

**INFLUENCE OF WOMEN ENTERPRISE FUND PROJECT ON SOCIO-ECONOMIC  
DEVELOPMENT: A CASE OF LURAMBI CONSTITUENCY, KENYA**

**SYLVESTER OTIENO OBIERO**

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

**2020**

## DECLARATION

This research project report is my original work and has not been presented for a degree or any award in any other University or college.

**Sign:** \_\_\_\_\_

Sylvester Otieno Obiero

L50/60943/2010

**Date:** \_\_\_\_\_

This research project report has been submitted for examination with our approval as university supervisor.

Signed \_\_\_\_\_

Dr. Anyanje W. Purity (PhD)

Lecturer: Department of Extra-Mural Studies

University of Nairobi

Date \_\_\_\_\_

## **DEDICATION**

This research project report is dedicated to my wife Risper Otieno and my two children Abraham Junior and Anne Otieno for their unwavering love and support.

## **ACKNOWLEDGEMENT**

First and foremost, I am especially indebted to Dr. Purity Anyanje, my supervisor, for taking her time to lead me and supervise this research project report. Special thanks are given to the University of Nairobi for the opportunity accorded to me to realize my potential.

I would also like to thank many of the invisible people, friends, colleagues and the many acquaintances from the University of Nairobi who were always providing words of encouragements and help. Their provision regardless of how small meant a lot to me in diverse way. I am forever thankful to my wife Risper Otieno and my two children Abraham Junior Otieno and Ann Atieno for understanding the choice I made.

I also extended my gratitude to my colleagues Evance Otieno and Elijah Misolo for the spirit of the encouragement they gave me. And to relatives, brothers and sisters in Christ like Brother Joash Tei, and Pastor Paul Ganga for standing together with me in prayers to this level.

Besides, I would also like to give my sincere gratitude to the university of Nairobi library officers for their support during my research in the library by continuously availing to me the right materials I needed for my study. It is also worth appreciating the Lord for the opportunity and chance He has accorded me to accomplish my study. His unfailing love has been seen throughout my studies.

I also want to acknowledge the support of my employer for not only providing for my school fees in terms of salary but also gave me many days amidst my work schedule to attend the many classes at course work and at the same time am continuing with my studies.

## TABLE OF CONTENT

|  |           |
|--|-----------|
| DECLARATION .....  | ii        |
| DEDICATION .....   | iii       |
| ACKNOWLEDGEMENT .....  | iv        |
| TABLE OF CONTENT .....   | v         |
| LIST OF TABLES .....   | viii      |
| LIST OF ABBREVIATIONS AND ACRONYMS .....                         | x         |
| ABSTRACT .....   | xi        |
| <b>CHAPTER ONE .....</b>   | <b>1</b>  |
| <b>INTRODUCTION.....</b>   | <b>1</b>  |
| 1.1 Background of the Study .....                                | 1         |
| 1.2 Problem Statement .....                                      | 8         |
| 1.3 Purpose of the Study .....                                   | 9         |
| 1.4 Objectives of the Study .....                                | 9         |
| 1.5 Research Questions .....                                     | 9         |
| 1.6 Significance of the Study .....                              | 9         |
| 1.7 Limitations of the Study.....                                | 10        |
| 1.8 Delimitations of the Study .....                             | 10        |
| 1.9 Organization of the Study .....                              | 10        |
| 1.10 Definitions of Terms .....                                  | 11        |
| <b>CHAPTER TWO .....</b>   | <b>12</b> |
| <b>LITERATURE REVIEW .....</b>                                   | <b>12</b> |
| 2.1 Introduction.....  | 12        |
| 2.2 Accessibility of Women Enterprise Fund program .....         | 12        |
| 2.3 Implementation of Women Enterprise Fund.....program<br>..... | 15        |
| 2.4 Uptake of Women Enterprise Fund .....                        | 18        |
| 2.5 Lending Policies and Procedures .....                        | 20        |
| 2.6 Theoretical Framework.....                                   | 22        |
| 2.7 Conceptual Framework.....                                    | 23        |
| <b>CHAPTER THREE .....</b>                                       | <b>25</b> |

|   |           |
|---|-----------|
| <b>METHODOLOGY .....</b>  | <b>25</b> |
| 3.1 Introduction.....   | 25        |
| 3.2 Research Design.....  | 25        |
| 3.3 Target Population.....  | 25        |
| 3.4 Sample Size and Sample Selection.....   | 25        |
| 3.4.1 Sample Size.....  | 25        |
| 3.5 Research Instruments .....  | 26        |
| 3.5.1 Piloting of the Study .....   | 26        |
| 3.5.2 Validity of the Research Instruments.....   | 26        |
| 3.5.3 Reliability of Research Instruments.....  | 26        |
| 3.6 Data Collection Procedure .....   | 27        |
| 3.7 Data Analysis Technique .....   | 27        |
| 3.8 Operational Definition of Variables.....  | 27        |
| <b>CHAPTER FOUR.....</b>  | <b>29</b> |
| <b>DATA ANALYSIS AND RESEARCH FINDINGS .....</b>  | <b>29</b> |
| 4.1 Introduction.....   | 29        |
| 4.1.1 Response Rate.....  | 29        |
| 4.2 Demographic Profile.....  | 29        |
| 4.2.2 Age (Years) Distribution of the Respondents.....  | 30        |
| 4.2.3 Marital Status Categories.....  | 30        |
| 4.2.4 Level of Education and Training .....   | 31        |
| 4.3 Accessibility of Women Enterprise Fund Program influence on Socio Economic Development in Lurambi Constituency, Kakamega County ..... | 31        |
| 4.4 The implementation of women enterprises fund program on socio economic development in Lurambi Constituency, Kakamega County.....      | 33        |
| 4.5 The Loan uptake of Women Enterprise Fund in Lurambi Constituency Kakamega County.   | 35        |
| 4.6 WEF Program Policies and Procedures on Socio Economic Development in Lurambi Constituency, Kakamega County.....                       | 37        |
| <b>CHAPTER FIVE .....</b>   | <b>42</b> |

|  |           |
|--|-----------|
| <b>SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATION .....</b> | <b>42</b> |
| 5.1 Introduction.....  | 42        |
| 5.2 Summary of Study .....                                       | 42        |
| 5.3 Summary of the findings.....                                 | 42        |
| 5.5 Conclusions.....   | 44        |
| 5.4 Recommendations.....   | 44        |
| REFERENCES .....   | 45        |
| QUESTIONNAIRE .....  | 51        |
| APPENDIX I: SAMPLE SIZE TABLE .....                              | 54        |
| APPENDIX II: PARTICIPATION AND CONSCENT FORM.....                | 55        |
| APPENDIX III: AUTHORITY LETTER FROM UNIVERSITY OF NAIROBI .....  | 55        |
| APPENDIX IV: RESEARCH PERMIT .....                               | 57        |

## LIST OF TABLES

|  |    |
|--|----|
| Table 1: Operational Definition of Variables .....   | 28 |
| Table 2: Age Categories.....   | 30 |
| Table 3: Marital Status Categories.....  | 30 |
| Table 4: Education Level .....   | 31 |
| Table 5: Have borrowed from WEF .....  | 31 |
| Table 6: There is easy access to Women Enterprise Fund.....                                      | 32 |
| Table 7: There is Easy Access to Information on Women Enterprise Fund.....                       | 32 |
| Table 8: WEF Offices are Reachable.....  | 33 |
| Table 9: Credit Access leads to Acquisition of Basic Needs .....                                 | 33 |
| Table 10: Many have been reached by WEF .....  | 33 |
| Table 11: My Income has Improved.....  | 34 |
| Table 12: My Livelihood has Improved .....   | 34 |
| Table 13: WEF has Decentralized Offices.....   | 35 |
| Table 14: I have borrowed from Women Enterprise Fund .....                                       | 35 |
| Table 15: I have seen people borrowing from WEF.....   | 36 |
| Table 16: Business Growth is due to Borrowing.....   | 36 |
| Table 17: All women have borrowed and supported by WEF.....                                      | 36 |
| Table 18: Interest Rate is High .....  | 37 |
| Table 19: There are policies and procedures to be followed .....                                 | 37 |
| Table 20: Screening of borrowers is done .....   | 38 |
| Table 21: The WEF Policies and Procedures Encourages borrowing .....                             | 38 |
| Table 22: WEF requires Collateral against the Loan Facility.....                                 | 39 |
| Table 23: Individual borrowers are able to understand and interpret Policies and Procedures .... | 39 |
| Table 24: Correlation .....  | 40 |
| Table 25: Testing hypothesis using ANOVA (Analysis of variance).....                             | 40 |
| Table 26: Hypothesis testing using correlation test .....  | 41 |



## LIST OF FIGURES

|                                      |    |
|--------------------------------------|----|
| Figure 1: Conceptual Framework ..... | 24 |
|--------------------------------------|----|

## **LIST OF ABBREVIATIONS AND ACRONYMS**

|               |   |
|---------------|---|
| <b>AMFI :</b> | Association of Microfinance Institution |
| <b>ANOVA:</b> | Analysis of Variance                    |
| <b>GDP :</b>  | Gross Domestic Product                  |
| <b>IFC :</b>  | International Finance Corporation       |
| <b>ILO :</b>  | International Labour Organization       |
| <b>MSEs :</b> | Micro and Small Entrepreneurs           |
| <b>SPSS :</b> | Statistical Package for Social Sciences |
| <b>WEF :</b>  | Women Enterprise Fund                   |

## ABSTRACT

This research project established the influence of women enterprise fund project on socio-economic development: a case study of Lurambi Constituency. The study discussed the extent to which accessibility of women enterprise fund program influences socioeconomic development; influence of its implementation on socioeconomic development; influence of loan uptake on socioeconomic development and to establish how the women enterprise fund project policies and procedures influence women enterprise contribution to socioeconomic development. The study was conducted in Lurambi Constituency to a sample size of 100 women beneficiaries. Various literatures have been reviewed during the study. Self-efficacy theory and resource based theory have been used to inform the theoretical framework. A descriptive research design has been employed and questionnaires have been used as a tool of data collection. Reliability and validity of the tools tested using the ANOVA. The collected data was analyzed by both descriptive and inferential statistics with the aid of the Statistical Package for Social Sciences (SPSS) version 20. Descriptive analysis involved frequencies and percentages for demographic data of respondents. In addition, means and standard deviations were employed across all variables (independent and dependent variables). Inferential statistics in form of correlation and multiple regression analysis was used to test the hypothesis. The study used Analysis of Variance (ANOVA) by use of F statistics to test overall significance of the relationship between independent variables and dependent variable at 5% level of significance. In addition coefficient of determination ( $R^2$ ) has been used to test the strength of each independent variable on the dependent variable. It was found that women enterprise fund project has influence on socioeconomic development in Lurambi constituency. Research found that most business growth was due to borrowing and those who had benefited from the women enterprise fund project had improvement in their livelihoods. The research findings showed that 6 (7.4%) respondents agreed that they had borrowed from women enterprise fund program. Those who strongly agreed that they have borrowed from WEF were 75 (92.6%). The research findings showed that the majority strongly agreed that they had borrowed from WEF hence making Women Enterprise fund accessible which in turn allows customers to borrow and inject money in case of loans to their businesses. It was also established that most of the respondents agreed that their income had improved with 36 (44.4%) and 45 (55.6%) agreed and strongly agreed respectively that their income had improved. This is therefore a clear indication that the program is accessible, being implemented and is in existence with positive change in livelihood. It was also found that most of the respondents strongly agreed they had seen people borrowing which were 42(51.9%) and 39(48.1%) agreed on the same. And because of this, 75(92.6%) agreed that business was due to borrowing from WEF, 4(64.9%) strongly agreed their business growth was due to borrowing from WEF and 2(2.5%) disagreed. This means that the majority of the cases alluded to the fact that business growth is due to borrowing and with business growth, socio-economic development is seen to record improvement. On women enterprise fund project policies and procedures influence on socioeconomic development, it was established that majority of the respondents, 48 (59.3%) agreed that there are policies and procedures to be followed laid by the WEF, 30 (37%) respondents strongly agreed, 2(2.5%) and 1(1.2%) disagreed. The research findings further indicated that 49(60.5%) respondents strongly agreed that WEF policies encourages borrowing, 31(38.3%) agreed and 1(1.2%) strongly disagreed. This means that the policies in place are favorable hence encourages borrowing by the women hence their influence.

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the Study

Globally, studies have confirmed that women participate in a wide range of entrepreneurial activities across the world although only a few of them have been successful. This has been attributed to the fact that many women lack access to funds that they can use to start business enterprises. It has been found that in countries such as Brazil and India the availability of funds specifically allocated to women has helped tremendously to increase the number of women owned entrepreneurial ventures in the world. Globally, SMEs are believed to play a pivotal role in promoting grassroots economic growth and equitable sustainable development (Akanji 2006). As Small and Micro entrepreneurs (SMEs) have become essential in the economic matrixes of the nations, increased deliberate government policies and legislation have been witnessed globally, in the government quest to nurture SMEs. It is also estimated that SMEs constitute over 90 percent of total enterprises in most economies with a high rate of employment growth. They are also a vehicle for increased industrial production and exports. Women are becoming increasingly important in the socio-economic development of both developed and developing economies as they account for significant percent of the operators of Small and Medium Enterprises. Women entrepreneurs make a substantial contribution to national economies through their participation in start-ups and their growth in small and medium businesses. Their interests and activities in the economic growth and development especially in the area of SMEs have received outstanding interest of researchers (Nicholson, 2006).

In the first world countries like the United States of America women empowerment is increasingly recognized as an important driver of economic growth, productivity, innovation and employment, and it is widely accepted as a key aspect of economic dynamism. Transforming ideas into economic opportunities is the decisive issue of entrepreneurship among rural women. History shows that economic progress has been significantly advanced by pragmatic people who are empowered and innovative, able to exploit opportunities and willing to take risks (Hisrich, 2005).

In India Women comprise half of human resources they have been identified as key agents of sustainable development and women's equality is as central to a more holistic approach towards stabilizing new patterns and process of development that are sustainable. The contribution of women and their role in the family as well as in the economic development and social transformation are pivotal. Women constitute 90 per cent of total marginal workers of the country. Rural women who are engaged in agriculture form 78% of all women in regular work, Prabla Sings (2009)]. Experience of action research projects reveal that, the operational aspects, such as the extent of enabling that goes into the community self-help processes and sharpening the mind set of women. Barriers affecting women's empowerment in Africa include gender roles, social inequality, cultural and traditional practices, technology, legal, institutional and policy levels, among others (IFC/World Bank, 2006). Women entrepreneurs lack a supportive environment that encourages women to "go for it". There is a lack of social and cultural support for the role of women as entrepreneurs; women are subject to stereotypes and there are few visible role models for them at any level. Gender barriers need to be addressed at all levels, from the domestic system to legal system.

The Asian Tigers such as India, Indonesia, China, Malaysia, Japan, and South Korea also have thriving SMEs sectors contributing between 70-90 percent in employment and an estimated 40 percent contribution to their respective GDPs (Akanji, 2006). A positive relationship has been documented between small-business development and economic growth in developed countries.

In USA and France, studies have shown that there is a positive relationship between credit and opportunity choice for women entrepreneurs. Further credit was found to have a positive effect on opportunity for women enterprise choice in USA (Allen, 2000 and Brana, 2008). Credit or loan is very necessary for start of new enterprises. Banks are inclined toward low-risk ventures. A relationship exist between credit and enterprise choice for women entrepreneurs. Credit provides the needed opportunity for entrepreneurs to start businesses (Akanji, 2006). According to Carter et al., (2001) women business owners contribute £50-70 billion in gross value added to the UK economy each year. This figure does not include the contribution of women business owners in large businesses, women's unpaid contributions, such as caring or the contributions made in businesses where the owner is male but which is a partnership. The emergence of the

private sector as the major player in the industrial development of many countries in Africa has improved women's access to employment opportunities as against when they experienced denial in employment opportunities as wage workers because of their family responsibilities, lack of skills, social and cultural barriers (Pinchojt and Reilman, 2007).

In Africa, many micro enterprises are largely run by women, primarily as a matter of survival and not business opportunity. Nevertheless, they play a significant role in local economies. Consequently, women are enthusiastic about their enterprises but social set up in which they operate present challenges which significantly impact on the growth of their businesses. The International Labor Organization (ILO) acknowledges some of the challenges that women face in managing their small enterprises in Africa. ILO specifically mentions the fact that lack of funds is a major constraint in their businesses especially among the poor African countries such as Malawi and Madagascar (Porter and Nagarajan, 2005). Ifelunini and Wosowei (2013) state that technical, economic, managerial and social factors inhibit women entrepreneurs' access to microfinance in South Nigeria. In Zimbabwe, Quinn and Zein (2007) found that many women who were operating SMES were facing financial constraints. The study found out that lack of access to finances was influenced by various factors such as government policies regarding the funds. The study also noted that the level of education of the women played a major role as less educated women had no idea on how to source for funds.

In South Africa nevertheless, the significant numbers of those accessing microfinance services were men (ILO, 2006). In other words, it was not common to see women-owned businesses worldwide especially in developing countries like Kenya. The idea and practice of women empowerment is a recent phenomenon. Until the 1980's little was known about women entrepreneurship both in practice and research, which made its focus entirely on men. Scientific discourse about women's entrepreneurship and women owned and run organizations is just the development of 1980s (ILO, 2006). In Uganda even though we observe a number of women empowered through microfinance, in the recent studies show that most of them are found in Micro and Small Enterprises(MSEs). According to the Uganda Central Statistics Authority almost 50% of all new jobs created in rural Uganda are attributable to small businesses and

enterprises, and roughly 49% of new businesses that were operational between 1991 and 2003 were owned by women.

Ram N.T.,(2009) on the other hand, found that very few women in Uganda and Ethiopia applied for loans because they feared discrimination and also fear taking risks, and the high interest charged on loans. They also lacked both collateral and business and managerial skills. Taking out a loan to buy equipment or rent premises is often too much of a risk for a woman who is ill equipped with technical and managerial skills. Consequently, women tended to start small businesses requiring small amounts of capital. This suggests that the problem of finance needs to be addressed if women were to engage in growth-oriented businesses with prospects for employment creation and income generation.

In Tanzania, Petro, Majenga and Mashene (2014) inform that there is poor performance of women SMEs caused by immobility of women for business purposes, poor attitude and support from the society members including husbands. Further education and lack of role model are important factors influencing the performance of women owned SMEs. The Growth of micro-enterprises owned by women is a key factor in social and economic development and empowering women in Kenya. The importance of women MSEs in social and economic development has long been recognized by the International Labour Organization (ILO) and hence, the need to support their viability, expansion and growth.

The government of Kenya recognizes the role of women entrepreneurs in socio-economic development and their role in creation of employment. This is echoed in the establishment of the Women Enterprise Fund (WEF) in 2007 through a gazette notice, then under the Ministry of Gender, Children and Social development. The mandates of the WEF fund includes: provision of affordable and accessible credit for women enterprise development, capacity building of women beneficiaries and their institutions, promotion of local and international marketing, promotion of linkages of micro, small and medium enterprises owned by women, facilitate and support investment in infrastructure that support e.g. markets and incubators for goods produced by women entrepreneurs (KIPPRA 2010). Women Enterprise Fund is distributed across all the 290 Constituencies in Kenya with Lurambi being of no exception.

In Kenya, the MSEs Sector has both the potential and the historic task of bringing millions of people from the survivalist level including the informal economy to the mainstream economy. Recognizing the critical role small businesses play in the Kenya economy, the Government through Kenya Vision 2030 envisages the strengthening of MSEs to become the key industries of tomorrow by improving their productivity and innovation (Ministry of Planning, National Development & Vision 2030, (2007). Although the lack of access to finance is almost universally identified as a key challenge for SMEs (Wanjohi & Mugure 2008), the contention in this study is that the success of SMEs, especially the lower values ones that many rural women entrepreneurs operate, is in their ability to apply finances appropriately to support innovation that can give them a competitive edge in the market, thereby enhancing their growth.

There was growing empirical evidence that although there are forms of structural discrimination against women in relation to access to credit networks (Mayoux 2001), women borrowers had lower risk of default because there was a lower prevalence of corruption and bribes among women groups( Swamy et al 2001) and higher repayment rates among women's borrowers (Khandker, et al 1995). However, women entrepreneurs were still unable to access these credit facilities due to the cumbersome application procedures. The study focused on some of the features that associated with lending policies. These included, collateral required from potential borrowers, screening of a potential borrower and the interest rates charged on the loans given out.

Access to financial services by smallholders was normally seen as one of the constraints limiting their benefits from credit facilities. In most cases, this access problem was created due to the institutions' lending policies as in; prescribed minimum loan amounts and restrictions on credit for specific purposes. Where the duration of credit, terms of payment, required security or collateral, and provision of supplementary services do not fit the needs of the target groups' potential borrowers, group members would not apply for credit even when it existed, and when they did, they would be denied (Schmidt and Kropp, 1987). Money lenders continued to exist and continued to apply high rates that were much higher than those of formal institutions. The duration of loaning influenced the interest rate, ranging from 10% for short term loans to between 50% to 100 for long term loans. (Hoff & Stiglitz, 1990) Short-term loans were usually



lent on monthly basis where the principal amount and the interest were paid back at the end of the month. However, the loan could be renewed whereby the interest was paid at the end of the month and the principal considered a new loan thereby attracting another interest rate at the end of the month. Long term loans usually covered several months to a year. The principal and interest were lumped together and paid in monthly installments over a period agreed upon by the two parties.

According to Hellen Kawira Machira in a study carried out in 2012 in Tharaka South District, the fund had not been accessed by many. In her study, less than forty four (44) percent of the registered members of the fund in that region had received their disbursements. This raises questions on the impediments to accessibility of the fund which is considered easily accessible. This study recommends a further research to be conducted on Micro-credit fund accessibility and the performance of women enterprises in Kenya on aspects such as; The econometric view on micro credit fund and the performance of Women owned businesses in Kenya, other factors that affect the performance of women owned businesses other than micro credit accessibility, interest rates and capacity to pay back and the effect of women microfinance loans on house hold incomes in Kenya.

Chepkwony Patricia in her study on the effect of women enterprise fund in Kericho County in 2017 found out that Women Enterprise Fund plays a pivotal role in improving the performance of the women owned enterprises in Kericho County. The results indicate strong positive correlation between access to WEF and performance of women owned enterprises although, most of the entrepreneurs had access to the fund, a significant number didn't especially those in the deep rural areas. Many of those who accessed the fund took a loan of between Kshs.5,000 and Kshs.50,000. This must have contributed to the improved satisfaction levels regarding the WEF services in the County. Very few women entrepreneurs got information via mass media channels; radio and television. It is also palpable that most of the entrepreneurs were satisfied with the services of the WEF institution. She therefore recommended that a support mechanism to provide adequate information on benefits of women enterprise fund to target recipients. Women owned enterprises should seek relevant information from the right institutions in order to be eligible for the loan. Besides she mentions that most of the entrepreneurs got information from friends and this is perhaps a wakeup call for the WEF managers to enhance the awareness

of the institution services through other means of communication such as radio and television that can reach masses within a short time. There is need for Women Enterprise Fund institutions to reduce the credit processing time and start giving individual loans to accommodate more people.

Matheka (2015), investigated the influence of WEF on performance of SMEs among women entrepreneurs in Kisasi Sub county, Kitui County and established that poor access and utilization of WEF loans and inadequacy of the loans consequently negatively affecting performance of the SMEs. Mwangi (2015) argues that there is a positive correlation between provision of loans and the performance of women empowerment projects. Women group that have been able to access the women enterprise funds more than once have more success rates than those which only accessed once. In addition poor training, unreliable markets and limited networks lead to poor performance of women groups.

Women Enterprise Fund (WEF) was established by the government as part of the Kenya Government's commitment to one of the Millennium Development Goals (MDGs) on gender equality and women empowerment, to provide accessible and affordable credits to support women expand or start new businesses for wealth and employment. The WEF was established in August 2007 and is a flagship project under the social pillar in Vision 2030. The fund provides accessible and affordable credits to support women expand or start new businesses for wealth and employment creation. The fund also provides business support services such as capacity building, marketing, promotion of linkages and infrastructure support. Women Enterprise Fund loans reach the target beneficiaries through partner financial intermediaries and directly through Constituency Women Enterprise Scheme, Local purchase Order, local purchase order, bid bonds (Schuler and Riley, 2010).

Lurambi Constituency is described as an agricultural economy where various agricultural activities are being carried out: Dairy farming, Cereals, horticulture farming, Poultry keeping, sugarcane farming, etc. . In Kenya , women have joined groups and benefitted from WEF although there have been a mixed results of success and failure in different Constituencies. Therefore this study seeks to examine the factors that influences women enterprise fund on socioeconomic development in Lurambi Constituency.

## **1.2 Problem Statement**

The Government in its key role on the promotion of entrepreneurship and small enterprises in socio-economic development, is the continued creation of new startup funds, especially for empowerment, innovative initiatives, and the growth of existing businesses by all segments of society and in all corners of a country resulting in the improvement of economic and social wellbeing of the vulnerable groups and poor communities.

In Kenya, although women constitute 50.5 percent of the total population (WEF 2009), majority of them have been excluded from the formal financial services, hence cannot engage in a meaningful entrepreneur or small-scale business. Stevenson and St-Onge (2005a) noted that the total number of women loan clients in microfinance institutions in Kenya is about 30 percent. Data in 2003 from the Association of Microfinance Institutions (AMFI) showed that just over 10 percent of the estimated 1.3 million women MSEs in the country had access to formal loans from microfinance institutions. This means that there exist a gap on development to be filled by women who are not engaged in active development program.

In response to these challenges, the Government of Kenya introduced the Women Enterprise Fund to empower women so that they are able to engage more in development of themselves, their families and the country, distribute wealth across various social groups – Women, Youth and Children, and allow women to borrow money to engage in businesses and other activities at very reasonable interest or no interest rates without the requirements of cumbersome sureties and other bureaucratic quagmires. This, the government envisioned, would contribute to the growth of the Micro Small and Medium Enterprises (WEF 2009) and in the end improve the well-being of the women and their families.

However, over ten years after official launch of the Fund in 2007, it is not well understood to what extent the provision of the Fund is contributing to the growth of the women businesses and improving the livelihood of women in Kenya. More specifically, it is unclear to what extent the Fund has affected the life and wellbeing of the people and its contribution to socioeconomic development. The study therefore sought to bring in recommendation that will see women enterprise fund program contribute to Socio-Economic Development in Lurambi constituency.

### **1.3 Purpose of the Study**

The purpose of the study is to look into women enterprise fund program on socio-economic development: a case study of Lurambi Constituency, Kakamega County.

### **1.4 Objectives of the Study**

1. To investigate the extent to which accessibility of women enterprise fund project has on socioeconomic development in Lurambi constituency, Kakamega County.
2. To establish the extent to which the funds project implementation influences socioeconomic development in Lurambi Constituency, Kakamega County,
3. To evaluate the influence of loan uptake of women enterprise fund on socio economic development of Lurambi constituency, Kakamega County.
4. To establish how the program policies and procedures influences Women Enterprise fund on women socio-economic development in Lurambi constituency, Kakamega County.

### **1.5 Research Questions**

1. In what ways does accessibility of WEF project influences women on socio economic development in Lurambi Constituency, Kakamega County?
2. How has the implementation of women enterprise fund project influenced socio-economic development in Lurambi Constituency, Kakamega County?
3. To what extent loan uptake of women enterprise fund influenced socio economic development in Lurambi Constituency, Kakamega County.?
4. Does WEF Project policies influences socio economic development in Lurambi Constituency, Kakamega County?

### **1.6 Significance of the Study**

The findings of the study will provide an insight and additional knowledge on the influence of women enterprise fund project on socioeconomic development in Kakamega County. By understanding the effect of women enterprise fund on socioeconomic development, Policy makers may use the findings to develop strategies to mitigate those challenges identified. Women entrepreneurs are a major force in job creation hence the need for policy makers to

attach great importance to women entrepreneurs. This study emphasizes on the influence of women enterprise fund on socioeconomic development: a case of Lurambi Constituency, Kakamega County

### **1.7 Limitations of the Study**

While every effort is made to minimize limitation, undoubtedly, this research project does not contain flows. This section is intended to reveal these issues but is not meant to degrade the work instead, it is hoped that these issues will be taken into account and used as possible in an attempt to make it as accurate as possible.

The limitation is finance that will be used in carrying out the various assignments during the study. This limitation will however, be overcome by proper planning and sourcing of money in other ways such as short term loans. Also is time. However this would be overcome by proper time management as per the research schedules. Also calling for leave to have adequate time at out of work for the research project when need be.

### **1.8 Delimitations of the Study**

This study will focus only on women funded beneficiaries in Lurambi constituency due to limited resources (finances and time). The study will examine the influence of women enterprise fund project on socio-economic development in Lurambi Constituency. The study will find out of accessibility of the funds, its implementation, uptake and the lending policies and procedures as the factors.

### **1.9 Organization of the Study**

This study has been organized into five chapters. Chapter one consists of background of the study, statement of the problem, purpose of the study, research objective, research question, significance of the study and organization of the study. Chapter two contains literature review, theoretical framework, and conceptual framework and knowledge gaps. Besides, chapter three contains research design, population, sampling procedure, operation definitions of variables, data collection methods, data collection instruments, reliability and validity of instruments and data

analysis criteria. Chapter four has data analysis and research findings and lastly chapter five contains summary of findings, conclusions and recommendations the study.

### **1.10 Definitions of Terms**

**Development:** Desired change in the individual woman which can consequently lead to self and community enhanced welfare to cause change of behavior.

**Women Empowerment:** Process by which women take control, and ownership of their Lives through expansion of their choices

**Women Group:** A team of women putting together with a common development objective and then carryout activities in effort to improve their welfare motivated by common objective

**Access:** With no bureaucracy

**Credit:** This refers to loan facility to women borrowers.

**Credit Cost:** Price of loan facility in terms of administrative and training fee

**Socio-Economic Development:** Positive change in wellbeing and financial status.

**Population:** This refers to funded beneficiaries in Kakamega County by Women Enterprise Fund

**Capacity building:** Refers to the know-how and skills of women in business management enhancement. It also refers to the type and length of business training offered, entrepreneurship skills or business management training

**Effectiveness:** Refers to level of access to WEF and Capacity building of women entrepreneurs

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter will review both published and unpublished literature that is relevant to the topic of study and objectives. It looks into the factors influencing women enterprise fund on socio-economic development by: investigating the extent of the accessibility of the fund, its implementation, uptake, and lending policies and procedures of women enterprise fund on socio economic development. Theoretical and conceptual framework will also be looked into.

#### **2.2 Accessibility of Women Enterprise Fund program**

Global Perspective of Women Enterprise Funding Globally, SMEs are believed to play a pivotal role in promoting grassroots economic growth and equitable sustainable development (Akanji 2006). As SMEs have become essential in the economic matrixes of the nations, increased deliberate government policies and legislation have been witnessed globally, in the government quest to nurture SMEs. It is also estimated that SMEs constitute over 90 percent of total enterprises in most economies with a high rate of employment growth. They are also a vehicle for increased industrial production and exports. The Asian Tigers such as India, Indonesia, China, Malaysia, Japan, and South Korea also have thriving SMEs sectors contributing between 70-90 percent in employment and an estimated 40 percent contribution to their respective GDPs (Akanji, 2006).

Studies by (Gatewood, Brush, Carter, Greene & Hart, 2004) in Canada, Denmark, and New Zealand show that adequate credit aids women groups 'performance. This is often seen in improved income, output and investments as well as, employment and welfare of the entrepreneurs. Credit accessibility creates opportunities for women groups to generate more incomes (Brana, 2008). Greater business opportunities call for more searches for external funds, which in turn creates more opportunities for entrepreneurship yet women are not encouraged to go to banks for financing because they lack credit history. Lack of collateral securities impedes growth and subsequently hampers household development (International labor organization and African development bank, 2004). Therefore access to credit is a serious constraint for women

groups. It is estimated that despite constituting 43 percent of SMEs, only 5 percent of incomes from Tanzanian women groups are banked and that only 0.53 percent of female-headed households have access to credit (Mark Blackden et al., 2007). In fact only 6 percent of female business owners have any type of banking relationship, compared to 11 percent of male business owners. Though access to finance is a key issue for women, accessing credit, particularly for starting an enterprise is one of the major constraints faced by women groups. When women do have access to credit it is often in small amounts and may not have a direct authority to spend. The differential access to credit and authority to use such cash is a reflection of the patriarchal nature of the society, differences in the choice of sector, educational level or the amount of loan requested (United Nations 37 Development Programme, 2012).

In addition, a general lack of experience and exposure also restricts women groups from venturing out and dealing with banking institutions. Those who do venture out often find that transaction costs for accessing credit are high, and cannot be met by the available cash. Because of this, they are dependent on the family members for surety or collateral, which restricts the amount of money they can borrow. This results in lower investments. Alternately, they tend to find working capital at higher interest rates (Chowdhury & Gilbert, 1996). Women also tend to lack proactive attitudes meant for growth, all women entrepreneurs would benefit greatly from a supportive environment that encourages women to go for it (Kabeer 2008). Currently, there is a lack of social and cultural support for the role of women as entrepreneurs; women are subjects of stereotypes and there are few visible role models for them at any level. Gender barriers need to be addressed at all levels, from the legal system to the domestic system. Women entrepreneurs also need more access to a full range of financial and non-financial support services. The growth of their enterprises is restricted by the lack of collateral, flexible finance options, inadequate access to training and follow-up on training inputs (Njeru & Njoka, 1998). When these barriers are removed and women empowered through groups, then the one third gender rule is likely to be attained. Moreover, women groups have difficulties finding land and premises for Production/services and acquiring up-to-date technology. Finally, they would benefit from the strength of numbers that would be gained through representation by a women entrepreneurs' association, which would not only provide networking and value-added membership services, but also a collective voice for the needs and concerns of women entrepreneurs in the country



(Odini, 2012). Credit servicing history is a crucial dimension of establishing credit worth of an individual client; such that most of the times, commercial lending institutions seek this information in the course of making decision on loaning abilities.

Surveying the trends of borrowing and repayment by clients from various financial institutions in Karachuonyo Constituency, Owuor (2015), in the survey report observed that many women business persons had been blacklisted from seeking credit facilities and cases of attaching properties of defaulters had become a common practice by the loaning institutions to recover the borrowed funds. Giving reasons for the emerging trend of hate-love relationship between lending institutions and the clients, it was noted that access to credit facilities by SME owners had proved a challenging phenomenon, as some of the borrowers commonly failed to service their loans timely. In his response to the Kenya Bankers Associations Report indicating that most clients were being locked out from obtaining bank loans in future due to frequent defaults. Credit servicing history was available for each client with the Credit Reference Bureau (CRB) and any client with past poor credit history would not be granted loans, in spite of reflecting attractive current credit rating on the basis of other assets.

According to Ndegwa (2012), in his survey of the credit rating by the commercial banks in their decisions to determine how much loans to award applicants, credit history was considered the most significant factor and this explains why bank statements are currently perceived as the most valuable loaning document. He noted that most women entrepreneurs in SMEs were no longer obtaining frequent loans even from the local Saccos, as these institutions were becoming keen on their credit history to curb cases of defaults. Information on the credit history of an entrepreneur has significant influence on the accessing credit facilities from lending institutions and one with history of loan defaults is automatically locked out. He further observes that in the modern times when technology has been recognized as changing the way business is done, banks often seek the credit history of any client to establish credit worthiness before such loans are given. In his encounters while working with the UNDPs income generating activities for poverty eradication among the rural women entrepreneurs in Southern Sudan, it was noted that the revolving fund framework which was adopted for giving business loans to these beneficiaries proved difficult to manage due to frequent defaults. And with poor credit servicing history, a client would definitely fail to obtain any loaning facility as this was reason enough to explain why such women did not

prefer taking bank loans. It is a general trend among banking institutions to share clients information, especially the credit servicing history as basic to determining credit worth of a potential loanee, as credit advanced is normally associated with some aspects of risks of defaults. In the light of this concern, any client hoping from one banking facility to another will only be guaranteed the necessary loan if they have sound credit servicing history. Reporting from a survey undertaken with its focus on the influence of credit history on access to micro finance products by women entrepreneurs in Kwale Township, Aziz (2014) noted that sound credit history with few valuable capital assets accorded these institutions effective grounds for making decisions to invest in the clients through loans. Hence credit history as an element in most occasions determines once access to women enterprise fund.

### **2.3 Implementation of Women Enterprise Fund program**

Implementation of women enterprise fund program entirely depend on the existing structures and available information at every level.it is true that WEF implementation is anchored on the constituency as the smallest administrative unit, it is observed that not much is known about the fund in terms of procedures, structures for the county level is missing in between with the regional office manned by two staff and intern being the link between the constituency and the head office. Inadequate staffing creates a bigger challenge in its implementation (WEF strategic plan, 2009-2012)

Paradoxically, while women may be least likely to demand and receive access to information, they are perhaps most in need of it” (Neuman, 2016, 83).Access to information is intrinsically linked to the realization of United Nations Sustainable Development Goal 5: Gender Equality and Empowerment of Women and Girls, and in turn contributes to the achievement of other SDGs. Access to information, as defined in this study, entails an enabling environment that allows individuals to access, use, and share information and further develop their capabilities to apply this information meaningfully in their everyday lives. The development of their capabilities is key to their equality and empowerment, the objective of Goal 5, while the overall focus of the SDGs is on empowering the and hardest to reach. In terms of equality, and access to information, girls and women in less developed countries are those who have the least and need the most. Girls’ and women’s increased access to information will not only contribute to their

empowerment but will also have a beneficial impact on society as a whole. Under the Millennium Development Goals, significant progress was made toward girls' and women's access to information, particularly through information and communication technology (ICT), which has the power to reach females nearly everywhere. The International Telecommunication Union has a goal of gender equality in internet users by 2020. Near equality toward this goal has been reached in most developed countries, particularly in Northern Europe and North America, while the global internet user gender gap is actually increasing (growing from 11 percent in 2013 to 12 percent in 2016).

According to ITU. (2016b), least Developed Countries have the largest gender gap at 31 percent, with Africa experiencing the biggest regional gap. Severe gender gaps remain in less developed countries, with differences in education and income as major contributing factors. Women in less developed countries also fall behind in ICT skills at all levels. Mobile phones have become increasingly the most accessible and ubiquitous sources of information and communication in the world today. In nearly every country for which data is available, fewer women than men own mobile phones. The gender gap in both mobile phone usage and ownership is largest for women in Least Developed Countries, which are also the least connected. The disparity is greatest in ownership, which has important implications for girls' and women's access to information as well as independence and autonomy, all measures of gender equality. The facilitation of access to information to women entrepreneurs will create a major shift in development and any denial to their information access may derail development and their access to credit facilities. Libraries, particularly in less developed countries, have an important role to play in women's empowerment in reaching out to disadvantaged women to increase their access to information through literacy (including information literacy) and ICT training and by providing materials in local languages. Ability to access vital information on the variety and nature of credit facilities on offer in the financial market usually determines ones desire to seek such products for business investment.

According to Mwangi, (2015), banks offer several loan products that may be helpful to potential clients, yet most of them are always unaware of such and continue servicing less attractive and traditionally available products. He further explained that education, credit information and extension visits are more likely to increase the information base and decision making abilities of

the farm households including the ability to compare pros and cons of choosing appropriate credit and production technology. Accessibility of information influences the access to finance products in one way or another. Without accessibility to information, accessing loans and loan information is not easy and would equally make the implantation of women enterprise fund meet a myriad challenges.

Women entrepreneurs in small scale businesses in most developing countries need help in the area of information management with respect to availability and accessibility of information which could enhance their businesses transactions (Njogu, 2011). According to the Faulu Credit Management Information (FCMI) on entrepreneurial training, commercial lenders must constantly update their web sites with the most current information of the production offer to enable clients take advantage to go for more loans. Reporting from the findings of his study focusing on influence of information on access to credit facilities by the youth entrepreneurs in Ainamoi Constituency, Kibet (2011), observed that information on the status of a loan facility is vital so that clients are always updated on the performance of their loans to avoid defaults which subsequently render loans expensive. Besides, such information should also revolve around different products on offer and the corresponding terms, as potential clients have to compare these before making decision on the products to request. Women entrepreneurs could benefit from greater media coverage and stronger advocacy to enhance awareness on credit facilities and that lack of widespread awareness about the types of loan products among the intended beneficiaries severely diminishes access to these credit facilities by the potential clients.

In Sri Lanka key, informants and literature indicated a need for information about micro credit and finance schemes suitable for young entrepreneurs to be disseminated to key players across the country (National Action Plan for youth Employment Sri Lanka August 2006). In Africa, several investigations in the sector of small and micro enterprises reveal that accessibility of financial services still remains a challenge, despite the acknowledgement financial investment is critical to growth of all ventures.

In the views of Kambi (2011), having done a survey in Kwazulu Region in South Africa, accessibility of financial products must be addressed so as to support the rural poor to actively engage in economic development through small enterprises, bearing in mind that employment

opportunities have been dwarfed by population explosions. He recommends that young entrepreneurs be assisted to obtain information on availability of cheap credits which do not overemphasize a lot on collaterals, given necessary training on resource mobilization and more micro finance that are pro poor developed. Improving entrepreneurship is dependent upon making information and resources more available to potential innovators, particularly on availability of credit facilities to enable small business holders obtain business funds, Global Business (2010). In addition, the information should be enhanced through training and mentoring, business incubation, holding a business plan competition, and developing partnership with private and public institutions so that basic credit information is at the fingertips of potential clients.

#### **2.4 Uptake of Women Enterprise Fund**

Njeru and Njoka (1998) points out that due to patriarchal social authority structures, women have to receive permission from their husbands or family support to join a women group or even start a business. However, such support is seldom granted, in fact, in most cases women's freedom of movement and joining groups is restricted for fear of husbands losing dominance over their wives. In addition, many ethnic cultures socially condition girls to acquire the need for affiliation, rather than achievement, hence as girls grow into women, they look forward to being affiliated with men's achievements rather than with their own independent investments. Girls have also been discriminated against in their access to education, and factors of production such as land. Indeed in many cultures, women of marriage age are often viewed as assets.

A positive relationship has been documented between small-business development and economic growth in developed countries. In USA and France, studies have shown that there is a positive relationship between credit and opportunity choice for women entrepreneurs. Further credit was found to have a positive effect on opportunity for women enterprise choice in USA (Allen, 2000 and Brana, 2008). Credit or loan is very necessary for start of new enterprises. Banks are inclined toward low-risk ventures. A relationship exist between credit and enterprise choice for women entrepreneurs. Credit provides the needed opportunity for entrepreneurs to start businesses (Akanji, 2006).

According to Carter et al., (2001) women business owners contribute £50-70 billion in gross value added to the UK economy each year. This figure does not include the contribution of women business owners in large businesses, women's unpaid contributions, such as caring or the contributions made in businesses where the owner is male but which is a partnership.

Samuel & Claudia (2014), in their policy research working paper made conclusions that interest rate ceiling in most industrialized countries have been declining in the past several decades and that a number of developing countries have continued liberalize their financial policies. However, the financial recession of 2008 opened the discussion of interest rate ceilings as an instrument for customer protection. In fact, countries such El Salvador, Zambia introduced fresh interest ceiling on loans after the financial recession and others for example Japan have imposed more restrictive controls in order to facilitate easy access to credit

Other studies carried out in Kenya have attributed such treatments to the lack of confidence and self-belief; lack of strong and relevant networks and passive learning methods in women (Mallick & Rafi, 2010). Other constraints and social cultural barriers that women face in households include poor social background and socio-economic discrimination (Mutuku et al., 2006). Many women are income poor, yet they have to provide for their families. Competing financial needs between family and business become major constraints to groups' development and household wellbeing. With many women being poor, the little income earned is most of the time used for what appears to be urgent family requirements, irrespective of why it was set aside. Women in Kenya are time poor due to their dual roles in the household economy and the labour market, as mothers, housekeepers, wives and owners/managers (Odini, 2012). In addition, such dual roles give women less time to plan and manage their groups well, which reduces performance especially if women have more financial and social demands including housing space, health, old age and divorce, all of which negatively affect growth in women groups.

Loan uptake is the ability of the potential applicant to access loan from a given financial institution or market. According to Micah and Gibbs (2013), loan uptake is a function of the level of collateral, the ability to pay, availability of liquidity, the rate of chargeable interest rate

and capacity to handle the varying challenges of the lending institutions. These are main conditions affecting loan uptake in financial institutions.

According to Central Bank of Kenya (2016) Bank Supervision Annual Report the gross loans improved by 5.6 percent from Kshs.2.17 Trillion to in December 2015 to 2.229 Trillion in December 2016 growth attributed to the demand for credit by various economic sectors. The measures of loans uptake according to the Central Bank of Kenya are through the growth of loans portfolios overtime, the number of loan applications and approvals, size of the loan applications and number of Credit Bureau Reports by Banks.

## **2.5 Lending Policies and Procedures**

The government of Kenya's awareness of the need for credit by micro and small scale business enterprises has facilitated several credit programs to assist these business enterprises in accessing credit, Yet, the terms of payment stipulated by the microfinance institutions has also been found to be a crucial factor that affects the acquisition of credits by the small scale business enterprises. These programmes change the commercial rate of interest to cover costs and to ensure suitability and influence welfare of household, reach directly the poorest of the economically active to make sure that in mixed groups, micro and small scale business enterprises are not left out. Cost of credit describes all aspects of expenditures involved in the process of accessing loaning facilities from commercial lending institutions, ranging from the prevailing interest on the credit, levies accompanying credit processing, insurance and transport costs incurred during bank visits as well as other miscellaneous, (Odini, 2012). He further reveals that, in developing countries, asymmetric information, high risks, lender-borrower distance, and small and frequent credit transactions of rural households make real costs of borrowing vary among different sources of credit. Physical distance of farm households from formal lending institutions is one of the factors that influence access to formal credit.

According to Huren (2012), farm households are discouraged to borrow from credit sector if it is located farther. This is because both temporal and monetary costs of transaction, especially transportation cost, increase with lender-borrower distance which raises the effective cost of borrowing at otherwise relatively lower interest rate in the sector. In Kenya, as in many African

countries, providing financial services to poorer populations in rural areas, especially to women entrepreneurs remains a challenging goal. The Kenyan rural environment is characterized by poor communications infrastructure, relatively low population density, low levels of literacy, relatively undiversified economies, low profitability and/or high risk of many economic activities. These conditions have contributed to the culture of raising the cost of credit to cushion the lending institutions from business loss, but making these products more expensive to local business entrepreneurs. It is also observed that low income level, distance to credit sources, interest charged on the intended credit and other additional costs attached to a credit facility, often conspire in making business financing using credit more expensive for ordinary entrepreneur. In view of this, most low income women business entrepreneurs, especially in rural areas, prefer informal lending agencies for business loans. Reporting from a study conducted in the Chinese Micro Industry focusing on the challenges facing newly established small businesses, noted that main banking institutions were steadily rolling out micro finance products at affordable interest rates to encourage young entrepreneurs to obtain credit for their businesses. Moreover, the country also formulated policies that encouraged proliferation of many micro finance institutions to provide these services in close neighborhoods to facilitate accessibility to the products. Besides, government funds were also created targeting various low income groups in order to boost their entrepreneurial activities.

Focusing on factors influencing accessibility of business funds among the small and micro enterprises in Nigeria, Onomi (2013), established that the cost of credit was still out of reach for many unemployed rural folks who were heavily carrying the burden of unemployment in the country. In addition, he indicated that some parts of the country, though few indeed, did not have varied micro financial institutions keen on meeting the financial needs of many borrowers.

Enumerating major determinants of accessibility to micro finance products for small and medium enterprises in Zambia, Banda (2010), had in this list; the cost of credit, security against credit, information on variety of products and the general business environment that guarantee success in the forex market, as crucial in accessing funds for entrepreneurial activities.

In the United States of America, SMEs are accredited for turning around the economy through job creation, especially to the less competitive citizens not absorbed in formal employment



sector, Lamin (2011). However, access to finance has not been very smooth, as lending conditions dictate that adequate security be provided against the loan applied for. Moreover, the prevailing interest rates must be considered to determine the value of credit to be obtained and credit history of an individual lender is equally crucial. Kenyan parliament has been on the forefront in ensuring that interest rates for banks are capped at affordable level for the borrowers. Besides the Kenyan government through parliament established women enterprise fund as an intervention in addressing the challenges post by financial institutions processes in accessing the fund whose processes are easy with no major hurdles.

## **2.6 Theoretical Framework**

This theoretical framework has been formulated to explain the theories upon which the research is anchored. The below theories have been discussed to illustrate the topic under discussion.

### **Self - Efficacy Theory**

This study is guided by the theory of Self Efficacy by Albert Bandura (1977). This theory is defined as the people beliefs in their capabilities and how these beliefs shape their performances and influence their daily lives. One of the major processes is the cognitive processes that influence human behavior. This process explains how people tend to think about how best to increase their capabilities and visualize various scenarios in order to create environments that will help reach their perceived goals. Women in Mutuango have different goals that they have set for themselves and their families. In order to reach these goals they have formed various self-help groups and applied for loans through the Women Enterprise Fund. These choices are formed from their beliefs in financial empowerment and self-improvement. Accessibility to loans and low interest rates makes it easier for these women to want to acquire loans. Business delivery services provided by the fund, tries to ensure that they gain critical skills that will enable them to have financial sustainability and economic empowerment.

The major criticism of this theory is that it is hard to generalize self -efficacy because of the multifaceted and contextual efficacy beliefs that each individual holds thus making it difficult to have an empirical study on self-efficacy and its impact. This means that each woman holds a different belief or notion of what economic empowerment is, they also have different view on the

Women enterprise fund, and thus their intentions of participation are different. This makes it difficult to define the motivation for participation (Bandura, 1977).

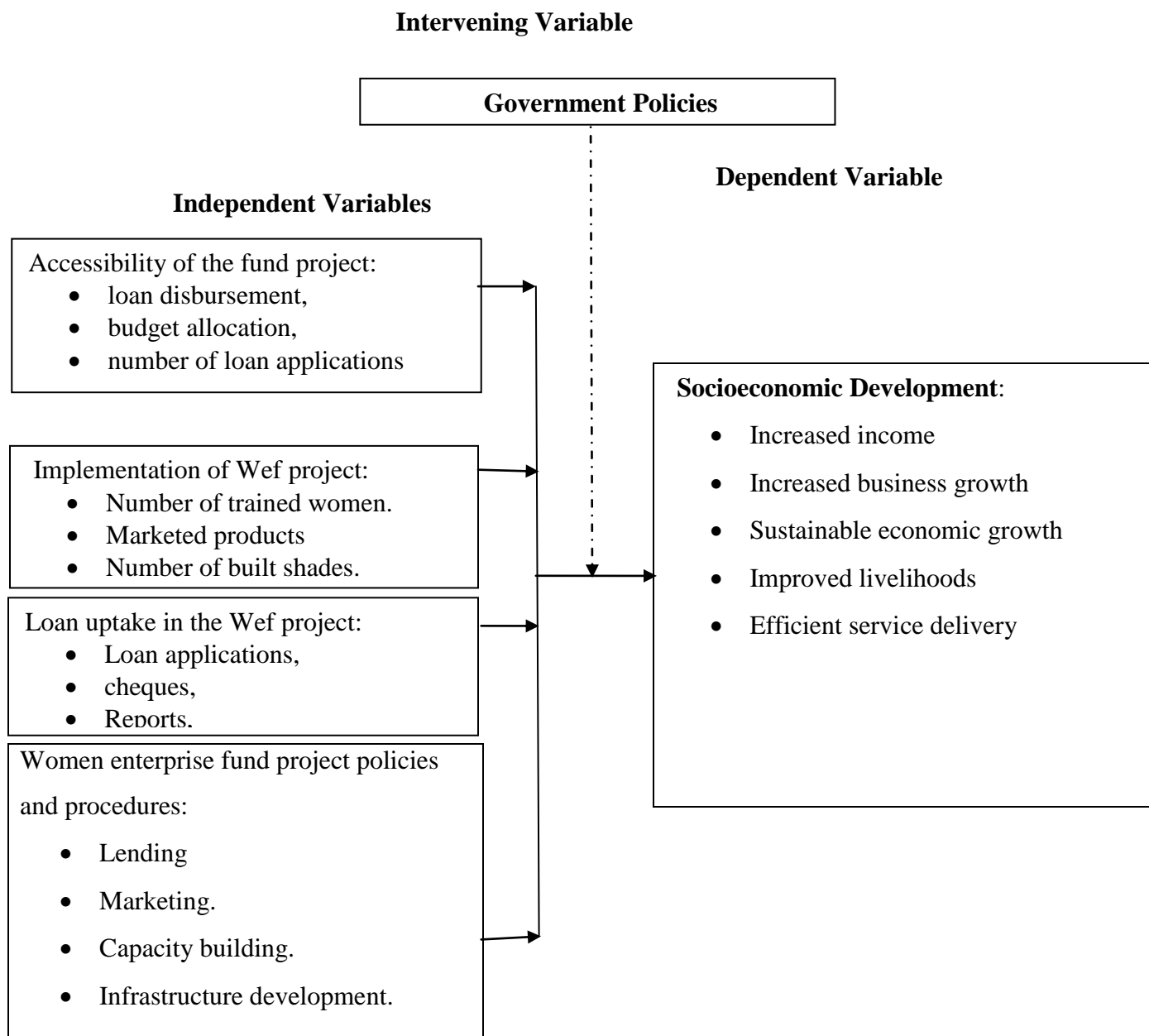
### **Resource Based View**

This theory was established in the 1980s and 1990s, after the major works published by Wernerfelt (1984) on Resource-Based View of the Firm (1984), Prahalad and Hamel on the Core Competence of The Corporation (1990), Barney on the Firm resources and sustained competitive advantage (1991) among others. The theory is of the argument that a person's success is determined by the resources and capabilities they have? These resources can include financial capital, human capital, physical capital, technology and reputation. When a person has identified the resources, they use these resources to build capabilities by coordinating and utilizing them to ensure peak performance and high yields.

Women having access to the Women enterprise fund helps create capital, human resources and physical resources, which are important for the success and the financial sustainability of their businesses and the improvement of their financial situation. Major criticism of the theory is that in the real world it is not applicable because competitive sustainability cannot be empirically measured due to the ever changing dynamics of the markets.

### **2.7 Conceptual Framework**

The conceptual model illustrates the main variables of the study. The below diagram illustrates the independent and dependent variable and intervening variables.



**Figure 1: Conceptual Framework**

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter presents research design, target population, sample size and sample selection, research instruments, sampling procedure, reliability and validity of instruments and data analysis. It further looked into data collection procedure and data analysis technique.

#### **3.2 Research Design**

Descriptive survey was used in this study. The survey design is a methodology that is employed to investigate population by detecting samples for analysis and also to discover occurrences (Oso, 2008). Survey design was suitable for the study since it enabled the researcher to rapidly collect data for analysis. It also allowed researcher to understand a population from part of it. The study employed use of descriptive design. The instruments that were used were research administered questionnaire and interview schedules.

#### **3.3 Target Population**

Women enterprise fund operates within the Constituencies, County wise regionally and then nationally with the regional offices being in charge of counties and constituency offices .The fund always lend to women entrepreneurs within the group and individual women entrepreneurs on selected products like LPOs and or LSOs.it also runs training and marketing as its key mandate. Therefore the target population were 100 women beneficiaries from the funded groups and individuals in Lurambi constituency.

#### **3.4 Sample Size and Sample Selection**

The sections describe the sample size and the sampling procedures that were used to select the sample.

3. A sample is an informative part of a statistical population whose property is studied to gain information about the whole (Webster, 1985). A sample size of 100 respondents out of a population of one hundred and twenty members of the groups funded were sampled. This is

according to Krejcie and Dr. Morgan reproduced in Mulusa (1990) as quoted by Peter, C.B (1994). For purposes of representation, the sample size will be made up of funded group members within Lurambi Constituency.

#### **4.1 Sample Size**

### **3.5 Research Instruments**

The study employed the use of questionnaires which were self-administered and in this case questionnaire was the only data open ended ones. This type of instrument were chosen because of the descriptive design that were employed as the collected was quantitative.

#### **3.5.1 Piloting of the Study**

Piloting of the study of the data collection instruments was done in Luanda constituency in the neighboring County of Vihiga to a population of 20 (twenty) women with a sample size of 19 (nineteen) women before the actual research to ascertain the feasibility of the research instruments. This enabled researcher to a certain the consistency and accuracy of the instruments used. It is important to note that the data collected from Luanda as a pilot will not be used in data analysis.

#### **3.5.2 Validity of the Research Instruments**

Validity refers to the degree to which instruments measure what it is supposed to measure (Mugenda, 2008). It can therefore be taken that validity refers to the truthfulness, accuracy and meaningfulness of inferences that are based in the data obtained from use of a tool. Borg & Gall (1989) stated that to enhance validity of a questionnaire a pilot study or pre testing on population similar to the target should be conducted. This was done to ten customers that determined the soundness of questionnaire as a research instrument.

#### **3.5.3 Reliability of Research Instruments**

Reliability of a measuring instrument is the degree of consistency with which it measures whatever is meant. Mugenda (2008) considers reliability to be a measure of the degree to which a research instrument would yield the same result or data after repeated trials. It is for this reason

that the study used both questionnaire and interview as tools of data collection to verify all information received. For all the data collection tools a pilot study was done before the actual process to test the instrument.

### **3.6 Data Collection Procedure**

In this study the descriptive survey technique was used to collect primary data by making use of a questionnaire and interview schedule.

Authority to conduct the research was sought from the University of Nairobi, Women enterprise fund and NACOSTI. This facilitated data collection from the field and fulfilled the course requirement. The questionnaire was taken to respondents and filled and confidentiality on the response by the respondents' was maintained. Two research assistants were employed to aid in the data collection process. Questionnaires were taken door to door and self administered.

### **3.7 Data Analysis Technique**

The research findings were grouped, that is; the raw data from the close ended questionnaire items under broad themes. This ensured that the data was uniformly entered accurately and completed as required in order to facilitate coding and tabulation. Once this was completed, data was analyzed, summarized and presented using tables and percentages for interpretation.

### **3.8 Operational Definition of Variables**

According to Mugenda and Mugenda (1998:56), a variable is defined as a measurable characteristic that assumes different values among subjects. The Independent Variable was operationalized as follows:

**Table 1: Operational Definition of Variables**

| Objective   | Variables                       | Indicator  | Measurement    | Analysis techniques   |
|---|---------------------------------|--|----------------|---|
| <b>Dependable variable</b>  |                                 |  |                |   |
| <b>Socio economic development in Lurambi constituency</b>   | Socio economic status           | <ul style="list-style-type: none"> <li>• Efficient service delivery</li> <li>• Sustainable economic growth</li> <li>• Improved social welfare/Livelihood</li> <li>• Poverty reduction</li> </ul> | Questionnaires | <ul style="list-style-type: none"> <li>• Descriptive analysis</li> <li>• Tables</li> <li>• Percentages</li> <li>• ANOVA</li> <li>• Correlation</li> </ul> |
| <b>Independent variables</b>  |                                 |  |                |   |
| <b>To investigate the extent to which accessibility of women enterprise fund project has on socioeconomic development in Lurambi constituency, Kakamega County, Kenya</b> | Accessibility                   | <ul style="list-style-type: none"> <li>• Loan disbursed</li> <li>• Budget allocation</li> <li>• Number of applications</li> </ul>  | Questionnaires | <ul style="list-style-type: none"> <li>• Descriptive analysis</li> <li>• Tables</li> <li>• Percentages</li> <li>• ANOVA</li> <li>• Correlation</li> </ul> |
| <b>To establish the extent to which the WEF project implementation influences socioeconomic development in Lurambi Constituency, Kakamega County, Kenya</b>               | Existing structures and systems | <ul style="list-style-type: none"> <li>• Trained personnel</li> <li>• Number of funded beneficiaries.</li> </ul>   | Questionnaires | <ul style="list-style-type: none"> <li>• Descriptive analysis</li> <li>• Tables</li> <li>• Percentages</li> <li>• ANOVA</li> <li>• Correlation</li> </ul> |
| <b>To evaluate the loan uptake of women enterprise fund influences socio economic development of Lurambi constituency, Kakamega County, Kenya</b>                         | Uptake                          | <ul style="list-style-type: none"> <li>• Loan applications</li> <li>• Cheques</li> <li>• Reports</li> </ul>  | Questionnaires | <ul style="list-style-type: none"> <li>• Descriptive analysis</li> <li>• Tables</li> <li>• Percentages</li> <li>• ANOVA</li> <li>• Correlation</li> </ul> |
| <b>To establish how WEF project policies and procedures influences socio-economic development in Lurambi constituency, Kakamega County.</b>                               | Lending policies and procedures | Credit policy  | Questionnaires | <ul style="list-style-type: none"> <li>• Descriptive analysis</li> <li>• Tables</li> <li>• Percentages</li> <li>• ANOVA</li> <li>• Correlation</li> </ul> |

## **CHAPTER FOUR**

### **DATA ANALYSIS AND RESEARCH FINDINGS**

#### **4.1 Introduction**

This chapter describes the analysis followed by discussions on influence of Women Enterprise Fund Project on Socio-Economic Development a case of Lurambi Constituency. The analysis and research findings have been done to the four objectives of the study as illustrated in the subsequent discussions besides the demographic profile.

Descriptive survey was done in Lurambi Constituency to find out influences of Women Enterprise Fund project on socioeconomic development a case of Lurambi Constituency. Data was analyzed by the use of descriptive analysis where features of research results are presented in the form of frequency tables and percentages.

##### **4.1.1 Response Rate**

One hundred questionnaires were given out. Eighty one (81) questionnaires out of 100 given out were answered. This gave the percentage response rate to be 81% which qualified this data for analysis. The non-returned nineteen (19) forms were due to the fact that the beneficiaries were not available at that point as some had travelled to their rural home following the fear of the Covid-19 already in the country.

#### **4.2 Demographic Profile**

Section A of the questionnaire was used in the study to find out Ages, Marital Status and Education Level of the respondents. This was important for the researcher to evaluate varied responses across various age, education and marital status groups.



#### 4.2.2 Age (Years) Distribution of the Respondents

**Table 2: Age Categories**

| Years          | Frequency | Percent      |
|----------------|-----------|--------------|
| 26-30 Years    | 4         | 4.9          |
| 31-35 Years    | 16        | 19.8         |
| 36 above Years | 61        | 75.3         |
| <b>Total</b>   | <b>81</b> | <b>100.0</b> |

The research findings showed that a big number of age 36 and above i.e. 61 benefited from Women Enterprise Fund this was equivalent to 75.3%. Age 31-35 years was 16(19.8%) and age 26-30 yrs. was 4(4.9%) being the minority age.

#### 4.2.3 Marital Status Categories

**Table 3: Marital Status Categories**

| Marital Status | Frequency | Percent      |
|----------------|-----------|--------------|
| Single         | 5         | 6.2          |
| Married        | 52        | 64.2         |
| Separated      | 7         | 8.6          |
| Widowed        | 17        | 21.0         |
| <b>Total</b>   | <b>81</b> | <b>100.0</b> |

The study findings showed that a big preposition of the respondents were married i.e 52(**64.2%**), **17 (21%)** widowed, **7 (8.6%)** separated and **5 (6.2%)** were single. This indicated that the majority of women who took loan from women Enterprise Fund were married.

#### 4.2.4 Level of Education and Training

**Table 4: Education Level**

| <b>Qualification</b> | <b>Frequency</b> | <b>Percent</b> |
|----------------------|------------------|----------------|
| Primary              | 19               | 23.5           |
| Secondary            | 49               | 60.5           |
| College              | 10               | 12.3           |
| University           | 3                | 3.7            |
| <b>Total</b>         | <b>81</b>        | <b>100.0</b>   |

The table above showed that **49 (60.5%)** were up to secondary education level, **19 (23.5%)** had primary qualification **10 (12.3%)** had college qualification and **3 (3.7%)** had university qualification which was the minority. The majority of the respondents had secondary qualification.

#### 4.3 Accessibility of Women Enterprise Fund Project influence on Socio Economic Development in Lurambi Constituency, Kakamega County

The primary goal of this study was to establish accessibility of women enterprise fund project in relation to socio economic development in Lurambi Constituency. To realize this, cases were given descriptive statements in a 4 point likert type scale and were required to show the degree of access to WEF program. This is found in Section B of the questionnaire. The degree was Strongly Agree (4), Agree (3), Strongly Disagree (2) and Strongly Disagree (1)

**Table 5: Response on have borrowed from WEF**

| <b>Response</b>   | <b>Frequency</b> | <b>Percent</b> |
|-------------------|------------------|----------------|
| Agree             | 6                | 7.4            |
| Strongly Agree    | 75               | 92.6           |
| Disagree          | 0                | 0              |
| Strongly Disagree | 0                | 0              |
| <b>Total</b>      | <b>81</b>        | <b>100.0</b>   |

The research findings showed above represented **6 (7.4%)** respondents who agreed that they had borrowed from women enterprise fund program. Those who strongly agreed that they have borrowed from WEF were **75 (92.6%)**. The research findings showed that the majority strongly agreed that they had borrowed from WEF.

**Table 6: Response on there is easy access to Women Enterprise Fund**

| <b>Response</b>   | <b>Frequency</b> | <b>Percent</b> |
|-------------------|------------------|----------------|
| Agree             | 63               | 77.8           |
| Strongly Agree    | 18               | 22.2           |
| Disagree          | 0                | 0              |
| Strongly Disagree | 0                | 0              |
| <b>Total</b>      | <b>81</b>        | <b>100.0</b>   |

The research findings above showed that most of the respondents agreed that there was an easy access to WEF which was **63(77.8%)** and **18(22.2%)** strongly agreed that there was an easy access to WEF.

**Table 7: Response on there is easy access to information on Women Enterprise Fund**

| <b>Response</b>   | <b>Frequency</b> | <b>Percent</b> |
|-------------------|------------------|----------------|
| Agree             | 64               | 79.0           |
| Strongly Agree    | 17               | 21.0           |
| Disagree          | 0                | 0              |
| Strongly Disagree | 0                | 0              |
| <b>Total</b>      | <b>81</b>        | <b>100.0</b>   |

The research findings above showed that most of the respondents agreed that there was an easy access to information on WEF which was **64 (79%)** and **17(21%)** strongly agreed that there was an easy access to WEF.

**Table 8: Response on women enterprise fund offices are reachable**

| <b>Response</b>   | <b>Frequency</b> | <b>Percent</b> |
|-------------------|------------------|----------------|
| Agree             | 66               | 81.5           |
| Strongly Agree    | 15               | 18.5           |
| Strongly Disagree | 0                | 0              |
| Disagree          | 0                | 0              |
| <b>Total</b>      | <b>81</b>        | <b>100.0</b>   |

The research findings above showed that most of the respondents agreed that there was an easy access to information on WEF which was **66 (81.5%)** and **15 (18.5%)** strongly agreed that there was an easy access to WEF.

**Table 9: Response on Credit Access leads to Acquisition of Basic Needs**

| <b>Response</b>   | <b>Frequency</b> | <b>Percent</b> |
|-------------------|------------------|----------------|
| Strongly Disagree | 2                | 2.5            |
| Disagree          | 3                | 3.7            |
| Agree             | 69               | 85.2           |
| Strongly Agree    | 7                | 8.6            |
| <b>Total</b>      | <b>81</b>        | <b>100.0</b>   |

The research findings above showed that most of the respondents i.e. **69 (85.2%)** agreed that credit access leads to acquisition of basics needs. **7 (8.6%)** strongly agreed, **3 (3.7%)** disagreed and **2(2.5%)** strongly disagreed.

#### **4.4 The implementation of women enterprises fund program on socio economic development in Lurambi Constituency, Kakamega County**

**Table 10: Response on Many have been reached by WEF**

| <b>Response</b>   | <b>Frequency</b> | <b>Percent</b> |
|-------------------|------------------|----------------|
| Agree             | 62               | 76.5           |
| Strongly Agree    | 19               | 23.5           |
| Disagree          | 0                | 0              |
| Strongly Disagree | 0                | 0              |
| <b>Total</b>      | <b>81</b>        | <b>100.0</b>   |

The research findings above showed that most of the respondents agreed that many had been reached by WEF which were **62 (76.5%)** and **19 (23.5%)** strongly agreed that that many had been reached by WEF.

**Table 11: Response on My Income has Improved**

| <b>Response</b>   | <b>Frequency</b> | <b>Percent</b> |
|-------------------|------------------|----------------|
| Agree             | 36               | 44.4           |
| Strongly Agree    | 45               | 55.6           |
| Disagree          | 0                | 0              |
| Strongly Disagree | 0                | 0              |
| <b>Total</b>      | <b>81</b>        | <b>100.0</b>   |

The research findings above showed that most of the respondents agreed that their income had improved which were **36 (44.4%)** and **45 (55.6%)** strongly agreed that their income had improved.

**Table 12: Response on My Livelihood has Improved**

| <b>Response</b>   | <b>Frequency</b> | <b>Percent</b> |
|-------------------|------------------|----------------|
| Agree             | 51               | 63.0           |
| Strongly Agree    | 30               | 37.0           |
| Disagree          | 0                | 0              |
| Strongly Disagree | 0                | 0              |
| <b>Total</b>      | <b>81</b>        | <b>100.0</b>   |

The research findings above showed that most of the respondents agreed that their livelihood had improved which were **51 (63%)** and **30 (37%)** strongly agreed that their livelihood had improved.

**Table 13: Response on WEF has Decentralized Offices**

| <b>Response</b>   | <b>Frequency</b> | <b>Percent</b> |
|-------------------|------------------|----------------|
| Disagree          | 3                | 3.7            |
| Agree             | 72               | 88.9           |
| Strongly Agree    | 6                | 7.4            |
| Strongly Disagree | 0                | 0              |
| <b>Total</b>      | <b>81</b>        | <b>100.0</b>   |

The research findings above showed that **72(88.9%)** agreed that WEF decentralized offices, **6(7.4%)** strongly agreed that WEF decentralized offices and **3(3.7%)** disagreed. This means that the majority of the cases agreed that WEF had decentralized their offices which made it easy for women to get their services.

#### **4.5 Influence of Loan uptake of Women Enterprise fund on Socioeconomic Development in Lurambi Constituency, Kakamega County**

In order to find out the rate of loan uptake by women from Lurambi constituency, the respondents' consents were sought and results tabulated as shown below.

**Table 14: Response on I have borrowed from Women Enterprise Fund**

| <b>Response</b>   | <b>Frequency</b> | <b>Percent</b> |
|-------------------|------------------|----------------|
| Disagree          | 1                | 1.2            |
| Agree             | 5                | 6.2            |
| Strongly Agree    | 75               | 92.6           |
| Strongly Disagree | 0                | 0              |
| <b>Total</b>      | <b>81</b>        | <b>100.0</b>   |

The research findings above showed that **75 (92.6%)** strongly agreed that they had borrowed from WEF, **5(6.2%)** agreed they had borrow from WEF and **1 (1.2%)** disagreed. This means that the majority of the cases agreed that they had borrowed from WEF.

**Table 15: Response on i have seen people borrowing from WEF**

| <b>Response</b>   | <b>Frequency</b> | <b>Percent</b> |
|-------------------|------------------|----------------|
| Agree             | 39               | 48.1           |
| Strongly Agree    | 42               | 51.9           |
| Disagree          | 0                | 0              |
| Strongly Disagree | 0                | 0              |
| <b>Total</b>      | <b>81</b>        | <b>100.0</b>   |

The research findings above showed that most of the respondents strongly agreed they had seen people borrowing which were **42(51.9%)** and **39(48.1%)** agreed on the same.

**Table 16: Response on business growth is due to borrowing**

| <b>Response</b>   | <b>Frequency</b> | <b>Percent</b> |
|-------------------|------------------|----------------|
| Disagree          | 2                | 2.5            |
| Agree             | 75               | 92.6           |
| Strongly Agree    | 4                | 4.9            |
| Strongly Disagree | 0                | 0              |
| <b>Total</b>      | <b>81</b>        | <b>100.0</b>   |

The research findings above showed that **75(92.6%)** agreed business was due to borrowing from WEF, **4(64.9%)** strongly agreed their business growth was due to borrowing from WEF and **2(2.5%)** disagreed. This means that the majority of the cases agreed business growth is due to borrowing.

**Table 17: Response on all women have borrowed and supported by WEF**

| <b>Response</b>   | <b>Frequency</b> | <b>Percent</b> |
|-------------------|------------------|----------------|
| Strongly Disagree | 13               | 16.0           |
| Disagree          | 57               | 70.4           |
| Agree             | 7                | 8.6            |
| Strongly Agree    | 4                | 4.9            |
| <b>Total</b>      | <b>81</b>        | <b>100.0</b>   |

The research findings showed that most of the respondents disagreed 57(70.4%), 7(8.6%) agreed, 4(4.9%) strongly agreed and 13(16%) strongly disagreed. The results implied many women had not borrowed which is a total of 13 plus 57(70) strongly disagreed and disagreed.

**Table 18: Response on Interest Rate is High**

| <b>Response</b>   | <b>Frequency</b> | <b>Percent</b> |
|-------------------|------------------|----------------|
| Strongly Disagree | 48               | 59.2           |
| Disagree          | 31               | 38.3           |
| Strongly Agree    | 2                | 2.5            |
| Agree             | 0                | 0              |
| <b>Total</b>      | <b>81</b>        | <b>100.0</b>   |

The research findings above showed that **48(88.9%)** respondents strongly disagreed that interest rate was high, **31(38.3%)** disagreed and **2(2.5%)** strongly agreed. This means that the majority of the cases disagreed that WEF offer a high rate.

#### **4.6 Influence of Women Enterprise Fund Project Policies and Procedures on Socio Economic Development in Lurambi Constituency, Kakamega County**

The primary goal of this study was to establish WEF program policies and procedures on socio economic development in Lurambi Constituency. To realize this, cases were given descriptive statements in a 4 point likert type scale and were required to show the degree of access to WEF program. This is found in Section B of the questionnaire. The degree was Strongly Agree (4), Agree (3), Strongly Disagree (2) and Strongly Disagree (1)

**Table 19: Response on there are policies and procedures to be followed**

| <b>Response</b>   | <b>Frequency</b> | <b>Percent</b> |
|-------------------|------------------|----------------|
| Strongly Disagree | 2                | 2.5            |
| Disagree          | 1                | 1.2            |
| Agree             | 48               | 59.3           |
| Strongly Agree    | 30               | 37.0           |
| <b>Total</b>      | <b>81</b>        | <b>100.0</b>   |



The research findings above showed that the majority of the respondents **48 (59.3%)** agreed that there are policies and procedures to be followed laid by the WEF. **30 (37%)** respondents strongly agreed, **2(2.5%)** and **1(1.2%)** disagreed.

**Table 20: Response on Screening of borrowers is done**

| <b>Responses</b>  | <b>Frequency</b> | <b>Percent</b> |
|-------------------|------------------|----------------|
| Strongly Disagree | 1                | 1.2            |
| Agree             | 79               | 97.6           |
| Strongly Agree    | 1                | 1.2            |
| Disagree          | 0                | 0              |
| <b>Total</b>      | <b>81</b>        | <b>100.0</b>   |

The research findings from the table showed that **79(97.6%)** respondents agreed that the screening of borrowers is done, **1(1.2%)** strongly disagree and **1(1.2%)** strongly agreed,

**Table 21:Response on Women Enterprise Fund Policies and Procedures Encourages borrowing**

| <b>Response</b>   | <b>Frequency</b> | <b>Percent</b> |
|-------------------|------------------|----------------|
| Strongly Disagree | 1                | 1.2            |
| Agree             | 31               | 38.3           |
| Strongly Agree    | 49               | 60.5           |
| Disagree          | 0                | 0              |
| <b>Total</b>      | <b>81</b>        | <b>100.0</b>   |

The research findings from the table showed that **49(60.5%)** respondents strongly agreed that WEF policies encourages borrowing, **31(38.3%)** agreed and **1(1.2%)** strongly disagreed.

**Table 22: WEF requires Collateral against the Loan Facility**

| <b>Responses</b>  | <b>Frequency</b> | <b>Percent</b> |
|-------------------|------------------|----------------|
| Strongly Disagree | 9                | 11.1           |
| Disagree          | 66               | 81.5           |
| Agree             | 6                | 7.4            |
| Strongly Agree    | 0                | 0              |
| <b>Total</b>      | <b>81</b>        | <b>100.0</b>   |

The research findings from the table showed that **66 (81.5%)** respondents disagreed that WEF requires collateral against loan facility, **9 (11.1%)** respondents strongly disagreed and **6 (7.4%)** agreed.

**Table 23: Individual borrowers are able to understand and interpret Policies and Procedures**

| <b>Responses</b>  | <b>Frequency</b> | <b>Percent</b> |
|-------------------|------------------|----------------|
| Strongly Disagree | 19               | 23.4           |
| Disagree          | 28               | 34.6           |
| Agree             | 34               | 42.0           |
| Strongly Disagree | 0                | 0              |
| <b>Total</b>      | <b>81</b>        | <b>100.0</b>   |

The research findings from the table showed that **34 (42%)** respondents agreed that individual borrowers are able to understand and procedures and interpret policies, **28 (34.6%)** disagreed and **19 (23.4%)** strongly disagreed.

#### 4.7: The Association between borrowing from WEF and Livelihood Improvement

**Table 24: Correlation**

|                            |                     | Have borrowed from WEF. | My livelihood has improved |
|----------------------------|---------------------|-------------------------|----------------------------|
| have borrowed WEF          | Pearson Correlation | 1                       | .022                       |
|                            | Sig. (2-tailed)     |                         | .424                       |
|                            | count               | 81                      | 81                         |
| My livelihood has improved | Pearson Correlation | .022                    | 1                          |
|                            | Sig. (2-tailed)     | .424                    |                            |
|                            | Count               | 81                      | 81                         |

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

The table above tested if there was a relationship between borrowing from WEF and the livelihood improvement of the respondents and was found that the significant was at .424 this implied that  $H_0$  (null hypothesis was accepted) and  $H_a$  (alternative hypothesis refuted.) therefore the livelihood of the respondents improved due to borrowing from WEF.

**Table 25: Testing hypothesis using ANOVA (Analysis of variance)**

#### ANOVA

|                                |                | Sum of Squares | df | Mean Square | F     | Sig. |
|--------------------------------|----------------|----------------|----|-------------|-------|------|
| Bus growth is due to borrowing | Between Groups | .201           | 2  | .100        | 1.361 | .262 |
|                                | Within Groups  | 5.750          | 78 | .074        |       |      |
|                                | Total          | 5.951          | 80 |             |       |      |
| My livelihood has improved     | Between Groups | .697           | 2  | .349        | 1.495 | .231 |
|                                | Within Groups  | 18.192         | 78 | .233        |       |      |
|                                | Total          | 18.889         | 80 |             |       |      |
| My income has improved         | Between Groups | .496           | 2  | .248        | .992  | .376 |
|                                | Within Groups  | 19.504         | 78 | .250        |       |      |
|                                | Total          | 20.000         | 80 |             |       |      |

**Significance level is at 0.05.**

The table above showed that business growth was due to borrowing from WEF which was significant at .262, the livelihood of the respondents improved at .231 and their income had also improved due to borrowing from WEF at .376 significance level. Since the alpha for all the three null hypothesis statements was above 0.05 the  $H_0$  was accepted and  $H_a$  was rejected.

**Table 26: Hypothesis testing using correlation test**

| <b>Correlations</b>            |                     | <b>have<br/>borrowed<br/>WEF</b> | <b>Business<br/>growth due<br/>to<br/>borrowing</b> |
|--------------------------------|---------------------|----------------------------------|---|
| have borrowed WEF              | Pearson Correlation | 1                                | .026  |
|                                | Sig. (2-tailed)     |                                  | .819  |
|                                | N                   | 81                               | 81  |
| Bus growth is due to borrowing | Pearson Correlation | .026                             | 1   |
|                                | Sig. (2-tailed)     | .819                             |   |
|                                | N                   | 81                               | 81  |

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

The results showed that business growth was due to borrowing at .819 this was because the correlation was significant at the 0.05 level (2-tailed.). The null hypothesis which was business growth was due to borrowing from WEF had been confirmed at significant level of .819 which was above 0.05.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATION**

#### **5.1 Introduction**

This chapter gives summary of findings, conclusions and recommendations that would give policy direction and areas of research. The main goal of the study was to establish the influence of Women Enterprise Fund Project on Socio Economic Development: A case of Lurambi Constituency, Kakamega County.

#### **5.2 Summary of Study**

The primary concern of this research was to establish the Influence of women Enterprise Fund Project on socio economic development in Lurambi Constituency, Kakamega County. The descriptive analysis employed in this study confirmed that borrowing from WEF had contributed to the development of women, their income improved, business growth was realized, many women had taken the issue of borrowing with importance as this could be seen when over 70% of the respondents strongly agreed and agreed with the borrowing of money from WEF.

#### **5.3 Summary of the findings**

In this study, out of the 100 copies of the questionnaire administered to the respondents, 81 were returned duly filled giving a response rate of 81%. On this account, the study produced an excellent questionnaire response rate and this was attributed to the fact that the data collection instruments were self-administered to the respondents by two well trained and motivated research assistants

The research was operated on the premise that certain demographic features of the respondents would be significant to the study in that they influence individuals to undertake certain initiatives. Such demographic characteristics include age, marital status and level of education.

The level of education had great impact on the respondents when it came to answering the questionnaires. Some respondents could not understand questions and this really affected their responses. It was also noted that the majority of the respondents had secondary qualification

while university qualification were the minority. Some respondents were not so much committed given the nature of their businesses and family engagement while answering the questionnaires besides it was not a paying task but a voluntary one. It was also noted that age 26-30 years do not borrow as much.

The research findings showed that **6 (7.4%)** respondents agreed that they had borrowed from women enterprise fund program. Those who strongly agreed that they have borrowed from WEF were **75 (92.6%)**. The research findings showed that the majority strongly agreed that they had borrowed from WEF hence making wef accessible which in turn allows customers to borrow and inject money in case of loans to their businesses.

The research findings showed that most of the respondents agreed that many had been reached by WEF which were **62 (76.5%)**- agreed and **19 (23.5%)** strongly agreed that that many had been reached by WEF. The research further indicated that most of the respondents agreed that their income had improved which were **36 (44.4%)** and **45 (55.6%)** strongly agreed that their income had improved. This is therefore a clear indication that the program is being implemented and is in existence with positive change in livelihood.

The research findings showed that **75 (92.6%)** strongly agreed that they had borrowed from WEF, **5(6.2%)** agreed they had borrow from WEF and **1 (1.2%)** disagreed. This means that the majority of the cases agreed that they had borrowed from WEF.

It was also noted that most of the respondents strongly agreed they had seen people borrowing which were **42(51.9%)** and **39(48.1%)** agreed on the same. And because of this, **75(92.6%)** agreed that business was due to borrowing from WEF, **4(64.9%)** strongly agreed their business growth was due to borrowing from WEF and **2(2.5%)** disagreed. This means that the majority of the cases agreed business growth is due to borrowing and with business growth, socioeconomic development is inevitable.

The research findings showed that the majority of the respondents **48 (59.3%)** agreed that there are policies and procedures to be followed laid by the WEF. **30 (37%)** respondents strongly agreed, **2(2.5%)** and **1(1.2%)** disagreed. The research findings further indicated that **49(60.5%)** respondents strongly agreed that WEF policies encourages borrowing, **31(38.3%)** agreed and

1(1.2%) strongly disagreed. This means that the policies in place are favorable hence encourages borrowing by the women

## **5.5 Conclusions**

Based on these research findings there were positive influences of Women Enterprise Fund on socioeconomic development in Lurambi constituency as income levels improved, there was business growth of various enterprises, livelihood of many who had benefited from the project had greatly improved. And this not only gives an indication of improved economic growth but also a confirmation that social wellbeing of the people had changed positively.

The research has also found out that married women had borrowed much as compared to single and young women below 26 years of age. Hence need for sensitization to all cadres of age to ensure inclusivity of all.

## **5.4 Recommendations**

There should be change of name from women enterprise fund to names like business minded people fund, Biashara fund or Development Fund. This would solve discrimination of gender and allow both gender participate in the project as socioeconomic development is a contribution of both gender in any given society.

The government through women enterprise fund to amend policies that encourage more and balanced borrowing by the young and single women as the study found that mostly elderly and married women had borrowed from women enterprise fund and where the policies are lacking, they should be introduced.

There is need for more sensitization of the public to bring on board more women. This would enhance loan uptake for business investment

Training on some basic policies and procedures should be done to women beneficiaries to make them know what is required of them and be able to interpret WEF policies. This would curb the default rate and ensure sustainability of the project.

## REFERENCES

- Akanji, O. (2006). Microfinance as a strategy for poverty reduction. Central Bank of Nigeria's Economic and Financial Review.
- Allen, D. (2000). Social networks and self-employment. *Journal of Socio-Economics*, 29 (1), 487-501. Assessment. "Retrieved on 23rd March 2013 from <http://www.enterpriseimpact.org.uk/approaches/tsp/povelimempowerwoman.shtml>.
- Bandura, A. (1977). Self-efficacy: toward a unifying theory of behavioral change. *Psychological review*, 84(2), 191.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of management*, 17(1), 99-120.
- Blackden, M., Canagarajah, S., Klasen, S., & Lawson, D. (2007). Gender and growth in Sub-Saharan Africa: issues and evidence. In *Advancing Development* (pp. 349-370). Palgrave Macmillan, London.
- Borg, W. R., & Gall, M. D. (1989). Educational Research. White Plains, NY: Longman.
- Brana, S. (2008). Microcredit in France. Does gender matter? 5th Annual Conference. Nice. European Microfinance Network
- Carter, S., Anderson, S. & Shaw, E. (2001). Women's Business Ownership: A Review of the Academic, Popular and Internet Literature: Report to the Small Business Service, RR002/01, Small Business Service, Lond
- Central Bank of Kenya Banks Supervisory Report, 2016
- Chowdhury, M. K., & Gilbert, E. H. (1996). Reforming Agricultural Extension in Bangladesh: Blending greater participation and sustainability with institutional strengthening. *Network Paper-Agricultural Administration (Research and Extension) Network (United Kingdom)*.



- Gatewood, E., Brush, C., Carter, N., Greene, P., & Hart, M. (2004). Women entrepreneurs, growth and implications for the classroom. *USA: Coleman Foundation whitepaper series for the USA Association for Small Business and Entrepreneurship.*
- Government Target Credit Program.” World Bank Discussion Paper No.316, Washington
- Hisrich, R.D. (2005). *Entrepreneurship: New Venture creation*.5th edition .Tata Mc Graw Hill,
- Hoff, K & J, Stiglitz (1990).” Introduction: Imperfect Information and Rural Credit Markets
- Huren, P. F. (2012). Pilot Flexibele Huren.IDS Bulletin,47(1). DOI:Retrieved from <http://dx.doi.org/10.19088/1968-2016.108>
- Ifelunini, I. A., & Wosowei, E. C. (2013). Constraints to Women Entrepreneurs' Access to Microfinance in South-South Nigeria. *Research journal of Finance and Accounting, 4(6).*
- ILO. (2006).Vulnerability and young women Entrepreneurs: A case study of Ethiopian Informal
- ILO. (2008).Women Entrepreneurs in Kenya: Factors Affecting Women Entrepreneurs in Micro and Small Enterprises in Kenya. International Labour Organization Regional Office, Addis Ababa, Ethiopia
- ITU. (2016b). ICT facts and figures. Retrieved from <http://www.itu.int/en/ITU-D/Statistics/Documents/facts/ICTFactsFigures2016.pdf>
- International Labour Organisation and African Development Bank 2004 Kakamega District Strategic Plan 2005-2010
- Kabeer, N. (2008). Paid work, women's empowerment and gender justice: critical pathways of social change.
- Kambi, B. (2011). University student’s entrepreneurial intentions in Tanzania: a case study of Mzumbe University. *Unpublished Masters Thesis, University of Agder, Kristiansand*.Kenya. University Press. Nairobi.
- Khandker, Shahidur R., Zahed H. Kahn, Khalily M.A. Baque. 1995. “Sustainability of a

- Kibet, (2011). Influence of information on access to credit facilities by the youth entrepreneurs in Ainamoi constituency
- KIPPRA. (2010). Transforming Institution for Delivery of Kenya Vision 2030. Nairobi Kenya. Kenya Economic Report: 2010
- Lamin, A., & Dunlap, D. (2011). Complex technological capabilities in emerging economy firms: The role of organizational relationships. *Journal of International Management*, 17(3), 211-228.
- Machira, H. K., Njati, C., Thiaine, K. S., & Guyo, H. (2014). Accessibility of Women Enterprise Fund among small and Micro Women Enterprise Owners in Tharaka South District, Kenya.
- Mallick, D., & Rafi, M. (2010). Are female-headed households more food insecure? Evidence from Bangladesh. *World development*, 38(4), 593-605.
- Mashene, R. G., & Majenga, A. (2014). Socio-Cultural Factors and Financial Performance among Women Small and Medium Enterprises in Tanzania.
- Matheka, M. K. (2015). *Influence of Women Enterprise Fund on Performance of Small and Medium Enterprises: A Case Study of Women Entrepreneurs in Kisasi Sub-County, Kitui County-Kenya*. Master's thesis, University of Nairobi.
- Matheka, M. K. (2015). *Influence of Women Enterprise Fund on Performance of Small and Medium Enterprises: A Case Study of Women Entrepreneurs in Kisasi Sub-County, Kitui County-Kenya*. Master's thesis, University of Nairobi.
- Mayoux, Linda. 2001. "Women's Empowerment and Poverty Reduction: Implications for impact
- Micah, C. & Gibbs, J. (2013). Lessons learned from Uganda and Best Practices for future, 1-14

- Ministry of Planning, National Development and Vision 2030(2007).
- Mugenda, A. G. (2008). Social science research: Theory and principles. *Nairobi: Applied.*
- Mugenda, O. & Mugenda A. (2003). *Research methods: quantitative and qualitative approaches.*
- Mutuku, M., Olubandwa, A., & Odera, D. (2006). Entrepreneurial learning among women micro-entrepreneurs in Kenyan dairy processing industry. In *3rd International Entrepreneurship Conference organized by United States International University (USIU), Nairobi.*
- Mwangi, R. N. (2015). *The effect of microfinance services on economic empowerment of small scale farmers in kiambu county.* University of Nairobi.
- Ndegwa, s. M. The effect of credit risk on the financial performance of commercial banks listed at the Nairobi securities exchange.
- Neuman, L. (2016). The right of access to information: Exploring gender inequities. New Delhi
- Nicholson, G.C. (2006). Keeping innovation alive. Research Technology Management, Nigeria. Faculty of Administration and Business, University of Bucharest.
- Njeru, E. H., & Njoka, J. M. (1998). Small scale enterprise in Nairobi: The socio-cultural factors influencing investment patterns among informal sector women entrepreneurs.
- Njogu, G. S. (2011). *The determinants of financial performance of microfinance institutions in Kenya* (doctoral dissertation, school of business, university of Nairobi).
- Odini, S. J. (2012, June). Empowering Rural Women In Kenya To Alleviate Poverty Through Provision of Information; a case study of Vihiga District In Western Province1. In *SCECSAL XXth Conference hosted by KLA on 4th* (p. 1).
- Oso, W. Y. & Onen, D. (2008). A General Guide to Writing Research Proposal and Report (2nd ed.). Kampala
- Owuor, N. (2015). Factors influencing Access to credit facilities by women entrepreneurs: case of

Karachuonyo constituency

Peter, C.B, (1994) A guide to Academic writing, A.M.C.E.A Gaba publication, Profits.

Pinchojt, G., & Pellman, R. (2007). Intrapreneuring in action: A handbook for businessinnovation. San Francisco: Berrett-Koehler Publishers.

Porter, E. G., & Nagarajan, K. (2005). Successful women entrepreneurs as pioneers: Results from a study conducted in Karaikudi, Tamil Nadu, India. *Journal of Small Business & Entrepreneurship*, 18(1), 39-52.

Porter, E. G., & Nagarajan, K. (2005). Successful women entrepreneurs as pioneers: Results from a study conducted in Karaikudi, Tamil Nadu, India. *Journal of Small Business & Entrepreneurship*, 18(1), 39-52.

Prabha S. (2009) Rural women and development, entrepreneurship through self-help groups in

Prahalad, C. K., & Hamel, G. (1990). The core competence ofthe corporation. *Harvard Business Review*, 3.Quality and its implications for future Research, journal of marketing, service industries.

Puzzles and Policy perspectives,” The World Economic Review, vol.4, No.3, pp. 235-250

Quinn, J. B., Baruch, J. J., & Zien, K. A. (2007).Innovation explosion: Using intellect

Ram N. T.(2009). Rural Women Empowerment in India in Empowerment of Rural Women in India Kanishka Publishers, New Delhi

Samuel, M.M. & Claudia A. H. (2014). Interest Rate Caps around the WorldStill Popular, but a Blunt Instrument. Policy Research working paper; no. WPS 7070. Washington, DC: World Bank Group

Schimdt, R.H & Kropp, E. (1987). “Rural finance guiding principles.” Eschborn: GTZ.

Schuler A.O. & Riley S.M., (2010).Rural Credit programs and women’s empowerment in Bangladesh. World Development.

Stevenson, L., & St-Onge, A. (2005). *Support for growth-oriented, women entrepreneurs in Kenya*: International Labour Organization.

Swamy, Anand, Steve Knack, Young Lee, and Omar Azfar. 2001. "Gender and Corruption." *Journal of Development Economics* 64 (1):22-55.

Wanjohi A.M, Mugure A.(2008) Factors affecting the growth of MSE in rural areas of

Webster, M. (1985). Webster`s nith new collegiate dictionary. Meriam - Webster Inc

Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic management journal*, 5(2), 171-180.

Women Enterprise Fund Strategic Plan (2009 –2012) Nairobi.

## QUESTIONNAIRE

Dear Sir/Madam,

I am a Master’s student in Project Planning and Management from The University of Nairobi, carrying out a research on **“Influence of Women Enterprise Fund Program on the Socio-Economic Development: A Case Study of Lurambi Constituency”** I wish to kindly request you to participate in the study by providing information requested below. I appreciate your voluntary participation and your responses will remain confidential and will be used only for the purposes of this study.

### SECTION A: Background Information

1. Age (years) 18-25 ( ) 26-30 ( ) 31-35 ( ) 36 and above ( )

2. Marital status: Single ( ) Married ( ) Separated ( ) Widowed ( )

3. Level of education and training: Informal/none ( ) Primary ( ) Secondary ( )  
College ( ) University ( )

### SECTION B: Accessibility of women enterprise fund program in relation to socio economic development in Lurambi Constituency, Kakamega County

(Tick appropriately: SA-Strongly agree (4), A-Agree (3), D-disagree (2), SD-Strongly Disagree (1))

| Statement  | 4 | 3 | 2 | 1 |
|--|---|---|---|---|
| Have borrowed from women enterprise fund                     |   |   |   |   |
| There is easy access to women enterprise fund                |   |   |   |   |
| There is easy access to information on women enterprise fund |   |   |   |   |
| Wef offices are reachable                                    |   |   |   |   |
| Credit access leads to acquisition of basic needs            |   |   |   |   |

**SECTION C: The implementation of women enterprise fund program and socio economic development in Lurambi Constituency, Kakamega County**

(Tick appropriately: SA-Strongly agree (4), A-Agree (3), D-disagree (2), SD-Strongly Disagree (1))

| <b>Statement</b>                                       | <b>4</b> | <b>3</b> | <b>2</b> | <b>1</b> |
|--|----------|----------|----------|----------|
| Many people have been reached by women enterprise fund |          |          |          |          |
| My income level has improved                           |          |          |          |          |
| My livelihood has improved                             |          |          |          |          |
| Wef has decentralized offices                          |          |          |          |          |

**SECTION D: The loan uptake of women enterprise fund in Lurambi Constituency, Kakamega County**

(Tick appropriately: SA-Strongly agree (4), A-Agree (3), D-disagree (2), SD-Strongly Disagree (1))

| <b>Statement</b>                                   | <b>4</b> | <b>3</b> | <b>2</b> | <b>1</b> |
|--|----------|----------|----------|----------|
| I have borrowed from women enterprise fund         |          |          |          |          |
| I have seen people borrowing women enterprise fund |          |          |          |          |
| Business growth is due to borrowing from WEF       |          |          |          |          |
| All women have borrowed and supported by WEF       |          |          |          |          |
| Interest rates are high                            |          |          |          |          |

**SECTION E: WEF program Policies and procedures on socio economic development in Lurambi Constituency, Kakamega County**

(Tick appropriately: SA-Strongly agree (4), A-Agree (3), D-disagree (2), SD-Strongly Disagree (1))

| <b>Statement</b>  | <b>4</b> | <b>3</b> | <b>2</b> | <b>1</b> |
|---|----------|----------|----------|----------|
| There are policies and procedures to be followed                                  |          |          |          |          |
| Screening of borrowers is done  |          |          |          |          |
| The WEF policies and procedures encourages borrowing                              |          |          |          |          |
| Wef requires collateral against the loan facility                                 |          |          |          |          |
| Individual borrowers are able to understand and interpret policies and procedures |          |          |          |          |



## APPENDIX I: SAMPLE SIZE TABLE

Sample size by Krjcie and Dr. Morgan reproduced in Mulusa (1990) as quoted by Peter C.B (1994).

| Population size | Sample size | Population size | Sample size |
|-----------------|-------------|-----------------|-------------|
| 10              | 10          | 250             | 162         |
| 20              | 19          | 300             | 169         |
| 30              | 28          | 400             | 196         |
| 40              | 35          | 1500            | 306         |
| 50              | 44          | 2000            | 322         |
| 60              | 52          | 3000            | 341         |
| 70              | 59          | 4000            | 351         |
| 80              | 66          | 5000            | 357         |
| 90              | 73          | 10000           | 370         |
| 100             | 80          | 20000           | 377         |
| 150             | 108         | 50000           | 381         |
| 200             | 132         | 1000000         | 384         |

**APPENDIX II: PARTICIPATION AND CONSCENT FORM**

Dear Sir/Madam,

This information is required for a study being conducted by a student for the award of degree in master of Project Planning and management of the University of Nairobi. The purpose of the study is to examine the effect of women enterprise fund on their socio-economic development: a case study of Kakamega County.

Your views are thus considered crucial and part and parcel of the study. Please complete to the best of your ability. The questionnaire enclosed herein fully with the instructions given after each item and returns your complete questionnaire to the researcher. Your cooperation will be highly appreciated and any information given shall be strictly private and confidential.

**NAME:** Sylvester Otieno Obiero

**SIGNATURE:** .....

**REGISTRATION NUMBER:** L50/60943/2010

**APPENDIX III: AUTHORITY LETTER FROM UNIVERSITY OF NAIROBI**



UNIVERSITY OF NAIROBI  
OPEN, DISTANCE & e LEARNING CAMPUS  
SCHOOL OF OPEN AND DISTANCE LEARNING  
BUNGOMA LEARNING CENTRE

Your Ref:  
Our Ref: Uon/Cees/Kak/1/47/(25)  
Kakamega 056-31038

P.O. Box 422  
KAKAMEGA  
Telephone

17<sup>th</sup> April, 2020.

**TO WHOM IT MAY CONCERN**

**REF: SYLVESTER OTIENO OBIERO - REG NO. L50/60943/2010**

This is to confirm that the above named person is a student at the University of Nairobi, Open, Distance & e Learning Campus, School of Open and Distance Learning, pursuing a course leading to the award of Masters of Arts in Project Planning and Management. He has completed the coursework and is now working on research work on the topic. *"Influence of women enterprise fund programme on the socio economic development. A case study of Lurambi Constituency"*. Kindly accord him the necessary assistance to collect data for the above research. This is purely for academic purpose.


Any assistance accorded to him will be highly appreciated.

Yours faithfully,



**Mr. Mahangiru Issa Mwangi**  
Administrative Assistant,  
Bungoma Learning Centre.

## APPENDIX IV: RESEARCH PERMIT

|  |  |
|--|--|
| <br>REPUBLIC OF KENYA   | <br><b>NATIONAL COMMISSION FOR<br/>SCIENCE, TECHNOLOGY &amp; INNOVATION</b> |
| Ref No: <b>490366</b>  | Date of Issue: <b>14/June/2020</b>   |
| <b>RESEARCH LICENSE</b>  |  |
|   |  |
| <b>This is to Certify that Mr. SYLVESTER OTIENO OBIERO of University of Nairobi, has been licensed to conduct research in Kakamega on the topic: INFLUENCE OF WOMEN ENTERPRISE FUND PROGRAMME ON THE SOCIOECONOMIC DEVELOPMENT: A CASE STUDY OF LURAMBI CONSTITUENCY for the period ending : 14/June/2021.</b> |  |
| License No: <b>NACOSTI/P/20/5222</b>   |  |
| 490366   |   |
| Applicant Identification Number  | Director General<br><b>NATIONAL COMMISSION FOR<br/>SCIENCE, TECHNOLOGY &amp;<br/>INNOVATION</b>  |
|  | Verification QR Code   |
|  |   |
| <b>NOTE: This is a computer generated License. To verify the authenticity of this document,<br/>Scan the QR Code using QR scanner application.</b>   |  |