

**CHALLENGES FACING GROWTH OF SMALL AND MEDIUM ENTERPRISES OWNED
BY WOMEN IN KURIA WEST SUB-COUNTY, MIGORI COUNTY.**

BY

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**A RESEARCH PROJECT SUBMITTED FOR PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF A MASTER OF ARTS DEGREE
IN PROJECT PLANNING AND MANAGEMENT.**

UNIVERSITY OF NAIROBI.

2016

DECLARATION

This research project is my own original work and has never been presented for a degree or other award in the university.

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L50/83658/2015

This research project has been submitted for examination with my approval as the university supervisor.

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DEDICATION

I dedicate this research project to my wife Etambo Phelesters and our three children Cynthia, Ashley and Bravin for the patience and moral support. In addition, I wish to dedicate this to my father Mzee Chacha Magwi and my mother Anna Gati for their financial support.

ACKNOWLEDGEMENT

I thank the University of Nairobi for developing courses that are relevant in the contemporary world.

I acknowledge greatly the guiding support of my supervisor, Dr Moses Otieno for his great supervisory guidance. I deeply acknowledge the emotional and moral support from my father, mother brothers, sisters and members of staff of Ikerege Mixed Secondary school for offering a shoulder to lean on at times of turmoil.

I wish also to appreciate the effort of my various course lecturers, who offered a tireless assistance to ascertain that my work met qualifications of an academic paper. The lectures include; Mr Onuonga G. Odhiambo, Mrs Awino, Mr Magutu, Mrs Isanda and Mr Mesa

Moreover, its crucial to recognise the role played by my classmates; Omwenga David, Njogu James, Maera Martha, Kerubo Lucy and Mwita Samson for positive criticisms that led to a though checking and review of this work.

In addition to this, I recognize the effort of Mr Mwita Benson, Mr Chacha Joel and Mr Makubo Merama for their words of encouragement that made the register for this course.

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ABBREVIATION AND ACRONYMS

SMEs-Small and Medium enterprises

MSEs-Medium and small enterprises

BDS-Banks & development savings

POT-Perking order theory

HEP-Household economic portfolio

LRA-Lord's resistance army

ICT-Information communication technology

SPSS-Statistical packages for social sciences

KWFT-Kenya women finance trust

ABSTRACT

Most women in the SMEs are the sole bread winners of their families, having lost their husbands to either HIV/AIDS pandemic, drinking related illnesses or political violence. This leaves them with an uphill task of solely bringing up their families which are usually large. Migori County is located 385km South West of Kenya. The area of the study was Kuria West sub-county in Migori County. The research was guided by four core objectives : to investigate whether security influences the growth of SMEs owned by women in Kuria West sub-county in Migori county, to assess how education and technical training influences the growth of SMEs owned by women in Kuria Wes sub-county in Migori county, to examine how access to finance influences the growth of SMEs owned by women in Kuria Wes sub-county in Migori county and to investigate how cultural factors affects growth of SMEs owned by women in Kuria Wes sub-county in Migori county. The research was seeking to understand better the challenges that women face in owning and operating their SMEs businesses to make good returns. The finding of the study should be able to provide strategies and solutions to the challenges facing women owned SMEs. The researcher expects that the findings from the study should help even the general public and entrepreneurs to understand better and make better decision when it comes to investments in SMEs. The recommendations arrived at should help the women in SMEs to come up with simple better and more flexible management skills to make it easy for management. The sample size consisted of 76 SMEs that were owned by women across the four urban centres (Kehancha, Nyamaharaga, Maberu and Masaba) of Kuria West sub-county out of a total of 375 women owned SMEs which are registered by the Migori county government in Kuria west sub-county. The respondents were selected using simple random sampling. Questionnaires and interview schedules were used as research instruments. On validity of instruments, content validity was used. Data analysis technique was descriptive statistics

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Small- and medium-sized enterprises (SMEs) are considered the pillar of growth of economy in most developing countries. In developed countries, SMEs have historically played a vital role in creating jobs, spurring innovations, and creating new products, and thus contributed to economic vitality and growth. According to the Economic Survey (2006), the sector contributed over 50 percent of new jobs created in the year 2005 in Kenya. Taking these experiences into account, the county governments should not overlook the importance of promoting SMEs in the same regard. However, considering the situation of most counties, there are several barriers that have to be removed in order for SMEs to do well. Despite their significance, past statistics indicate that three out of five businesses fail within the first few months of operation (Kenya National Bureau of Statistics, 2007). Potential clients perceive SMEs as lacking the ability to provide quality services and are unable to compete with the already established companies.

There are risks involved in venturing in SMEs i.e. there is a possibility of success as well as failure. There are various factors that hinder the growth and development of SMEs in developing countries. Lack of planning, improper financing and poor management have been posited as the main causes of failure of small enterprises (Longenecker, *et al.*, 2006). King and McGrath, 2002 postulates that education is one of the key factors that affect the growth of SMEs. Those entrepreneurs with larger stocks of human capital, in terms of education (or) vocational training, are better placed to adapt their enterprises to constantly changing business environments (King and McGrath, 1998).

Women constitute around half of the total world population. The focus of women's' role in development has evolved over a long period of time in traditional societies; they were confined to performing household activities. In modern societies, they have come out to participate in all sorts of activities. The global evidence buttress that women have been performing exceedingly well in different sphere of activities like academics, politics administration, social work and so (Khanka, 1999). Key informants confirmed findings from the literature – that women are predominantly found in informal, micro level, and low-growth sectors, and encounter high competition while earning subsistence incomes. Seriously encumbered by their low levels of education, women are unable to find employment in the formal, private sector, and are the first to lose their jobs in retrenchment exercises. Of necessity, they are driven into entrepreneurial activities. Their business opportunity identification tends to reflect their traditional roles in food production, sewing, crafts, small-scale farming, and small-scale cooperative production. These activities are “somewhat” culturally acceptable. Several key informants stated that many women lack exposure and socialization, which restrict their ability to identify higher growth potential business ventures. They are likely to be operating in groups from home, and often lack social, cultural and business support for their role as entrepreneurs. In Kenya the number of women participating in development keeps on increasing since the enactment of the new constitution in 2008.

In Asian, as in any other part of the world, though the entrepreneurial process is the same for men and women, there are however, in practice, many problems faced by women owned SMEs, which are of different dimensions and magnitudes, which prevent them from realizing their full potential as entrepreneurs. Entrepreneurship by definition implies being in control of one's life and activities. It is precisely this independence that societies in the region have denied women. According to Sinhal (2005), the situation is more critical in South Asian countries, as compared to other parts of Asia. The

business environment for women, which reflects the complex interplay of different factors (e.g. psychological, social /cultural, religion, economic and educational factors) in the South Asian region ultimately results in the disadvantaged status of women in society. Women remain far behind men in enjoying freedom and other basic human rights, let alone participating with men on an equal footing in economic activities.

In Bangladesh, for instance, a large number of women Owned SMEs are operating on an informal basis and they are not identified in the country's economy. These SMEs lack the basic forms and information, marketing opportunities, regulatory and social supports (ADB, 2001). In Nepal and Sri Lanka, problems faced by women owned SMEs are mainly low access to credit and marketing networks, lack of access to land and property and reduced risk-taking capacity, lack of access to modern technology, lack of personal security and risk of sexual harassment, severe competition from organized units both in the domestic as well as the international markets, low level of self-confidence, and social and cultural barriers such as exclusive responsibility for household work, restrictions on mobility (ADB, 1999a,b).

In Ghana, women owned SMEs face challenges. Women's entrepreneurship literature (Brush 1992; Crampton and Mishra 1999; Kitching, Mishra and Shu 2005; OECD 1998, 2004; UNIDO 1995; 2001) has identified a number of challenges that women owned SMEs face such as infrastructure barriers, social and cultural barriers, educational and occupational barriers, role barriers and behavioral barriers. UNIDO (1995) pointed out a variety of constraints or barriers women owned SMEs normally encounter, which affect their ability to upgrade their production continuously. These include poor access to market information, technology and finance, poor linkages with support services and an unfavorable policy and regulatory environment. It has been observed that the

reduction in these problems results in the greater success of women owned SMEs (Kitching et al. 2005; OECD 2004; UNIDO 2001),

In Tanzania, one the East African countries, Women in the SMEs sector face a number of serious challenges. Among these are: gender-blind or gender-insensitive, macroeconomic policies, complex tax policies and compliance procedures, gender-based inequalities in employment policies and complex business registration and licensing procedures for the smallest micro-enterprises (where the majority of women are found), lack of cultural acceptance for the role of entrepreneurship for women, limited access to appropriate business premises, limited access to BDS, lack of collateral due to property ownership practices, lack of access to term loans and sufficient working capital to meet their needs , and the limited organizational and management capacity among women's advocacy groups (UDEEC, 2002). In addition, women face a number of gender-related problems: a lack of property rights over assets, lack of confidence in women by bank officers, discouragement from men when starting or formalizing businesses, social restrictions regarding networking with men in business; and suppliers sometimes insisting that they deal with the entrepreneur's husband when decisions are being made (ILO, 2003).

There are few research and scholarly studies about the SMEs sector in Kenya. The 1999 National Baseline Survey conducted by Kenya National Bureau of Statistics, ICEG and K-Rep Holdings provides the most recent comprehensive analysis of SMEs in Kenya. The growth of the economy as a whole has a strong relationship with the growth and nature of micro and small enterprise sector (Mead, 1998)

According to ILO study carried out by Steven son and St-ONge (2005), there are three profiles of women entrepreneurs operating SMEs in Kenya, namely those in Jua Kali micro-enterprises, "very

small” micro-enterprises and “small-scale” enterprises. These are differentiated by their demographic profiles, extent of previous business experience, needs, access to resources and growth orientation. Most of the rural women provide for their families through subsistence farming and other agricultural activities supplemented by petty trade or micro enterprises. Women owned businesses are known for their low start up and working capital (Siwadi et al 2011, Glen 2003) note that under normal circumstances women’s enterprises have low growth rate and limited potential partially due to the type of business activities they run. Women owned SMEs face many problems. Kimathi (2009) emphasize that small businesses are held back by tough local conditions some of them are unable to raise huge collaterals demanded by banks as a condition to access loans. This has created an impression that they are too big for microfinance institutions but too small for conventional banks.

When the state of the macro economy is less favorable, by contrast, the opportunities for profitable employment expansion in SMEs are limited. This is true especially for those SMEs that have linkages to larger enterprises and the economy at large. Given this scenario, an understanding of the dynamics of SMEs is necessary not only for the development of support of SMEs programmes, but also for the growth of the economy’s growth as a whole.

Given the importance of small and medium enterprises owned by women to the national government and counties government economy and the exposure to risks owing to their location, there is need to conduct a research to investigate the challenges SMEs owned by women in Kuria West Sub-county, Migori County face and how they manage those challenges.

1.2 Statement of the problem

According to the Economic Survey (2006), the sector contributed over 50 percent of new jobs created in the year 2005. Despite their significance, past statistics indicate that three out of five businesses fail within the first few months of operation (Kenya National Bureau of Statistics, 2007). According to Amyx (2005), one of the most significant challenges is the negative perception towards SMEs. Potential clients perceive small businesses as lacking the ability to provide quality services and are unable to satisfy more than one critical project simultaneously. Often larger companies are selected and given business for their clout in the industry and name recognition alone. Women owned businesses are known for their low start up and working capital (Siwadi et al 2011, Glen 2003) note that under normal circumstances women's enterprises have low growth rate and limited potential partially due to the type of business activities they run

The growth of women owned small and medium enterprises (SMEs) face challenges, the research proposal seeks to find out the challenges facing growth of SMEs owned and by women in Kuria West Sub-county, Migori County. The research will sought to identify why many SMEs owned by women face a lot of constrains as compared SMEs owned by men. The research will also propose how some the challenges can be eliminated for easier and faster growth of women owned SMEs.

1.3 Purpose of the Study

The purpose of the study was to establish the challenges facing growth of small and medium enterprises (SMEs) owned by women in Kuria West Sub-County, Migori County.

1.4 Objectives of the Study

The following objectives guided the study:

1. To investigate whether security influence the growth of SMEs owned by women in Kuria west sub-county, Migori County.
2. To establish out how Education and technical training influence growth of SMEs owned by Women in Kuria west Sub-County, Migori County
3. To establish how access to finance by women owned enterprises influences growth of SMEs Owned by women in Kuria west sub-County
4. To outline out how cultural factors affect growth of SMEs owned by women in Kuria west Sub County

1.5 Research Questions

The study sought to provide answers to the following research questions:

1. To what extent does security influence the growth of SMEs owned by women in Kuria west Sub-county, Migori County?
2. Does the level of education and technical training influence the growth of SMEs owned by in Kuria West sub-county, Migori County?
3. How does access to finance influences growth of SMEs owned by women in Kuria West Sub-County, Migori County?
4. How cultural factors do influences growth of SMEs owned by women in Kuria West Sub-County, Migori County?

1.6 Significance of the Study

The study sought to understand better the challenges that women face in owning and operating their SMEs businesses to make good returns. The finding of the research should be able to provide strategies and solutions to the challenges facing women owned SMEs. The researcher expect that the findings from study will help even the general public and entrepreneurs to understand better and make better decision when it comes to investments in SMEs. The recommendations arrived at will help the women involved SMEs to come up with simple better and more flexible management skills to make it easy for management.

1.7 Limitations of the Study

The following are limitations that the study experienced: The respondents were widely spread making it difficult to reach them effectively. The interviews method used in data collection consumed more time hence, costly. The researcher overcame these limitations by setting time frames for conducting the interviews thereby saving time and money by avoiding repeat visits.

1.8 Delimitations of the Study

The study was limited to Kuria West Sub-County, Migori County which is approximately 32 square kilometers. Questionnaires were issued to women owned SMEs who were selected randomly from a cross section of a population of 376 women owned SMEs spread across the major trading centres of Kuria West Sub-County, Migori County?

1.9 Assumptions of the Study

The study was based on the following assumptions: That all respondents selected cooperated and willingly gave correct information that give accurate, measurable and consistent results. That target groups were not affected by any calamity that could influence the outcome of the study.

1.10 Definitions of Significant terms as used in the research.

Growth of SMEs: change in status in terms of size and financial output.

SMEs: small and medium enterprises

Technical training: the acquisition of basic skills relevant to manage the small scale entrepreneurship

Modern technology: relevant knowledge of using machines and equipment to perform a task.

Cultural factors: Barriers in form of beliefs imposed by a community to both men and women.

1.11 Organization of the Study

Chapter one present the background of the study, the problem, the purpose of the study, objectives of the study the research questions, significance of the study, limitations and delimitations of the study and the definition of significant terms as used in the study. Chapter two presents literature review related to the topic. Chapter three discusses studies on research methodology which includes: research design, target population, sampling procedure, data collection, instrument, reliability and validity of instruments, pilot testing and data analysis.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter involved the review of the existing literature on the topics related to the research problem. The specific areas covered under this chapter are theoretical orientation, empirical review and the conceptual framework that demonstrated how the independent variables relate to dependant variable

2.2 Theoretical Framework

This section addressed the theories that the study was anchored on.

2.2.1 Pecking Order Theory

Myers (1984) and Myers & Majluf (1984) developed the Pecking Order Theory (POT) based on the premise that ‘inside’ management are better informed of the true value of the firm than the ‘outside’ investors. These information asymmetries result in varying costs of additional external finance, as potential investors perceive equity to be riskier than debt. They propose that firms seek to overcome problems of undervaluation arising from information asymmetries, preferring to finance investment projects with internal funds in the first instance. When internal equity is exhausted, firms use debt financing before resulting to external equity. Authors state that the POT is even more relevant for the SME sector because the relatively greater information asymmetries and the higher cost of external equity for SMEs (Ibbotson, Sindelar & Ritter, 2001). Additionally, a common phenomenon in the sector is the desire of the firm owners to retain control of the firm and maintain managerial independence (Jordan, Lowe & Taylor, 1998). These factors suggest that SME owners source their capital from a pecking order of, first, their “own” money (personal savings and retained earnings);

second, short-term borrowings; third, longer term debt; and, least preferred of all, from the introduction of new equity investors, which represents the maximum intrusion. Empirical evidence supports applicability of the POT in explaining the finance of SMEs (Ou & Haynes, 2006). These studies emphasize that small firms rely on internal sources of finance and external borrowing to finance operations and growth, and only a very small number of firms use external equity. A number of studies report that firms operate under a constrained pecking order, and do not even consider raising external equity (Howorth, 2001). Adherence to the POT is dependent not only on demand-side preferences, but also on the availability of the preferred source of financing. The supply of finance depends on many factors, particularly the stage of development of the firm. The most important source of funding for start-up and nascent firms are the personal funds of the firm owner, and funding from friends and family. Howorth (2001), investigated the pecking order, although the theory emerged in other literature: entrepreneurs tend to seek finance first from their own resources, and then friends and families, and then from other sources such as banks. Indeed, the money from family and friends is often essential (and often regarded as quasi-equity by the banks) to unlock support from commercial institutions.

2.2.2 Credit Rationing Theory

One of the most important theories that focused on financing gap analysis is the Credit Rationing Theory by Stiglitz & Weiss (1981). In their formulation, Stiglitz and Weiss (1981) argued that agency problems (a conflict of interest between management (agents) and the shareholders (owners) of the organization) and information asymmetries are the major reason why SMEs have constrained access to finance. They argued that only SMEs know their real financial structure, the real strength of the investment project and the effective intention to repay the debt, that is, firms have superior private

information (asymmetric information). Hence, the bank manager makes decisions under asymmetric information, and operates under a moral hazard and adverse selection risk. Stiglitz and Weiss (1981) explained the choice among different financing sources under conditions of asymmetric information and credit rationing. Asymmetric information can lead to credit rationing conditions by modifying the risk-return distribution; this fact encourages banks to refuse capital for investments and produces divergence between capital demand and supply (Alfo & Trovato, 2006). Constrained access to finance derived from financial institutions' credit rationing behavior might not be efficient because managers work under conditions of asymmetric information. This may result in less profitable investments getting financed while more profitable investments are being left out and thus resulting in adverse selection and moral hazard risks. Therefore, asymmetric information can explain asymmetric of credit among firms with identical characteristics, the lenders not being aware of the exact bankruptcy likelihood for the firms, know only that this likelihood is positive and therefore choose to increase debts' cost. Start-up small firms are more likely to be affected by information asymmetry problems. Deakins, North, Baldock and Whittam (2008), argued those information asymmetries are more acute in new and technology-based propositions. They argued at an early stage, information is limited and not always transparent and assets are often knowledge based exclusive associated with the founding entrepreneur. Especially with manufacturing and technology based firms, entrepreneurs may be reluctant to provide full information about the opportunity because of concerns that disclosure may make it easier for others to exploit. There are some categories of SMEs that will face additional problems due to lack of security, such as young entrepreneurs or those from deprived areas. In addition, there may be asymmetries arising from location as well as sector. For example, owners of SMEs in rural environments may face difficulties with access to bank finance.

2.2.3 Household Economic Portfolio (HEP) Model

The household economic portfolio (HEP) model was introduced by Chen and Dunn (1996). The HEP model was based on important developments in household analysis, such as the emphasis on household as permeable and embedded in wider structures than a bounded unit. Thus, household activities such as consumption and production were influenced by internal as well as external factors. The HEP model consists of three elements: resources, activities, and the circular flows between resources and activities. In particular, households draw on human, physical and financial resources for consumption, production and investment activities. The surplus resources generated by activities then come back to the resource pool that can be controlled individually or jointly by household members. Chen and Dunn (1996), argue that loans from microfinance provide an additional financial resource that households can spend on any activity. The proportions of household loans spent on production, consumption or investment depends on factors such as economic and social constraints, preferences, and intra-household decision processes.

The main advantage of HEP in impact assessment of microfinance is that it can cover the issue of fungibility of credit. In practice, a household can use loans from microfinance for consumption, production and investment. Thus, when focusing only on effects in production activities, impact assessments impose an implicit presumption that all credit provided to households are used solely for production purposes. This is not realistic, although many microfinance service providers restrict loans only for production purposes. With the introduction of circular flows, HEP allows the formulation of hypotheses on impact of microfinance on different sectors of the household economy. In addition, it helps in the prediction of the causes of impacts of microfinance on households, individuals and enterprises (Chen and Dunn 1996).

2.2.4 Grameen Lending Model

It is not until recently that microfinance had gained recognition, thanks to the Nobel Prize winner Yunus Muhammad of the Grameen Bank who came up with the model. The model is based on group peer pressure whereby loans are made to individual groups of four to seven. Group members collectively guarantee loan repayment, and access to subsequent loans is dependent on successful repayment by all group members. Payments are usually made weekly. The groups have proved effective in deterring defaults as evidenced by loan repayment rates attained by organizations such as Grameen Bank, who use this type of microfinance model. The model has also contributed to broader social benefits because of their mutual trust arrangement at the heart of group guarantee system and the group itself often becomes the building block to a broader social network (Ledgerwood, 1999).

2.3 Empirical Review

2.3.1 Women Owned Enterprise

Women entrepreneurs in Kenya are the key to economic growth because they are generating employment. But women owned businesses could contribute more than what they are doing today. A growing amount of research shows that countries that fail to address gender barriers are losing out on significant economic growth. Without increased attention to the gender dimensions of economic development, Kenya is therefore unlikely to meet its growth targets. This therefore demonstrates that addressing gender barriers in Kenya could generate significant economic growth for the country. 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). Women entrepreneurs around the world are making a difference. They contribute numerous ideas and a great deal of energy and capital resources to their

communities, and generate jobs as well as create additional work for suppliers and other spin-off business linkages (Commonwealth Secretariat, 2002). Siwadi and Mhangami (2011) adds that it is undeniable that women entrepreneurs are the major actors in that sector and contributors to economic development and are becoming increasingly visible in the local economies of the developing countries.

According to the 1999 National MSEs Baseline survey, there were 612,848 women in Micro and Small Enterprises (MSEs) in Kenya, accounting for 47.4 per cent of all those in MSEs. The results showed that women tended to operate enterprises associated with traditional women's roles, such as hairstyling, restaurants, hotels, retail shops and wholesale outlets.

2.3.2 Security and growth of SMEs

Insecurity stems from combination of government incapacity, competing security providers and crime. State authorities not only fail to provide security but actively contribute to persistent insecurity. Entrepreneurs rely on informal arrangements and social networks to deal with security threats.

According to a study done by Okot (2013), in Uganda insecurity in the region, one policy maker when asked of the problems SMEs face in accessing business information had this to say: "We try our best but the insecurity caused by the Lord's Resistance Army (LRA) in northern Uganda makes it extremely difficult for SMEs managers to move around searching for information. Even some well trained professionals do not want to come and work in northern Uganda because of the insecurity" (Okot, 2013).

2.3.3 Education and technical training

Education and skills are needed to run micro and small enterprises. Research shows that majority of the lot carrying out micro and small enterprises in Kenya are not quite well equipped in terms of education and skills. Study suggests that those with more education and training are more likely to be successful in the SME sector (King and McGrath 2002). As such, for small businesses to do well in Kenya, people need to be well informed in terms of skills and management. SMEs in ICT appear to be doing well with the sprouting of many commercial colleges offering various computer applications.

Lower education levels put women entrepreneurs in Kenya at a disadvantage compared to men. While gender gap in primary education in Kenya has decreased in recent years, the gap remains high at secondary and tertiary education levels. Lower education does not emphasize entrepreneurship skills. It decreases the chances that women will have the knowledge needed to excel in business, and thereby contribute to the country's overall economic growth. In education, preference is given to boys, thus the educational level of most women entrepreneurs is very low, creating a barrier to them accessing training and other business developments services. (Women entrepreneurs in Kenya, 2008). Lack of sufficient education and training for women is another impediment to micro-enterprise success. Culturally, and especially in the rural setting, the girl child was not given equal opportunity to study like the boys; hence they had limited education and training (if any) which tends to affect effective performance in later life. One woman laments: "We are isolated socially; we lack previous work experience, and access to enterprise information and marketing facilities which the men entrepreneurs acquire. The excessive demand on our time as wives, mothers and 'managers' of the home front due to our chores, make it nearly impossible to successfully operate an enterprise. It is

only by God's grace that we manage to survive. This is besides our position in the family and the structure of power relations. One, who ventures out there to follow the entrepreneurial spirit, does so at the expense of her family."(Women entrepreneurs in Kenya, 2008). In addition, women are usually less educated than men, making them less well equipped to manage a business (Commonwealth secretariat, 2002). Namusonge (2006) noted that entrepreneurial education and training play a key role in stimulating entrepreneurship and self-employment. Despite the presence of Business Development services in Kenya not many women entrepreneurs use it because of cost, access, necessity, or availability (Steven et al 2005).

2.3.4 Access to finance

Lack of access to credit is almost universally indicated as a key problem for SMEs. This affects technology choice by limiting the number of alternatives that can be considered. Many SMEs may use an inappropriate technology because it is the only one they can afford. In some cases, even where credit is available, the entrepreneur may lack freedom of choice because the lending conditions may force the purchase of heavy, immovable equipment that can serve as collateral for the loan. Credit constraints operate in variety of ways in Kenya where undeveloped capital market forces entrepreneurs to rely on self-financing or borrowing from friends or relatives. Lack of access to long-term credit for small enterprises forces them to rely on high cost short term finance. There are various other financial challenges that face small enterprises. They include the high cost of credit, high bank charges and fees.

In Kenya only 1% of women own property and that makes it very difficult for women to provide collateral for banks. Most women who venture into businesses in the rural areas and need financing lack the needed collateral to enable them secure bank loans. Responsibility of entrepreneurs for

dependents has limited opportunities to make savings or undertake business expansion and diversification Athanne (2011). The financial aspects of setting up a business are without doubt the biggest obstacles to women (Zororo 2011, Brush 1992). Women entrepreneurs often lack information about how to get a loan, lack the necessary collateral to obtain one and /or face discriminatory laws or practices related to finance and credit (Common Wealth Secretariat, 2002).

Makokha (2006), adds that women entrepreneurs have financial social demands that compete with business capital, leading to a diversion of capital away from business needs. Kinyanjui (2006), records that some entrepreneurs felt that it was difficult to obtain loans as they had to show credit records and they did not fully understand the requirements of getting and paying loans. 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 SME entrepreneurs only satisfy a fraction of their financial needs (Women Entrepreneurs in Kenya, 2008). Formal financial support is seen to be too expensive for many women entrepreneurs and hence they treat this as a last resort. (Stevenson and St-Onge, 2005).

2.3.5 Cultural factors

Many MFIs target primarily, or exclusively, women. This practice is based on the common belief that women invest the loans in productive activities or in improving family welfare more often than men, who are assumed to consume rather than invest loan funds (Pitt and Khandker, 1998)

African women have some roles ascribed to them by culture. For instance, they are responsible for household tasks and raising of children (Mordi *et al.*, 2010). According to Nnamdi, O. and Anayo, D. (2010), these and other acquired roles often subjugate them into thinking that the big businesses are

for the men and not for them. Even where these women may wish to venture into certain level of business, the responsibilities associated with their ascribed and acquired roles limit such ambitions. They tend not to have the time to even plan and think of such businesses. This view is consistent with the point “too busy to train” expressed by Walker *et al.*, (2007) in the context of SMEs in general.

Another perspective from (Aryeetey *et al.*, 1994; Abor and Biekpe, 2006) argues that Majority of small and medium sized enterprises are female-owned businesses, which more often than not are home-based compared to those owned by males; they are operated from home and are mostly not considered in official statistics. This clearly affects their chances of gaining access to financing schemes, since such programmes are designed without sufficient consideration of the needs of businesses owned by females. These female entrepreneurs often get the impression that they are not capable of taking advantage of these credit schemes, because the administrative costs associated with the schemes often outweigh the benefits.

2.4 Importance of SMEs

Small and Medium Enterprises (SMEs) are viewed as a key driver of economic and social development in the African context. They represent a large number of businesses in a country, generate much wealth and employment and are widely considered to be vital to a country's competitiveness. SMEs are hailed for their pivotal role in promoting grassroots economic growth and equitable sustainable development (Pelham 2000). According to EU (2009), small and medium enterprises (SME) are companies whose resources fall below certain limits; such limits could be staff headcount, turnover or balance sheet.

SMEs are viewed to be a fertile ground with regard to innovation. Their advantages lay in their flexibility and less rigid organizational structures, which on average promotes a higher speed of

response. As a result, SMEs generally contribute to the creation of economic and social value (Crawford, 2003; Lin & Chen 2007). However, their readiness and capacity to develop innovative products and services can be impeded by a common lack of financial strength as well as technical and managerial skills (Gray 2006; Shiu & Walker 2007). Therefore, interventions need to be considered in terms of technological innovations to support new product and services offering, appropriate financial packages to fund the development of such innovations and managerial skills to commercialize the innovations. (Ruth, Margaret & Allan 2013)

Over the past two decades in particular, there has been substantial debate as to how best to maximize the small and medium enterprises' (SMEs) contribution to local economic development in the light of the failure of many financial institutional models and programmes for poverty alleviation (World Bank Group, 2001; Bear *et al.*, 2003). This is due to a major global concern over high level of poverty in Africa and is by far the world's poorest inhabited continent. Success of SMEs will accelerate economic development, and facilitate the gradual, but more effective integration of the developing world, especially Africa, into the global economy.

2.5 Roles of Micro finance institutions

Micro finance institutions are geared to build up impoverished communities, through providing financial services which is a good and effective strategy in combating poverty. According to Ritter (2002), Microfinance is usually understood to entail the provision of financial services to micro-entrepreneurs and small businesses, which lack access to banking and related services due to the high transaction costs associated with serving these categories of clients.

Microfinance gives people new opportunities by helping them to get and secure finances so as to equalize the chances and make them responsible for their own future. It broadens the horizons and

thus plays both economic and social roles by improving the living conditions of the people (Microfinance Radio Netherlands, 2010).

2.6 Conceptual Framework

Mugenda and Mugenda (2003), describes a conceptual framework as a graphical or a diagrammatic representation of the relationship between variables in a study. This is because it allows the researcher to see the proposed relationship between the variables easily.

In the study, the conceptual framework was based on four independent variables that were assumed to be the challenges facing women owned SMEs.

CONCEPTUAL FRAMEWORK

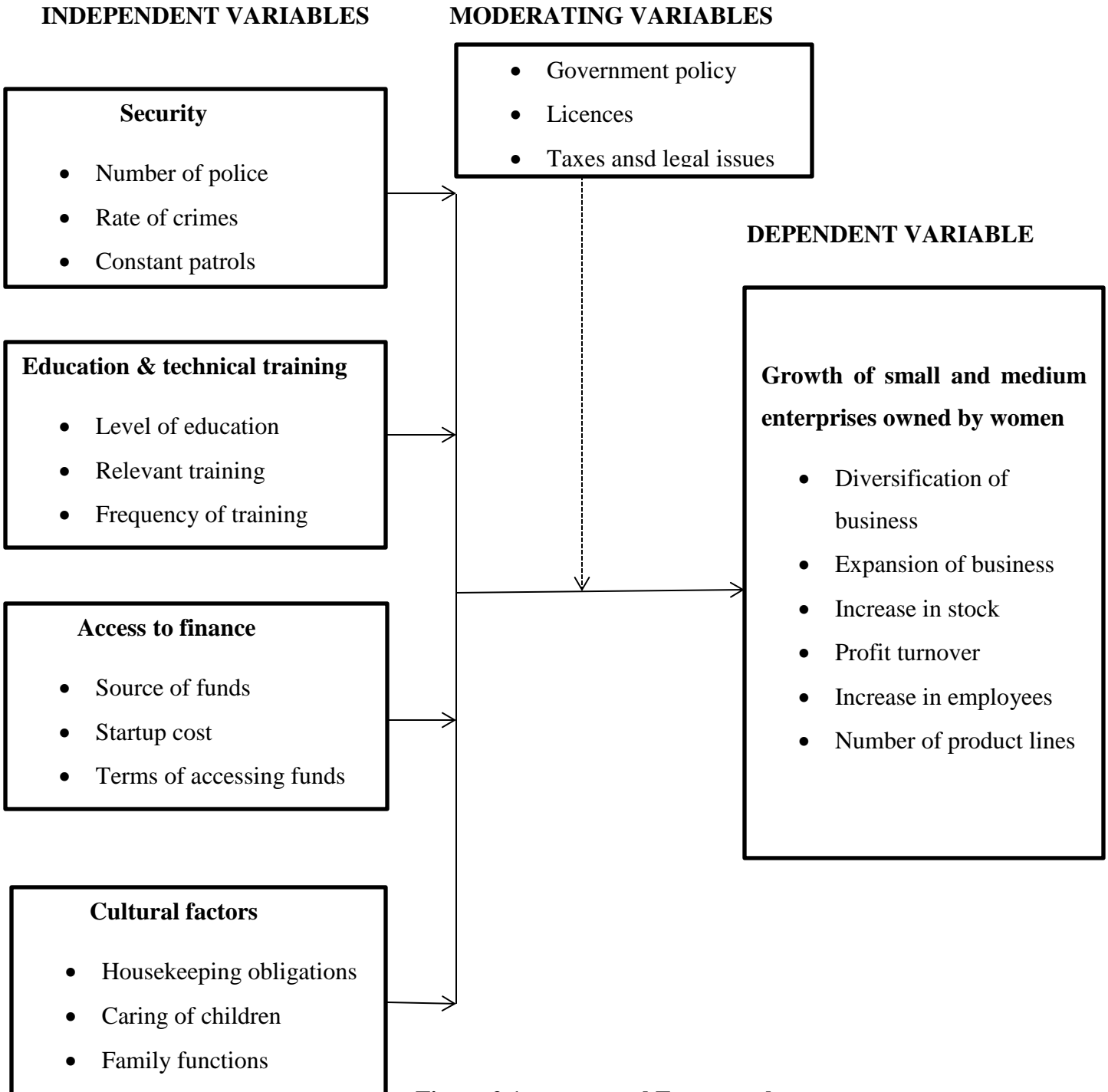


Figure 2.1: conceptual Framework

2.7 Knowledge Gap

The challenges facing the growth of SMEs owned by women have called the attention of some researchers in the past (Elias Owino Odinga), little is still known about the challenges facing the growth of SMEs owned by women Kuria west sub County. It is evident that there are no previous studies which focus on SMEs owned by women in Kuria west sub county. The motivation of this study is to identify the challenges facing the growth of SMEs owned by women in Kuria west Sub County, Migori County. The essence of this study is that it will provide empirical evidence of women owned SMEs in the Kuria west sub County.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Research methodology according to Kothari (2004) is a systematic way of solving the research problem. This chapter presents the methodology, which will be employed to carry out the research. It elaborates the research design and provides details regarding the population, sample and sampling techniques and the research instruments to be used in collecting data for the research. It also discusses how data will be collected and analysed.

3.2 Research Design

Research design is the ultimate blue print for the collection, measurement and analysis of data (Kothari, 2004). It describes the nature of the pattern the research intends to follow as well as describes the plan or strategy for conducting the research (Oso, W.Y., and Onen, D. 2005). This study will employ across section descriptive research design. The advantage of descriptive study is that it is a scientific method of investigation where both primary and secondary data are analysed to describe the current condition, terms or relationships concerning a problem. The method was preferred as it is suitable for an in-depth analysis or intensive research. It is also perfect for this study considering issues such as economy of design, rapid data collection and ability to understand population from part of it.

3.3 Target Population

The population refers to an entire group of individuals, events or objects having a common observable characteristic (Mugenda and Mugenda, 1999). The target population of study was drawn from Kuria West Sub-County, Migori County. The study population of study involved 375 SMEs

that are estimated to be run and owned by women in the following trading centres, Isibania, Kehancha, Maberera and Masaba.

Table 3.3.1 Target population frame

Category	Frequency	Percentage
Retail	144	29
Butchery	34	7
Restaurant	65	13
Saloon	80	16
Hardware	38	8
Wines and spirits	14	3
Total	375	100

3.4 Sampling Design

The research adopted Stratified random sampling technique to select the sample. The target population was grouped into six strata i.e. Retail shop, Butchery, Restaurant, Salon, Hardware and Wine & spirits. A simple random sampling technique will be used to select the required samples from each sub-group of the population (stratum). This was done by giving a number to every subject or member of the stratum, then put the numbers in a container and picked any number randomly. The subjects corresponding to the numbers picked were included in the sample. A sample size of 20% of

each stratum in the study population will be randomly selected as shown in the sampling procedure table 3.4.1 below. According to Gay (1981), the sample size depend on factors such as the number of variables in the study, the type of research design, method of data analysis and the size of the accessible population. For descriptive study Gay proposed 10% of the accessible population as enough sample size for the study. According to Mugenda and Mugenda (2003), a representative sample is one that is at least 10% - 30% of the population.

The advantage of this method is that each member of the population has an equal chance of being selected since all samples are selected randomly without any biasness.

Table 3.4.1 sampling procedure table

Category	population	Sample ratio	sample
Retail shop	144	0.2	29
Butchery	34	0.2	7
Restaurant	65	0.2	13
Saloon	80	0.2	16
Hardware	38	0.2	8
Wines and spirits	14	0.2	3
Total	375	0.2	76

3.5 Research Instrument

The study made use of questionnaires to collect primary data. The questionnaires included both closed-ended questions, where respondent were be required to select from a given set of responses and open-ended questions which allow respondent to express their views, opinion, feelings, experiences or attitude without restrictions. Questionnaires were carefully designed and pilot tested with 10 members of the population to enhance its validity and accuracy of the data collected for the study. Questionnaire was considered suitable as it collected a lot of information over a very short period of time. Previous studies related to research problem under study were investigated from the internet, books, journals etc published by accredited scholars and authors.

3.6 Reliability

Reliability is the extent to which results are consistent over time and are accurate representation of the total population under study (Mugenda & Mugenda, 1999). In order to collect reliable data, questionnaires were designed under the guidance of the study supervisors to ensure that the instrument is capable of collecting good quality and reliable data. Reliability was enhanced by ensuring unambiguous instructions to the subjects, and collecting information that was relevant to the study. The study carried out a pilot study to pretest and validate questionnaire.

3.7 Validity

Validity is the degree to which results obtained from the analysis of the data actually represent the phenomenon under the study (Mugenda & Mugenda 1999). The researcher construct a valid research instrument that was pilot tested to ensure and enhance collection of accurate and meaningful information. The researcher designed an instrument that yielded content-valid data, through specifying the domain of indicators (variables) which are relevant to the concept being measured.

3.8 Data Collection Procedures

The study used both primary and secondary data. Primary data was collected using questionnaires (Appendix II). The researcher administered questionnaires in two ways; that is self-administered technique for literate participants and researcher administered method for illiterate or semi-illiterate respondents. Questionnaires were administered using a drop and pick later method. This method was suitable as it created an opportunity for personal contacts between the researcher and the respondents. The study engaged two research assistants. The secondary data collection procedures entailed thorough review of related literature, which includes journals, articles, research papers, internet, statistical reports and books.

3.9 Data Analysis

This section of study deals with the organization, interpretation and presentation of the collected data. Before processing of the responses, the completed questionnaires were edited for completeness and consistency. Descriptive statistics such as means, frequencies, percentages and standard deviations were used to analyze quantitative data using statistical packages for social sciences (SPSS) aided by computer software. The information is presented by use of tables, figures and charts. Qualitative data were collected by use of open ended questions that were organized and then analyzed through content analysis. The qualitative data was presented in form of explanatory notes.

3.10 Operationalization of the study Variables

According to Tromp and Kombo (2000), operational of variables describes how each variable in the study will be measured. In this study, security was measured on the basis of number of police (security officers), rate of crimes, and rate of recovery of stolen items. Education and technical training was measured by level of education, relevant training forms of training and frequency of

training. Access to finance was measured by source of finance, startup capital and terms of access to finance. Cultural factors were measured by housekeeping obligations, caring of children and family functions.

3.11 Ethical Issue

The data that was collected, kept in a flash disk and CD ROM and only authorized persons had an access to the raw data. During data collection, the respondents were assured of their privacy and confidentiality of the information given. Privacy was guaranteed by not recording the names of the respondents anywhere. It was made clear that the information gathered will be solely for academic purposes only and were treated with a lot of confidentiality.

Table 3.10: Operationalization Table

Objectives	Variables	Indicator	Measures	Scale
To investigate whether security influence the growth of small and medium enterprises	I.V Security	<ul style="list-style-type: none"> • Number of police officer • Rate of crimes • Constant patrols • Recovery of stolen items 	<ul style="list-style-type: none"> • Police posts • Reported crimes • Daily patrols 	Ordinal
To establish how education and technical training influence growth of small and medium enterprises	I.V Education and Technical training	<ul style="list-style-type: none"> • Highest education qualification • Relevance qualification • Form of training • Frequency of training 	<ul style="list-style-type: none"> • Availability of certificates 	Ordinal

To establish how access to finance influence growth of small and medium enterprises	I.V Access to finance	<ul style="list-style-type: none"> • Source of finance • Terms of access to loans • Cost of funds • Frequency of access of funds 	<ul style="list-style-type: none"> • Bank statements • Mini statements • Bank receipts 	Ordinary Nominal
To outline out how cultural factors influence growth of small and medium enterprises	I.V Cultural factors	<ul style="list-style-type: none"> • Housekeeping obligations • Caring of children • Family functions 	<ul style="list-style-type: none"> • Feeding young ones • Washing clothes • cooking 	Ordinary
	D.V Growth of small and medium enterprises owned by women.	<ul style="list-style-type: none"> • Expansion of business • Diversification and expansion of business • Number of employees • Profit turn over. 	<ul style="list-style-type: none"> • Volume of sale • New business • Quality premises • More SMEs 	Ordinal Nominal

CHAPTER FOUR

ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents the results obtained from the study analyzed in line with guiding objectives. It presents data analysis, presentation and interpretation of the results.

The purpose of the study was to assess the challenges facing the growth of small and medium enterprises owned by women in Kuria West sub-county, in Migori County. The presentation and interpretation of data is given through frequency tables and percentages. The study target women owning small and medium enterprises.

4.2 Questionnaire return rate

Seventy six questionnaires were given out for the study, sixty four were returned giving a response rate of 84%. This representative conforms to Mugenda and Mugenda (1999) which stipulates that a response rate of 50% is adequate for analysis and reporting rate of 65% is good and a response rate of 70% and over is excellent.

Table 4.2 Questionnaire return rate

Respondents	Target population	Sample size	Return	Percentage
Women entities	375	76	64	84

4.3 Demographic characteristics

This study presents the demographic characteristics which included age, marital status, type of ownership of the business, length of period in business and level of education.

4.3.1 Age distribution of respondents.

In order to establish the age of woman engaging in small and medium enterprises, the study requested the respondents to indicate their age and the finding on age distribution were presented in table 4.2

Table 4.3 Age distribution of the respondents

Age	Frequency	Percentage
Below 20 years	2	3.1
20-24	14	21.9
25-29	18	28.1
30-34	24	37.5
Above 35 years	6	9.4
Total	64	100

From the findings, 2 (3.1%) of the respondents were aged below 20years, 14 (21.9%) of the respondents were aged between 20-25years, 18 (28.1%) were aged between 25-30years, 24 (37.5%) were aged between 30-35 years while 6 (9.4%) were aged above 35 years. This study shows that the

women owning small and medium enterprises in Kuria West sub-county are aged between 20 years all the way to above 35 years.

4.3.2 Marital status

The researcher requested the respondents to indicate their marital status for it should be used to categorize the respondents.

Table 4.4 Marital status of respondents

Marital status	Frequency	Percentage
Single	6	9.4
Married	49	76.6
Widowed	8	12.5
Others	1	1.6
Total	64	100

From the finding, 6 (9.4%) of the respondents were single, 49 (76.6%) were married, 8 (12.5%) were widows and 1 (1.6%) were in other marital orientation.

The study shows that the respondents were drawn from all marital status with the highest number of women who own small and medium enterprises being married.

4.3.3 Business experience

The study sought to establish the duration the respondents have been in the business.

Table 4.5 Business experience of respondents.

Duration	Frequency	Percentage
Below 1 year	2	3.1
1-2 years	14	21.9
3-4 years	20	31.3
5-6 years	21	32.8
6 years and above	7	10.9
Total	64	100

From the findings of the study, 2 (3.1%) of the respondents had less than a year in business, 14 (21.9%) between 1-2 years, 20 (31.3%) had between 3-4 years, 21 (32.8%) had 5-6 years and 7 (10.9%) had over 6 years of experience.

4.3.4 Type of business

In order to establish the type of small and medium enterprises owned by the respondents, the study requested the respondents to indicate the type of business they operate in the table below

Table 4.6 Type of business of respondents

Business	Frequency	Percentage
Butchery	10	15.6
Retail shop	24	37.5
Wines and spirits	2	3.1
Restaurant	4	6.3
Saloon kiosks	20	3.1
Hardware	4	6.3
Total	64	100

The study findings shows that, 10(15.6%) operated butchery, 24 (37.5%) operated retail shops, 2 (3.1%), operated wines and spirit, 4 (6.3% restaurants, 20 (31.2%) operated salon and 4(6.3%) operated hardware.

This shows that in Kuria West sub-county women owned small and medium enterprises are in many forms but majority of the women operated retail shops.

4.4 Security

This section of study deals with analysis on how security influences growth of SMEs owned by women in Kuria west sub-county, Migori County. The study examined the number of police officers

available on patrol, frequency at which crimes occur around the area of business, recovery of lost items through insecurity and the general level of security.

4.4.1 Police officer on patrol

The study sought to identify the number of police security officer on patrol

Table 4.7 Police (Security) officers on patrol

Number	Frequency	Percentage
None	10	15.6
1-2	26	40.6
3-4	18	28.1
5-6	6	9.4
More than 6	4	6.3
Total	64	100

From this findings , the study found out that 10 (15,6%) of the respondents had not seen security (police) officer on patrol around their business location, 26 (40.6%) has only seen 1-2 security (police) officers, 18 (28.1%) had seen the 3-4 security (police) officers, 6 (9.4%) has seen about 5-6

police officers in patrol , while 4 (6.3%) has seen more than 6 security officer (police) in patrol around their business location.

4.4.2 Frequency of crime

The study sought to identify the frequency at which crimes arose in the area where women owned small business are located.

Table 4.8 Frequency of Occurrence of crimes

Frequency	Frequency	Percentage
Very frequently	5	7.8
Less frequently	6	9.4
Occasionally	9	14.1
Intermittently	34	53.1
Other	10	15.6
Total	64	100

From the findings of the study, 5 (7.8%) of the respondents indicated that crimes occurred very frequently, 6 (9.4%) of the respondents indicated the crimes occurred less frequently, 9 (14.1%) of

the respondents indicated that the rate of crime occurred occasionally while 34 (53.1%) of the respondents indicated that the crimes occurred intermittently. This shows that crime occurrence in Kuria West sub-county is intermittently.

4.4.3 Recovery of lost/ destroyed Items

This study sought the find whether the lost/destroyed items are recovered. The findings from the respondents were as indicated below.

Table 4.9 Occasions when/lost restored items were recovered.

Occasions	Frequency	Percentage
Yes	30	46.9
No	34	53.2
Total	64	100

From the findings, majority 34 (53.1%) of the respondents indicated that the lost /destroyed items were never recovered, while 30 (46.9%) of the respondents indicated that the items are recovered.

4.4.4 Security of business environment.

This study sought to identify the level of security around the business environments where women operated their small business. The findings from respondents were as shown in the table below.

Table 4.10 Security of business environment

Level	frequency	percentage
Very secure	15	23.4
Secure	25	39.1
Very volatile	2	3.1
Volatile	22	34.4
Total	64	100

From the findings of the study 25 (39.1%) of the respondents indicated that, the station was secure, 15(23.4%) of the respondents indicated that the situation was very secure, 22 (34.4%) of the respondents indicated that the situation was volatile, while 2 (3.1%) of the respondents indicated that the situation was very volatile hence leading to the closure of some women owned small business in places within Kuria West sub-county.

4.5 Education and technical training

This section of the study focuses on the education and technical training and how they influence the growth of women owned small business.

4.5.1 Highest level of Education

The researcher requested the respondents to indicate their highest level of education.

Table 4.11 level of education

Level	Frequency	Percentage
Primary certificate	26	40.6
Secondary certificate	12	18.8
Post-secondary	2	3.1
Post graduate	1	1.6
No certificate	23	35.9
Total	64	100

From the findings, the study indicated that, 26 (40.6%) of the respondents had primary certificates as their highest level of education, 12 (18.8%) of the respondents had secondary certificates, 2 (3.1%) the respondents had post-secondary education, 1 (1.6%) of the respondent had a post graduate certificates while, 23 (35.9%) of the respondents had no certificates. The study shows that the majority of women in Kuria west sub-county owning SMEs had primary certificates as their highest qualification.

4.5.2 Area of training of respondents

The study sought to know the area of training of the respondents, the study requested the respondents to indicate their training after school.

Table 4.12 Area of training of respondents

Area	Frequency	Percentage
Education	13	20.3
Community development	10	15.6
Business management	6	9.4
Social work	10	15.6
Other	25	39.1
Total	64	100

From the findings of the study, 25 (39.1%) which is the majority of the respondents are trained in other areas which are not business related, 10 (15.6%) of the respondents are trained as social workers, 6 (9.4%) of the respondents are trained in business management, 10 (15.6%) of the respondents are trained in community development and 13 (20.3%) are trained as teachers.

4.5.3 Form of training preferred by respondents

The study sought to know the forms of training preferred by the respondents.

Table 4.13 Form of training preferred by respondents

Form	Frequency	Percentage
Formal	6	9.4
Informal	8	12.5
On job training	21	32.8
Workshop and seminars	29	45.3
Total	64	100

From the findings of this study, the majority of the respondents 29 (45.3%) got training as they attend seminars and workshops, 21 (32.8%) of the respondents get training on job, 8 (12.5%) of the respondents get informal training and 6 (9.4%) of the respondents get formal training. This shows that most women who own SMEs in Kuria west sub County lack formal training required to run their SMEs.

4.6 Access to finance

This section deals with analysis of access to finance and how they influence the growth of SMEs owned by women in Kuria west sub-county.

4.6.1 Source of finance

This study sought to know some of the sources of finance for SMEs owned by women in Kuria west sub-county.

Table 4.14 Source of finance of respondents

Source	Frequency	Percentage
Personal savings	28	43.8
Borrowing from friends/relatives	20	31.3
Loans from financial institutions	5	7.8
Subsidies from government	2	3
Others	9	14.1
Total	64	100

From this study, 28 (43.8%) of the respondents get their source of finance from their personal savings, 20 (31.3%) of the respondents have their source of finance obtained from friends' loans, 5 (7.8%) of the respondents get their source of finance from borrowing from financial institutions, 2 (3.1%) of respondents get the source of finance from government subsidies and 9 (14.1%) of the respondents get their source of finance from other means.

This study shows that in Kuria west sub-County women get their source of finance from their own savings.

4.6.2 Cost of finance

The study sought to find out the cost of startup capital for SMEs owned by women in Kuria west.

Table 4.15 Cost of finance of respondents.

Cost	Frequency	Percentage
Very high	26	40.6
High	20	31.3
Friendly	8	12.5
Low	5	7.8
Other	5	7.8
Total	64	100

From the finding, 26 (40.6%) of the respondent feels that the cost of finance of SMEs is very high while 5 (7.8%) of the respondent feels the cost of finance is low.

4.6.3 Terms of accessing finance

The study sought find out the terms of accessing the finance from financial institutions for SMEs owned by women in Kuria west sub County.

Table 4.16 Terms of accessing finance for respondents

Terms	frequency	percentage
Legal agreement	16	25
Availability of collateral	19	29.7
Availability of documents	20	31.3
Other	9	14.1
Total	64	100

From the findings of the study, 16 (25%) of the respondents indicated that they required legal agreements to access finance, 19 (29.7%) of the respondents indicated that they required collateral to access finance, 20 (31.3%) of the respondents indicated that the official documents are required to access finance and 9 (14.1%) of the respondents indicated other requirements are required before accessing finance.

4.7 Cultural factors

This section of the study looks at the cultural factors and how they influence the growth SMEs owned by women in Kuria west sub-county. These cultural factors are housekeeping obligations, taking care of children, attending family functions and others household chores.

Table 4.17 Cultural factors and growth of small business owned by women.

Cultural factors	Frequency	Percentage
Housekeeping obligations	20	31.3
Caring of children	21	32.8
Family functions	17	26.6
Others	6	9.4
Total	64	100

From the finding of this study, 20 (31.3%) of the respondents indicated their SMEs are influenced by housekeeping obligations, 21 (32.8%) felt that caring of children influenced their SMEs, 17 (26.6%) indicated that attending to family functions influenced their small business and 6 (9.4%) indicated that other cultural factors influenced the operations of SMEs owned by women in Kuria West County .

CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATION.

5.1 Introduction

This chapter provides summary of the findings, discussions, conclusions and recommendations of the study based on the objectives of the study. The study was challenges facing the growth of small and medium enterprises owned by women in Kuria west sub-county- Migori County.

5.2 Summary of findings

The findings established that majority (37.5%) of women owning small business in Kuria west sub-county where between age brackets 30-35 years while few 3.1% are below 20 years.

The marital status of majority (76.6%) of the women owning SMEs were found to be married with minority (1.6%) of other marriage orientation. On the experience in business, the finding established that majority of women owning small business(32.8%) had 5-6years experience .This finding realized that only 10.9% of the women owning small business had more than 6years experience .

Regarding the type of business, the finding established majority (37.5%) of the SMEs owned by women are retail shops while a few (3.1%) operated wines and spirits which is considered to be male dominated.

On security, the study established that 1-2 security (police) officers are always on patrol as indicated by the majority (40.6%) of the respondents. Majority (53.1%) of crimes occurs intermittently while most of the goods stolen /destroyed are not recovered. The findings further found that the business

environment about 3.1% is volatile hence forcing the business to close early or look for other safe place.

On education and technical training the study established that highest level of education of the majority (71.9%) of the respondents had achieved certificate while the minority (1.5%) had post graduate degree. Most (39.1%) of the respondents had trained in other area which is not related to business. A few (9.4%) had trained in business management related courses. Workshop and seminars (45.3%) are the most preferred mode of training of most of the respondents while minority (9.4%) preferred formal training.

On access to finance the study sought to find the cost of start up financing. The finding indicated that 40.6% of the respondents felt that the startup cost was high while just 7.8% of the respondents said the startup cost was low. On the source of finance for their business 43.8% of the respondents used their personal saving, while few (7.8%) borrows loan from financial institutions like KWFS. The findings found that only a few (3.1%) of the respondents got subsidies from government as a source of finance for their business. The respondents 31.3% had to produce official documents of registration of their business to access the finance from financial institutions.

On cultural factors, the finding found the majority 32.8% of the respondents finds caring for children as one of the major factors hindering them from operating business.

5.3 Discussion

On security, the study established that some of the business environments were volatile 3.1% forcing the closure of business. Most of the goods stolen are not recovered if they are recovered they are

already destroyed. The frequency of occurrence of crimes in Kuria West sub-county is intermittently. The findings hence conclude that security is challenge to the growth of small SMEs owned by women.

On education and technical training, the study noted that the most of the respondents had certificate as their highest level of education. Most of those respondents who had a technical training had trained in other areas which are not related to business. Minority of the respondents (9.4%) had technical training in business management. Workshop and seminars are the most preferred mode of technical training of most of the respondents. This shows that most of the women owning SMEs in Kuria west had limited knowledge in business management.

On access to finance, the study sought to find out the source of finance of respondents for starting up their business. The findings indicated that majority (43.8%) of the respondents had obtained their start up finance from their personal savings. While majority 31.3% of the respondents felt that accessing loans from financial institution required legal documents which most of women SMEs lack. This study shows that access to finance is a challenge to the growth of SMEs owned by women in Kuria west.

On cultural factors the study sought to examine the extent to which cultural factors influence the growth of SMEs owned by women. The findings indicated that majority of the respondents identified caring of children as major cultural factors affecting women from participating in business in Kuria west sub-county.

5.4 Conclusions

The study has the following conclusions;

- i. The security in the business environment influences the growth of SMEs owned by women in Kuria west sub-county as many women in business have lost their goods to thugs especially those around the Tanzania- Kenya border.
- ii. Education and technical training had a big influence on the growth of SMEs owned by women in Kuria west sub-county. This affects the choice of technology to use in improving their business.
- iii. Access to finance to inject to business has influenced the growth of SMEs owned by women in Kuria west sub-county. Lack of legal documents, terms of accessing loans and collateral led to collapse of many businesses.
- iv. Cultural factors had no much impact on the growth of small business owned in Kuria west sub-county due to diversity of culture.

5.5 Recommendation

- i. Security (police) officers on patrol should be increased and more police posts be put in place to provide security to business women. The Kenyan and Tanzanian government should unite improve security at the Isibania border.
- ii. Women who own SMEs should be trained on business management skills and innovative. Enterprises should be introduced in primary education to help women develop and nature skills required to run business, more workshops and seminars should be organized by the national and county government for women in SMEs.

- iii. Financial institutions should continuously provide in good time financial aids to women owning SMEs to boost their capital and makes borrowing terms friendly to women owing SMEs.
- iv. On cultural factors, communities should impress cultural diversity. Women should be ready to take up roles played by men, and be aggressive in any business opportunities. Men should encourage their wives to do business to improve the family economy.

5.6 Suggestion for further study

This study focused on challenges and facing growth of women owned small and medium enterprises in Kuria west sub-county, Migori County.

- (i) I recommend that the same research be conducted in other sub counties in Migori County for comparison of the findings.
- (ii) I also recommend that a research to be conducted on how proximity of the market from where women owned small business can enhance effective performance.
- (iii) I also recommend that a research be conducted on impact of demographic characteristics influences growth of women owned SMEs.

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APPENDICES

Appendix I: CONSENT LETTER

My name is Magwi Chacha Magwi. I am undertaking a study on challenges facing growth of small and medium enterprises (SMEs) owned by women in Kuria West Sub-County, Migori County. I wish to request for your voluntary and honest opinion in regard to this study topic;

- You are free to choose either to participate or decline to participate.
- There will be no payment for those who choose to participate.
- Information given was treated with utmost confidentiality and was used for the purpose of the study only.
- No names will be used to identify you and the information gathered will help enhance better understanding of the study topic.
- You may refuse to answer any question or withdraw from the study at any time.
- Please sign below to show you agree to participate in this study.
- There was no alteration of data during analysis and after the study; the researcher will give feedback to the hospital for necessary action.
- These ethical clearances will be sought to contribute to safeguarding the dignity, rights, safety and wellbeing of all potential research participants.

Having read and understood the above information and that the study is voluntary, confidentiality and anonymity are guaranteed, I do hereby accept to participate in this research study.

Participant's sign.....

Date.....

Principal researcher's sign.....

Date.....

Appendix II – QUESTIONAIRES

Kindly respond to the questions below to the best of your knowledge. And please tick the check box provided and makes your comments as appropriate.

Section A: Demographic characteristics

1. Name of the business.....(Optional)

2. Type of the ownership of the business
 - a) Sole proprietorship []
 - b) Partnership []
 - c) Other form.....

3. Age of respondent
 - a) Below 30 []
 - b) 31-40 []
 - c) 41-50 []
 - d) Above 51 []

4. State your marital status
 - a) Single []
 - b) Married []
 - c) Widowed []
 - d) Other marital orientations (Specify).....

5. What type of business do you operate?

- a) Butchery []
- b) Retail shop []
- c) Wines & spirits []
- d) Restaurant []
- e) Saloon []
- f) Hardware []

6. Are you the owner of the business?

- a) Yes []
- b) No []

If not, what position do you hold in this business?

- a) Manager []
- b) Assistant []
- c) Cashier []
- d) Any other, specify

7. How many employees do you have?

- a) Less than 5 []
- b) 6-15 []
- c) 16-25 []
- d) 26-35 []
- e) Over 36 []

8. Number of years in the business?

- a) 1-5 []
- b) 6-1 []
- c) More than 10 years []
- d) Others.....(specify)

SECTION B: STUDY VARIABLES

9. Indicate the police officers you normally see in patrol around your business

- a) None []
- b) 1-2 []
- c) 3-4 []
- d) 5-6 []
- e) Other (specify).....

10. How often do crimes arise in the area of your business?

- a) Very frequently []
- b) Less frequently []
- c) Occasionally []
- d) Intermittently []
- e) Other (specify).....

11. Are there occasions when destroyed/ stolen items have been recovered?

- a) Yes []
- b) No []

12. Indicate the level of security around your business environment.

- a) Very secure []
- b) Secure []
- c) Very volatile []
- d) Volatile []

13. In your own opinion, explain the how insecurity influences the growth of SMEs owned by women.

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14. Indicate your highest professional qualifications

- a) Primary certificate []
- b) Secondary certificate []
- c) Post-secondary certificate []
- d) Post graduate certificate []
- e) Other (specify).....

15. In which area have trained?

- a) Education []
- b) Community development []
- c) Business management []
- d) Social work []
- e) Other (Specify)

16. Indicate the form of training you often prefer

- a) Formal training []
- b) Informal training []

- c) On job training []
- d) Workshops and seminars []
- e) Other (Specify)

17. How frequently do you train?

- a) Very frequently []
- b) Less frequently []
- c) Occasionally []
- d) Intermittently []
- e) Other (specify)

18. In your own opinion, explain how the level of education and training influence the growth of SMEs owned by women.

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19. Indicate your source of finance

- a) Personal savings []
- b) Borrowed money from friends []
- c) A loan from financial institution []
- d) Subsidies from the government []
- e) Other (specify).....

20. Indicate the cost of start-up capital (cost of finance)

- a) Very high []
- b) High []
- c) Friendly []

d) Low []

e) Other (specify).....

21. Indicate the condition of accessing this finance.

a) Legal agreement []

b) Availability of collateral []

c) Official documents []

d) Other (specify).....

22. Indicate the frequency at which you access funds.

a) Very frequently []

b) Frequently []

c) Less frequently []

d) When available []

e) Other (specify).....

23. In your own opinion, explain how access to finance influences growth of SMEs owned by women.

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24. Are there any cultural factors that affect your business growth?

a) Yes []

b) No []

25 If yes, what are they?

a) Housekeeping obligations and obligations []

b) Taking children to school being a woman []

c) Attending family functions []

d) Other (specify)

26. In your own opinion, explain how cultural factors influences growth of SMEs owned by women.

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APPENDIX 3: TIME FRAME

TIME	ACTIVITY
April-July,2016	Topic formulation, objectives and research questions
August, 2016	Literature review materials and research methodology
September, 2016	Final draft, presentation and defense
October,2016	Corrections of proposal
October,2016	Collection of data, interpretation and final project
November,2016	Final defense
December,2016	Graduation

APPENDIX IV: BUDGET

S/NO	ITEM	COST
1	Stationary	15,000/=
2	Typing and proof reading	5,000/=
3	Binding	2,000/=
4	Transport and communication	20,000/=
5	Contingencies	4,200/=
	Total	46,200/=

