to assess the factors affecting women in participation in micro-financing. The objectives of the study focused on the effect of culture, personal characteristicst and legal framework on women participation in micro-financing. The study adopted a descriptive survey design and the data was collected by use of a questionnaires and interview guide for key informant who included the Bank Managers. The target population consisted of 240 women entrepreneurs who operate small businesses in Garissa town and the sample size comprised 148 respondents.

Through data analysis the study established that; Majority of women owning SMEs in Garissa town are aged between 39-48 years, an indication that women below 39 years have not accumulated capital to start their own business. It also established that 70 % women owning businesses in Garissa town are married followed by those who are either single or divorced. Those who are separated or widowed constitute the least group in that order. This implies that husbands plays a major role in establishing businesses for their wives as shown by the majority of the married women participating more in business.

On the extent to which women participate in micro-financing programmes the study established that 32% of the respondents have ever borrowed loan with a majority 68% having not participated in borrowing loan. This is an indication that majority of women operating SMEs in Garissa town do not participate in borrowing loans. The study further indicates that even those who participate in borrowing loan the frequency of borrowing loans is low as attested by 41.1% who borrowed loan once with the rest, 31% and 27.9% borrowing loan twice and more than two times respectively.

On cultural factors the study established that there are several cultural factors such as, women having no right to own property, women being treated as property, male chauvinism, Marriage style, family size, gender stereotype, Women's negative attitude, family type and inheritance practices which affects women participation in micro-financing.

The study also established that there are personal characteristics such as one's level of education as attested by 87% of the respondents, religious affiliation, political affiliation and social networking which affect women participation in micro-financing.

On legal framework, the study established that 65% of the respondents said that they do not have equal right of share of property. Through further probing the study established that 20% of the respondents said that they are aware that the Kenyan constitution supports women ownership of property while 80% said that they are not aware of such rights in the constitution. This is an indication that despite Kenyans overwhelmingly passing the new constitution, majority of women are not aware of their rights to own property which they could use as collateral in borrowing loans from micro-financing institutions.

5.3 Discussion of the findings

The research findings of the factors affecting participation of women in microfinancing in Garissa town found that education been one of the issues, the findings on borrowing indicating that 32% of the respondents said that they borrow loan and 68% said that they do not borrow loan. This is an indication that majority of women operating SMEs in Garissa town do not participate in borrowing loans. Among those who took loan, 41.1% of the respondents said that they have ever borrowed loan once, 31% of them said that they borrowed twice and 27.6% said that they borrowed more than two times. This implies that even those who borrow loans the majority of them have done it once. This results mimicks the earlier studies which indicated that the Kenyan government admitted that women entrepreneurs have not been on an equal footing when it comes to their access to opportunities and assets (Athanne, 2011).

On the effects of culture, the null hypothesis was tested to see whether there were correlation significance between personal characteristics and women participation in micro-financing in Garissa town. The results shows that there was a positive Pearson correlation at 0.092 between personal characteristics and women participation in micro-financing .On line with a study by Riria cited Ngunjiri, (2010) had indicated that Religion sometimes preaches low value of women and recognized three factors that affect women access to resources: lack of financial resources, socialization from culture and religion that dehumanizes women and literacy levels and indication that religious affiliation affects women participation in micro-financing. Another study by UN 1995 cited Muia and Otiende, (2004) also established that education as one of personal characteristics is crucial in changing the status of women and improving their empowerment an implication that the level of education affects women's economic participation through determining both the livelihood of women's labor force participation and their

competitiveness of labour market. The findings of this study are in line with Malhotra, (1997) who also established that education is a important tool for controlling the social environment by providing guidelines to analyze information, control environment and protect them from violence hence enhancing women's well-being and reduces violence against them, giving them a more autonomy in shaping their lives. It also improves their status within the family and gives them a greater voice in household decisions including financial decisions (Digummarti and Digummarti, 1999).

The findings of the factors on legal and regulatory environment revealed that there was a positive Pearson correlation at 0.098 between legal framework and women participation in micro-financing. The level of 0.098 is higher than the level of correlation significance of 0.05; therefore there is a positive relationship between legal framework and women participation in micro-financing hence rejection of the hypothesis that there is no relationship between legal framework and women participation in micro-financing.

The results of this study concludes with the findings K'Obonyo, et al., (1999) who established that there are several legal and regulatory factor such as registration of business names; obtaining licenses; adhering to statutory requirements and contracting which affect women participation in micro-financing programmes. Due to the aforementioned factors, women entrepreneurs are the least prepared to engage in contractual processes key to doing business in Kenya. Contracts involve long legal processes such as leasing, drawing up business contracts, legal representation and other aspects which place the woman entrepreneur in a disadvantaged position. Most MSEs find these processes lengthy and time consuming, thus they cannot grow or expand their enterprises.

5.4 Conclusion

The foregoing discussion shows that despite the proliferation of the micro-financing institutions and the government of Kenya coming up with programmes such as the women fund. The number of women participating in microfinancing is low. This study has established that these low participation of women in micro-financing is attributable to cultural factors such as male chauvinism, males domineering in property ownership and women being considered as property by their husbands. Others include Personal characteristics such as age, level of education, political affiliations social networking ; religious affiliation ; legal and regulatory framework.

5.5 Recommendations

In the view of the research findings, the research recommends the following:

1. The government agents should be more active on training the women on need to take loans for economic development
2. The study also recommends that women should be made aware of their constitutional right to own property. This would encourage them to acquire property through inheritance from the parents.
3. The other recommendation micro-finance institutions to is that women should be encouraged to join many women groups geared towards investment. This would enable them get economically empowered by participating more on loan borrowing.
4. .The government and micro-financial institutions ought to come up with policies that empower women economically by emphasizing on loan borrowed.

5.6. Suggestions for further research

Based on the findings of the study the researcher makes the following suggestions for further research;

1. A research need to be done on the determinants of women economic empowerment in Kenya for comparative purpose.
2. A study also needs to be conducted on the coping mechanisms that women employ to survive economic times in business.

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APPENDICES

APPENDIX A

TRANSMITTAL LETTER

Salome Jelagat chemjor

P.O. BOX 38

Garissa.

Dear Respondents

RE:RESEARCH QUESTIONNAIRE

I am a postgraduate student in the Masters of Arts in Project Planning and Management of the University Of Nairobi. As part of my course requirement, am currently writing a research project in the relevant field.

Am conducting an investigation on the factors that affect women participation in micro-financing programmes in Garissa town. I kindly request you to take your time to complete this questionnaire.

Attached herewith is a copy of the questionnaire that I kindly request you to take some time and complete. The information you will provide in the questionnaire is for academic purpose and the results will lead to improved participation of women in microfinancing system.

Thanking you in advance for your cooperation and participation to this academic effort.

Thank you.

Salome J. Chemjor

email: salomechemjor2004@yahoo.com

Cell phone: 0720248988

APPENDIX B:

QUESTIONNAIRE FOR WOMEN PARTICIPATING IN SME

Section I: Personal details

1. Highest level of education attained
 - a. Primary
 - b. Secondary
 - c. Certificate
 - d. Diploma
 - e. Bachelor Degree
 - f. If any other specify_____
2. Age bracket
 - a. Between 18-28 yrs
 - b. 29-38 yrs
 - c. 39-48 yrs
 - d. 49-58 yrs
 - e. Above 58 yrs
3. Marital status
 - a. Married
 - b. Single
 - c. Divorced
 - d. Separated
4. State your *business working experience in years* from the given range of choice below?
 - a. Less than 5 years
 - b. Between 6 - 10 years
 - c. Between 11-15 years
 - d. Over 16 years
 - e. Others specify-----

Section II: Factors influencing women participation in micro-financing programmes

5. Family size

- a. Less than 3
- b. 4-5
- c. More than 5

6. What sector is your business in?

- a. Trade
- b. Production
- c. Services
- d. Hand-craft

7. Number of employees in the enterprise?

- a. Less than 5
- b. 6-10
- c. 11-15
- d. more than 15

8. What is the legal ownership status of the establishment?

- a. Sole ownership
- b. Joint ownership
- c. Family business
- d. Cooperative
- e. Other (specify) _____

9. Why did you prefer to start your own business?

- a. Family tradition
- b. Small investment is required
- c. To be self-employed
- d. No other alternative for incomes
- e. Brings high income
- f. Others (Specify) -----

10. Who initiated and started the business?

- a. Myself alone
- b. With the family
- c. With a friend/partner
- d. other (specify)

11. How did you acquire the skill for running your enterprise?

- a. Through formal training
- b. B) From past experience
- c. From family
- d. other (specify)

12. Is there anyone in the family who was entrepreneur or owner of some related business activities?

- a. Yes
- b. No

13. If yes, what is your family relation with him/her?

- a. Father
- b. Mother
- c. Brother
- d. Sister
- e. Grandfather
- f. Grandmother
- g. Husband
- h. Other (specify)

14 What was your main source of start-up funding?

- a. Personal saving
- b. household
- c. Borrowed from relatives or friends/money lenders
- d. Micro-finance institutions

- e. Assistant from friends/relatives
- f. Inheritance
- g. Borrowed from Bank
- h. Assistant from NGO's
- i. Others (specify) _____

Carefully read each of the following statements and decide how strongly you agree or disagree with each of the statements, using 5-point likert rating scale where each is rated as numbered in the given key that ranges from: (1-2-3-4-5) given as: Strongly Agree-1; Somewhat Agree-2; Neutral-3; Somewhat Disagree-4; Strongly Disagree-5,

Please indicate your level of agreement with the statements given below on factors affecting women participation in micro-financing programmes

Where: **5- Strongly Agree** **4-Agree** **3--Neutral**
 2-Disagree **1-Strongly Disagree**

	1	2	3	4	5
Women have no right to ownership of property in African married family life and therefore they face challenges of lack of property equivalent to required collateral value for credit access.					
Women in African married family life are by themselves treated as property together with the children are owned by the man (husband), therefore without permission she has no authority to attach any family property including her own earned income to any collateral value for credit access.					
Single women are free to enter into any bank produce their property including their own earned income as a collateral monetary value for credit access.					

Most of the commercial banks chief executives are male dominated and as financiers' they do not value or trust women with large sums of money So they have negative attitude on women enterprises' access to credit					
The commercial banks financiers' do not trust women with bank loans because the women have no right to own land and get a title deed.					
women lack loan repayment or recovery strategy. The financiers have negative attitude on women enterprises' access to credit					
The financiers' do not trust women with vigorously operating business enterprises that could earn enough profits to enhance adequate funds for a stable Commercial Bank Loan's repayment or recovery strategy. Therefore, the financiers have negative attitude on women enterprises' access to credit from financial institutions.					
Men in the African traditional society are superior over women and therefore, it is men who have been authorised to possess property such as land, title deeds, animals, children and the wife who belongs to the women group enterprises or go it alone as a sole woman business proprietor so in married family life women lack access to credit overshadowed by husbands.					
However, single, windowed, or more educated women who are free from male domination in married family life relationships have been able to break out of this dominion of gender stereotyped intimidation and have proved to be more productive than men in their business enterprises.					
Although men in the African traditional society are said to be superior over women, currently women have been proved to be more aggressive in business and efficient in commercial bank loans' credit recovery or repayment than their male counterparts.					
The level of education etermines women ability to participate in micro-financing programmes					

Do women possess legal rights to jointly own household assets? Such as bank account, insurance policy, farm equipment and livestock, etc..					
Women age determines their ability to participate in micro-financing programmes					
Lack of proper legal regulations hinders women from participating in micro-financing programmes					

Other factors affecting women participation in micro-financing programmes

Table 4.3. The cultural factors that affect women economic empowerment

Where 5 means strongly agree, 4 Agree, 3, disagree, 2, strongly disagree and 1 neutral

Factor	1	2	3	4	5
Marriage style					
Family size					
Clan system					
Child bearing					
Gender stereotype					
Male dominance					
Tradition African belief					
Ones religion affiliation					
Inheritance practices					
Family type					
Ones marital status					
Family responsibility					
Women's negative attitude					

**Indicate whether the following legal framework factors affect women participation in
Micro-financing**

Legal framework	Yes	No
Company policies		
Bank policies		
Acts of parliament		
Constitution		
By-laws		

Indicate the extent to which the following factors women participation in micro-financing

Where 5 means strongly agree, 4 Agree, 3, disagree, 2, strongly disagree and 1 neutral

Factor	1	2	3	4	5
Property ownership					
Inheritance					
Societal perception					
Domestic violence					
Lack of participation in decision making					

APPENDIX C:

THE KEY INFORMANT INTERVIEW GUIDE

1. Name of your organization? Is your organization involved in giving loan to SME women entrepreneurs?
2. What motivate your organization to offer loan to SME SME women entrepreneurs?
3. Do you carry out sensitization programmes before offering loan?
4. Are the women entrepreneurs aware of your organization in the area?
5. Do you have maximum amount of money you can give to women entrepreneurs?
6. Do you make some follow-up to establish whether the money was use for the purpose it was borrowed for?
7. In your own opinion, why do you think women shy away from taking loan for your organization?
8. What do you think can be done to motivate women entrepreneurs to take up loans form your organization?

APPENDIX D:

Table for determining sample size from a given population.

N	S	N	S	N	S
10	10	220	140	1,200	291
15	14	230	144	1,300	297
20	19	240	148	1,400	302
25	24	250	152	1,500	306
30	28	260	155	1,600	310
35	32	270	159	1,700	313
40	36	280	162	1,800	317
45	40	290	165	1,900	320
50	44	300	169	2,000	322
55	48	320	175	2,200	327
60	52	340	181	2,400	331
65	56	360	186	2,600	335
70	59	380	191	2,800	338
75	63	400	196	3,000	341
80	66	420	201	3,500	346
85	70	440	205	4,000	351
90	73	460	210	4,500	354
95	76	480	214	5,000	357
100	80	500	217	6,000	361
110	86	550	226	7,000	364
120	92	600	234	8,000	367
130	97	650	242	9,000	368
140	103	700	248	10,000	370
150	108	750	254	15,000	375
160	113	800	260	20,000	377
170	118	850	265	30,000	379
180	123	900	269	40,000	380
190	127	950	274	50,000	381
200	132	1,000	278	60,000	382
210	136	1,100	285	100,000	384

N is population size, S sample size

Source: Krejcie R.V. and Morgan D. (1970).