

**FACTORS THAT INFLUENCE THE PARTICIPATION OF
WOMEN IN FORMAL BUSINESS IN KENYA: A CASE OF
KIMILILI-BUNGOMA DISTRICT**

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DECLARATION

This research report is my original work and has never been presented for the award of any degree in any other university.

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DEDICATION

This research project is dedicated to my wife Anne, my children; Maurine, Frank, Abed and Joash. Thank you for your support.

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ABBREVIATION AND ACRONYMS

ADB- African Development Bank

AGOA- African Growth Opportunities Agreement

CBO- Community Based Organization

CEDAW- Convention of the Elimination of All Forms of Discrimination Against Women

DPMF- Development Policy Management Forum

ERS- Economic Recovery Strategy

EU-European Union

FWB-Formal Women Business

FWE-Formal Women Entrepreneurs

GEM-Global Entrepreneurship Monitor

GoK-Government of Kenya

IDS- Institute for Development Studies

IFC-International Finance Corporation

ILO International Labor Organization

JICA- Japanese International Corporation Agency

KRA-Kenya Revenue Authority

K-Rep- Kenya Rural Enterprise Programme

KWFT- Kenya Women Finance Trust

MDG- Millennium Development Goals

MFIs- Micro-Finance Institutions

MGR- Merry-Go-Round

MLHRD- Ministry of Labour and Human Resource Development

MSEs- Micro and Small Enterprises

NFWBO-National Foundation FOR Women Business Owners

NGOs-Non Governmental Organization

OECD-Organization for Economic Co-operation and Development

ROSCAS- Rotating Savings and Credit Associations

SACCOS- Savings and Credit Co-Operative Societies

SEWA- Self Employed Women Association

UNDP- United Nations Development Programme

UNIDO-United Nations Industrial Development Organization

USAID- United States Agency for International Development

WED-Women Entrepreneur Development

WEF- Women Enterprise Fund

WOB-Women Owned Businesses

ABSTRACT

This study set out to establish the factors that influence the participation of women entrepreneurs in formal business in Kenya, a case of Kimilili-Bungoma District. Studies conducted in different parts of the world with regard to women entrepreneurs as is indicated in the literature, recognized women as being one of the most relevant untapped resources for entrepreneurship yet failed to bring out the issue of the participation of women in formal business. Women's economic relevance and contributions is widely acknowledged that it will lead to sustainable development. This study determined how the participation of women in formal business was influenced by various factors such as social culture, legal environment, sources of finance and networking. A review on existing literature and research on women and business was done so as to address this women participation in formal business gap. This involved a secondary research on previous related literature on women entrepreneurs' challenges in owning and operating businesses. A perceived conceptual framework to show the relationship between the dependent variable and independent variables was used in the study. The study was conducted using a descriptive survey design. The target population was 11,280 women doing formal business in Kimilili-Bungoma District. A total of 122 women respondents were the sample size for the study, which was selected through random sampling. 122 questionnaires were delivered to respondents; 116 (95%) were returned dully filled while 6 (4.9%) were not returned. Interview guide was also employed by the researcher to get more data from government officers in the Department of Social Services and Gender. A pilot study was conducted in the nearby Bungoma Central District that ascertained the validity and reliability of the research instruments. The received data was classified, summarized, coded and used the SPSS computer processing package for analysis. The findings were presented through, cross-tabulations, frequency tables and percentages. This study revealed that women participation in formal business was still influenced by social cultural factors, legal environment, sources of finance and the level of networking. The study findings were hoped to be useful in establishing a data bank of women entrepreneurs' role models who are appreciated for their various successful contributions in community development. The study recommended to both the county and national government to establish women business offices, policy makers to step up entrepreneurship awareness campaigns so that women would enter formal business, take up WEF loans without fear, join a business network this is hoped that it would provide them with a spring board from where to improve and develop further to become successful in doing formal businesses. Further research should be carried on factors influencing women business networking, risky factors that affect women loan borrowing and factors that affect women franchising business.

CHAPTER ONE

INTRODUCTION

1.1 Background to Study

In the last two decades the world all over, has witnessed a rapid growth of women entrepreneurs. The Global Entrepreneurship Monitor [GEM], 2011, estimates the figure of women in early-stage entrepreneurs to be 163 million. This trend where more women are participating in entrepreneurship is seen running across all the countries in the global region. The Organization for Economic Co-operation and Development [OECD], 2012, attributes this increase to worldwide recognition of women as being one of the most relevant untapped resources for entrepreneurship and hence, the pressure to incorporate women in all development process. But what is least clear and most controversial in this range of activities in many parts of developing countries is who has control over the process of women entrepreneurship, who has the vision for the success and growth of the women business that emerges, and whose interests are served by business owned by women (OECD, 2012). This dilemma is confirmed by OECD (2012), and GEM(2011) women entrepreneurship survey reports, that show that very little is known about the economic relevance of women's entrepreneurship, about the policy instruments that can be widely applied to effectively raise entrepreneurship rates among women, and about the economy-wide effects of higher participation of women in the entrepreneurial activity.

Formalization and size of a business impact more to the extent of the business performance than other business environment constraints, often more so than gender (Bardasi et al, 2007; Hallward-Driemeier, 2011). In their studies the researchers found out entrepreneurs in the formal sector spend considerably more time dealing with officials than do those in the informal sector. Formality was seen as a major constraint for informal

firms, especially when reflecting the labour regulation requirements. Some firms reported this to be one of the main reasons why they remain informal (Hallward-Driemeier, 2011). Women entrepreneurs are more likely to be in this informal sector, running smaller firms (World Bank, 2012).

Globally, the informal economy is estimated to be between 23 % and 35 % of all economic activity. For countries in the lower quartile of GDP per capita, the estimates increase between 29 and 57 percent (Laporta and Sheleifer, 2008). A recent enterprise survey of new enterprises in Cote d'Ivoire, Kenya, Nigeria, and Senegal finds that the share of women business owners is 50% higher in the informal sector, with 18.1% of the registered firms run by women, compared to 27.6% of the informal firms (Hallward-Driemeier and Rasteletti, 2010). In Asia, a large majority of women are own account workers (31.2% compared to 50.2% for men) and contributing (unpaid) family workers (37.4% compared to 17% for men). South Asia had the highest rate of vulnerable employment or self-employed workers and contributing using family workers among all regions in the world at 84.5% for women and 74.8% for men (ADB/ILO, 2011). Thus, the likely degree of formality within a sector can itself be a predictor of women's participation. This has great implications for women's ability to access finance, as formal financial institutions have no mechanisms to reach out to the informal sector. Hence, women entrepreneurs are often not targeted (IFC, 2011).

The tracing and reviewing of the economic and social plight of women in the global scene reveals an interesting scenario. Women, who comprise more than half the population of the world, suffer from poverty and inequality in income distribution. They do two thirds of the world's work, earn one tenth of the world's income, and own less than one hundredth of world's property (UNDP, 2004). Poverty and inequality in income distribution as

depicted by UNDP report are key factors that have hampered women formal performance in business. A survey carried out by DPMF (2009) in Kenya, confirms this fact and shows that, poverty remains an impediment for much of the Kenyan women population participation in formal business. According to DPMF (2009) survey, people living under poverty lines have been increasing over years. Between 1997 and 2002, the percentage increased from 52 per cent to 56 per cent respectively.

World Bank (2001) contributes on this issue of gender and argues that, like race, ethnicity and class, gender is a social category that largely establishes one's life chances, shaping one's participation in society and in the economy. Men and women are systematically differently placed in the economy and hence face different constraints, assume different socially determined responsibilities and are ultimately likely to behave differently in response to economic policy (Himmelweit, 2002). Yet, to promote sustainable development a health co-existence and relationship need to be fostered between the two genders in any society. From the chronology of events one would quickly observe increasing national concern amidst considerable global consensus to align all policies of facilitation of women to development in a more practical manner so as to tackle the bulk of problems associated with the women participation and formal performance in business.

In USA, women are already demonstrating their contribution towards improvement in economic development and the growth of women owned business is increasing. According to statistics from the National Foundation for Women Business Owners [NFWBO], 2007 there are 9.1 million women owned firms, representing 38% of all businesses, employing more than 27.5 million people and generating more than USD3.6 trillion in sales. In Nigeria, where women make up 73 million, 51.1 million of them live below the poverty line. Therefore, this group must be a target for significant poverty reduction efforts in the

economy (The World Fact Book, 2010). Many of these women 87%, (CEDAW, 2008) are strong participants in Nigeria's informal sector which constitute 75% of the economy. What is also portrayed from the available data on women entrepreneurs in Nigeria is their small size characteristic despite of their long stay in business endeavors (Nwoye, 2007). Out of the total women entrepreneurs only a mere 10% is in the formal sector, albeit 87% in the informal sector (UNIDO, 2003). This scenario requires critical strategies that could provide the impetus to propel their businesses for growth and expansion and a change in vision that would inspire them to scale up their business operations from the informal sector and move them into formal sector where their contribution would matter most (Nmadu, 2011).

Things are not different in Kenya. The profile of women entrepreneurs (WEs) shows similar characteristics as those from most of other African countries. According to the 1999 National, Micro and Small Enterprises (MSEs) baseline survey, there were 612,848 women in MSEs in Kenya, accounting for 47.4% of the population working in MSEs (Gok Economic Survey, 1999, p, 75). The report revealed that most women tended to operate businesses that are associated with traditional stereotype gender roles such as hairstyling, retail shops, wholesale outlets, restaurants and agro-business. Most of their enterprises in Kenya are smaller than those of their male counterparts. The survey also revealed that women made an average gross income of Ksh, 4,344 per month, an amount that is very low and requires to be raised. This pattern of inequality among gender, according to gender and Kenya vision 2030, exists and it is generally women who are excluded or disadvantaged in relation to the decision making and access to the economic and social resources. Other studies conducted in Kenya show that patriarchal system of culture is still persistent and perpetuated in the Kenyan society (CLARION, 2004). Women who form the majority of the population (52 %) in Kenya and play an important role in WEs, as

noted by 1999 National MSEs survey continue to be marginalized and their status has remained low with high levels of inequalities in incomes prevailing among them. All government socio-economic policies aimed at eliminating this male dominance in all major economic development sectors have met resistance from the male counterparts. Another major hurdle has been the government practice that has not lived up to all growing government rhetoric. Hence women are left without the necessary resources and freedom to engage in profitable businesses. In Kimilili-Bungoma District, the majority of women's social economic status remains low because they cannot use family land which they do not own as collateral for loans to invest in their business activities. A study conducted by the government and NGOs revealed that most of Bukusu women devote approximately 13 hours a day for both productive and reproductive work (Kenya Vision 2030, 2009). Although this poses a threat to their role in formal business, efforts are being made to encourage women to venture into business and thus empower them economically. But how far the women folk in this district are seeking the opportunity to venture in formal businesses where they count most needs to be researched.

The Kenya Government's effort to address the extent of poverty as an obstacle to women performance in formal business was demonstrated in a Poverty Reduction Strategy paper (2001-2004). This strategy paper indicates that poverty level is high and many women individuals are unable to afford basic necessities, a notion shared by ILO (2008) report of women entrepreneurs in Kenya. The Kimilili-Bungoma District Development Plan 2008-2012 outlines a number of business projects the government intended to undertake to promote development. Despite of these efforts being directed by Kenya Government, little is shown on how to bring more women on board on the vehicle of development, through these various stimulus strategies, programmes and projects. The ILO (2008), report reveals that there still exist participation gaps, advancement gaps, political empowerment gaps and

economic outcomes gaps. Little impact has been realized since most of them still operate at the margins of the formal economy (Finnegan and ILO, 2001). The really progress requires the removal of the real constraints to women who have interest to venture in formal business in Kenya. Tackling and examining this sector of the women in formal business will not only raise the profile of women entrepreneurs in Kenya but play a role of reducing poverty levels among women. The extent of their involvement in formal business with focus on identifying and redressing imbalances will give the women the impetus to propel their businesses for growth and expansion, more autonomy to manage their own lives and sources of means of livelihood. The goal of formal business is hoped to change from not just to make money now but also in the future and continued support of livelihood of future generations. Therefore the critical aspect here is to determine the promotion of women entrepreneurial culture that, Audretsch and Thurick, (2004) calls the bedrock and engine of economic development for any economy.

1.2 Statement of the Problem

During the identification of the research problem several policy papers, The Kenya Vision 2030, The Sessional Paper No 2 of 2005, recommendations, by IFC(2011), ILO(2008), OECD (2004 & 2011), on women in business, and other studies by (Dhaliwal, 2000, Mckay, 2001, Lee, Lee-Gosselin and Grise, 1990, Birley, 1985) were reviewed. These studies done on women entrepreneurs since the 1980s have looked into various aspects of women entrepreneurship. Finnegan and ILO (2004), in its women entrepreneurship studies in the three African countries of (Ethiopia, Tanzania and Zambia) recommends that although many studies have been made on women entrepreneurs, there was need to revisit the topic, explore the breadth and depth of women enterprises, and to ensure accurate details and picture is painted, through true research that is documented. The Sessional Paper No 2 of 2005, launched by the Ministry of Labour and Human

Resource Development (MLHD) in Kenya, identified various areas which required formalization of women businesses as the government efforts to empower women's role in formal business. Motivated by the increasing concerns and focus on the notion of gender and development as the central aspect within the governments and in the midst' of global trends among international organizations of shifting the approach to sustainable development by involving women at all levels of projects and programmes, there is need for follow up research to assess and determine the extent of social transformation and practice especially on carrying out formal businesses by women.

The increased international community and local movements for endorsement of reform process has led to several plans of action and conventions for full, equal and beneficial integration of women in all development activities. Whereas such interventions are aimed at mitigating hard economic conditions facing women, such as high poverty levels, inequality in income distribution and inflation, there is less literature available in the entrepreneurial research arena in relation with the topic of participation of women in formal business. Whereas in the past it had sufficed to involve women in business owned by men, the income earned would only cater for household needs, hence led to many complaints that women's plight does not get the attention it deserves. A changeover, requiring a gender sensitive culture of new attitudes and practices as well as sustainable capacity building of both men and women depends on the extent to which women are initiating and registering businesses under their names all over Kenya. The scenario which is discussed above is not much different in Kimilili-Bungoma District. Several businesses have been initiated by women and still exist in this district but the information on the participation of women in formal businesses in terms of level of commitment, accountability and effectiveness to realize the expected results and impact has been very low. A study conducted by the government and NGOs revealed that most of Bukusu

women devote approximately 13 hours a day for both productive and reproductive work and their culture considers women to be subordinate to men and existence depend on them (Kenya Vision 2030, 2009). This poses a threat to their participation in formal business. The efforts being made to encourage women to venture into formal business is hampered by bias culture to access and control of family resources that is still favour men. So an investigation into the topic is well envisaged. Hence, this study undertook the task of looking into the factors that influenced the participation of women in formal business in Kimilili-Bungoma District.

1.3 Purpose of the study

This study examined the factors that influence the participation of women in formal business in Kimilili-Bungoma District.

1.4 Objectives of the study

The study was guided by the following objectives:

- 1) To investigate how the socio-cultural factors influence the participation of women in formal businesses in Kimilili-Bungoma District.
- 2) To examine how the legal environment influences the participation of women in formal business in Kimilili-Bungoma District.
- 3) To investigate how the sources of finance influence the participation of women in formal business in Kimilili-Bungoma District.
- 4) To assess how networking influences the participation of women in formal business in Kimilili-Bungoma District.

1.5 Research questions:

The research questions were:

- 1) How do social cultural factors influence the participation of women in formal business in Kimilili-Bungoma District?
- 2) How does the legal environment influence the participation of women in business in Kimilili-Bungoma District?
- 3) How do the sources of finance influence the participation of women in formal business in Kimilili-Bungoma District?
- 4) How does networking influence the participation of women in formal businesses in Kimilili-Bungoma District?

1.6 Significance of the study

Formal participation in businesses by women was deemed to develop in women a sense of personal commitment to the business which they personally create, operate, manage and own. The recognition that is pronounced and identifiable in formally quantifiable terms was hoped to improve business efficiency in its operations and lead to increased accountability. Personal administration of funds, cash flow and profits generated by women formal businesses would make women more responsible and develop a sense of empowerment, where strategic self interest is created to guide all business operations. Formal participation of women in business was hoped that it would move women from a state of dependency on others towards greater responsibility through self management of business while remaining part of a system of all gender sensitive frameworks.

Women's participation in formal businesses was also hoped to promote accountability, legitimize the ownership and control of businesses by women themselves where they enjoy all other benefits associated with it. Participation by women in formal businesses was also hoped to motivate many of them to scale their business operations from the

informal sector and move into the formal sector where their contributions may impact most. Strong indicators of accelerator's effects were also noted where structural problems facing women's participation in formal business were examined prudently.

Data collected from the study on factors that influence women's participation in formal business in Kimilili-Bungoma District, was hoped to form a comprehensive women business register that is vital to quantify the economic relevance of women entrepreneurs. The research findings would also assist the government to institute the specific measures that would guarantee equity and fairness in access to fixed assets and credit for business capital, separate operations of women businesses from interruptions by social- cultural and traditional practices of male counterparts and develop forums that facilitate gradual social transformation where men appreciate women operating formal business.

The study findings might also be useful in establishing a data bank of women entrepreneurs, role models who are appreciated for their various successful contributions in community development. Both the county and national government got a spring board from where to improve and develop further the country by increasing the number of documented and successful women entrepreneurs. Similarly, the knowledge gained would contribute to the expansion of the knowledge of gender equality and integration as envisaged in the vision 2030.

1.7 Delimitation of the study

The proposed study confined itself to exploring factors that influence the participation of women in formal businesses operated in Kimilili-Bungoma District, which lies on the northern part of Bungoma County and borders Trans-Nzoia County to the north, Bungoma East District to the east, Bungoma Central District to the south and Mt. Elgon District to the west. The district has two divisions, Kimilili and Kamukuywa, with four

locations. According to the Kimilili Bungoma District Development Plan 2008-2012 district fact sheet, the district has a female population of 164,754. The distribution of this female population in the four locations namely; Kimilili, Kamukuywa, Maeni and Kibingei is as follows; 42,298, 45,651, 37,500, and 39,305 respectively (Kimilili-Bungoma District Vision 2030, data fact sheet, 2009). The location of the study area, Kimilili-Bungoma District, was chosen because of its proximity to the researcher. This assisted the researcher save on cost and made it possible to carry out the research within the appropriate time designed for three months. The target population for the study was limited to 11,280 formal businesses operated by women entrepreneurs in Kimilili-Bungoma District. When carrying out the research efforts were made to compare the findings with research carried out in other parts of the country and other parts of the world.

1.8 Limitation of the study

The study was limited to Kimilili -Bungoma District in Kenya. This is due to the limitation of scarce funds to carry out research in a larger area like entire Bungoma County. The researcher encountered difficulties in finding sufficient literature from the background information on this topic due limited number of research done on this area of women in formal business. However the increased government economic surveys and sponsored research by GEM, ILO, OECD and UNIDO, paved way to overcome the challenge and was hoped that they helped shade more light on the research problem. Some respondents were unwilling to disclose information on property ownership and status of women in the society due to suspicion and gender stereotype that exist but the assurance of treating the information filled in the questionnaire confidential and that it was to be used only for purpose of research minimized the fear. Language barrier was somehow a hindrance when administering the questionnaire and interview guide. Illiteracy level among some of the targeted population was also a challenge. However the selection and

use of local interpreters helped guide the respondents to understand the questions and filled the questionnaire correctly.

1.9 Basic Assumptions of the Study

The study was based on the following assumptions:

That many respondents gave their views, and information, more objectively, freely and sincerely. That the data generated from the region selected was a representative sample that would be inferred and generalized to represent similar characteristics to all factors influencing the role of women in formal business in Kenya. That the respondents' responses also reflected a true and honest explicability of facts on the grounds, that would be repeated if other people carry out the same study in other times and in other places.

1.10 Definition of terms as used in the study

Business rights: Is an entitlement of all individuals to enjoy all rights such as right to own a business, right to choose where to situate a business, right to decision making in all business operations, right to participate in business associations and right to use business proceeds.

Formal business: Refers to a business that has either a legal form, or official or physical address and a recognized business name of ownership and whose owners have exclusive rights of control.

Formal Women Business A business started by the woman alone or with other women or a family business or partnership or a company where a woman has business rights of ownership, control, and management of proceeds from the business

- Franchise:** Refers to the process where established businesses subcontract, or sublet their businesses to other business people who want to operate under their brand names and products which have established customers' loyalty and market share.
- Informal business:** Refers to all business activities that do not have any form of written records for recognition of the transaction, no registered name or a license with any government institution or agencies and the owners carry out all their transactions in cash and with no bank accounts operated by business owners
- Informal economy:** Refers to an economy where the economic and business activities are not registered with relevant government agencies and people who engage in this sector are not recognized and only concentrate on business for subsistence purpose.
- Networking:** Refers to the systems, processes or structures that help individuals to be connected to each other and provide a forum for interaction. They include business association, community association and political association.
- Participation in Formal Business:** Refers to carrying out legal rights, ability to initiate different types of businesses under ones name, autonomy to choose where to locate own business, authority to exercise control over all business operations and powers over the use of business revenue.

Women Entrepreneurs: Refers to women who establishes and manage a business beyond the purpose of profit and a mere source of livelihood.

1.11 Organization of the study

The study was organized in five chapters. Chapter One; introduction of the study describes background of the study, statement of the problem, purpose of the study, objectives, research questions, significance of the study, delimitations of the study, limitations of the study, basic assumptions of the study, definitions of significant terms as used in the study and the organization of the study. Chapter Two; reviews the literature on formal business related to the study, influence of socio-cultural factor, legal environment, Source of finance and networking on role of women in formal business, the conceptual frame work, knowledge gaps and summary . Chapter Three presents research methodology used in the study; research design, target population, sampling procedure, sample size, research tools, data collection procedure, data analysis technique, ethical considerations and operational definition of variables. Chapter Four consists of; data analysis, presentation and interpretation of findings. Lastly chapter Five presents; the summary of the findings of the study, discussion, conclusion and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter discusses related literature on the factors that influence the participation of women in formal business. Identification of formal business run by women, influence of socio-cultural factors, legal environment, sources of finance and networking influence on the participation of women in formal business, as well as the conceptual framework are also discussed.

2.2 Women in formal business

Formalization of women businesses was a primary objective for the Finnegan and ILO (2004) researchers on Women Entrepreneur Development study (WED). The WED study investigated the formalization experiences of women entrepreneurs in three African countries of; Ethiopia, Tanzania and Zambia. Previous studies conducted on the status of African women's business showed that informality is persistent characteristic among them (UDEEC, 2002; Zewde and Associates, 2002; and JUDAL 2002). Formalization process was found out to take slight different characteristics in each WED study country (Finnegan and ILO, 2004). What WED study also revealed is the significance and the concern of formalization of businesses. Formalization of businesses leads to greater status and recognition for women in business. It also brings about legitimacy and being counted, about protection from harassment, and about accessing a wide range of support mechanisms (Finnegan and ILO, 2004). According to the same WED study, in Tanzania, formalization process was measured in terms of recognized legal status, license

acquisition, having a bank account and acquisition of business premises that complied with specified standards.

In Zambia the WED study, found out that formalization differed from that of Tanzania. The process is associated with registration rather than being a licensed business, getting premises, and opening bank accounts. The WED study revealed that businesses in Zambia had to register under two Acts; either under Business Names Registration Act, or under the Companies Act. The registration of business by name gave a business a brand name that is an important aspect in marketing and thus must be a name that can be easily be remembered by the consumers (Lasher and Hausman, 1994). Businesses whose branded names are registered and widely popularized to the consumers will have increases in sales volume and thus lead to the success of the business (Sherman, 2003).

According to the 1999 National MSEs Baseline survey, there were 612,848 women in MSEs in Kenya, accounting for 47.4% of all those in MSEs and most of them operate enterprises associated with traditional women's roles, such as tailoring, hairstyling, restaurants, hotels, retail shops and wholesale outlets (ILO, 2008). Even though there is an increase in the proportion of women involved in business, but it is difficulty in obtaining accurate figures representing women who have formalized and own the businesses under their names. Clear cut identification and a separate business register should be established, that would enable an assessment of specific women in a specific locality Kimilili-Bungoma District who have formalized their business and which are going beyond generating income for mere survival.

2.3 Social Cultural factors and participation of women in formal business

Factors such as culture and differential education levels may constraint, or at least influence the ability for all groups to participate equally in entrepreneurship (GEM, 2011).

While women are active in MSEs, they face particular problems and challenges in developing their businesses. In addition to those problems faced by small-scale entrepreneurs, it is commonly asserted that women frequently face gender bias in the socio-economic environment in which they operate (Amanda, et, al., 2007). They face additional or at least different social, cultural, educational and technological challenges than men when it comes to establishing and developing their own enterprises, and accessing economic resources (Mayoux, 2001). Furthermore, it is generally recognized that women in most societies carry the added burden of family and domestic responsibilities, and this has a detrimental or limiting impact upon their ability to generate income outside their home.

The nature, form and scale of enterprise development of any economy is influenced and shaped by a range of traditionally embedded social cultural and religious factors. These special features of culture may be observed in transition economies, that is, economies moving from non-ownership of business in communist period to liberal full-ownership of business in capitalist era (Yalchin and Kapu, 2008). UN, (2009) identifies the transition problems as slow process of learning the rules of conducting business, unfair competition from foreign companies and huge problems with starting and running a business in an environment with weak state and institutional support. The transition changes in the nature of communities influence the society's market places and economies have an impact on women's enterprises. The social cultural practices of a community provide backcloth to women's awareness of and engagement in business ownership, the type of business they engage in as owners and where and how they practice their business. Consequently understanding this backcloth and the degree to which it shapes women experience of enterprise is very important (Goheer, 2003). One of the social-cultural factors identified for low economic empowerment of women include gender discrimination. Many

researchers' findings conclude that gender discrimination is one of the key constraints to women entrepreneurship. More assistance and efforts has been focused and directed on promoting gender equality, as this is widely acknowledged as an essential component of an effective economic and human development strategy (Chen, 2004). Though there is increased campaign for the removal of gender barriers and constraints that tend to limit entering and formalization of women businesses in some sectors and parts of the country, this has still proved to be difficulty to be tackled since they are entrenched in cultural and traditional practices among others (IFC/World Bank 2006, Kibas 2006).

A lot of research conducted recently still show that the plight of women in African countries, Kenya included, has been ignored by both the traditional cultural practices and the government policy cycles, formulated for a long period of time. This is noted by Development Policy Management Forum (DPMF 2009). DPMF argues that, both, two institutions have been dealing with the issue as a causality of social change. Yet, as noted by Lakshmi, (2012) women are and can be powerful agents, leaders and participants in advancing the three pillars of sustainable development if they are allocated equal access to opportunities and resources as well as finances, methods and technology, and are afforded critical decision roles. Developing an economy to achieve sustainable development goals requires a holistic approach and inclusive efforts. This contention is supported by; Badi Foundations (2010) which asserts that sustainable social advancement is a complex and long term process that requires the participation of all stakeholders; men, women, urban inhabitants, rural inhabitants, corporations, academic institutions, donors, NGOs, and government.

Other studies conducted on women entrepreneurs, also show that accurate figures representing females in top positions in companies and business registers has been difficult to obtain. This attribute is due to the culture that usually allows the husband's

name to appear on any business documentation even when though he may or may not be involved in the business (Salleh ,et, al , 2006). This representation of men in relation to women as noted by IDS Bulletin (2000) has often portrayed men as figures women struggle with fear, resist or resent. Change of the traditional characteristics, the attitudes, gender roles and regulations to generally correspond to those of developed countries that have long history, such as USA, will lead to improved trends in women entrepreneurs' performance and increasing contributions of incomes and employment records (GEM, 2011).

What is happening to the African cultural and traditional institutional frameworks rigidities that continue to ignore the contributions and the participation of women towards the sustainable welfare of the society? This question requires an elaborate, consistent social change and an effective government gender mainstreaming implementation framework and political will, to real democracy and good governance at both local and national levels for the role and formal performance of women in formal business to be noticed. The patriarchy, traditions and cultures that make women totally dependent on men for provision of food, shelter, protection and other political and social role play, combined with the impact of extreme inequality in income distribution and deep poverty among women, is still hampering the progress of women participation and formal performance in business. This situation where women's roles and performance depends on the traditional gender roles (Calhoun, Light, Keller, 2000) tend to make men the main providers for their families, even if their wives work. By comparison, women seem tentative and vague about career goals. They want to work but see their career plans as depending on the needs of their husbands and children (Calhoun, Light and Keller, 2000). This perception where women expect their careers to be interrupted or even halted at various times during their working careers has equally hindered women full participation

and formal performance in business. Combining fulfilling career and family responsibilities commitments is a hindering burden that makes matters worse for women who want to succeed in formal business and at the same time maintain stable marriage. This situation where women face competing demands on time has been observed in a number of studies across different countries; in Bangladesh (Karim, 2000), Cote, d'Ivoire, Ethiopia, Mali, Morocco, Senegal and Zimbabwe (de Groot, 2001), and Sweden (Holmquist *et al*, 2002).

Whereas in the past it had sufficed to involve women in business owned by men, the income earned would only cater for household needs, hence led to many complaints that women's plight does not get the attention it deserves. A changeover, requiring a gender sensitive culture of new attitudes and practices as well as sustainable capacity building of both men and women depends on the extent to which women are initiating and registering businesses under their names all over Kenya. A pragmatic view required in developing countries, is that the informal sector should be supported to provide the poorest and most marginalized, an opportunity to access the formal sector where they can earn an income and for survival strategy (OECD, 2004). The informal sector, which is often depicted as an inferior alternative to formal sector employment in terms of; earnings, job security, protection from exploitation regarding labour standards, lending terms and other contractual arrangements (Galloway *et al*, 2002), requires changes in cultural beliefs and practices that embrace holistic approach to development. A report by OECD (2004) recommends initiation of activities that allow women to enter formal sector, such as child care centre, that accommodate women needs, of combing household work with formal engagement.

However, there is mounting acknowledgement of the fact that "women are not always the losers (IDS Bulletin, 2000). The late 20th century has witnessed growing talk of "men in

crisis” troubled masculinities and men at risk” with young lower income males singled out as especially vulnerable to insecurity and marginalization. In a number of countries, male youth are beginning to fall behind their female counter parts in educational attainment and getting employment. It is hardly unsurprising that many men find gender mainstreaming a difficult issue to deal with. Not only are they told that they should give up priorities which have traditionally given them leverage and advantage over women, they are also left without anything to value about “being men” (IDS Bulletin, 2000). This skewed trend has created a gap in gender mainstreaming, where new tools and approaches are needed, to address the sidelining of masculinity in initially male dominated system.

2.4 Legal environment and participation of women in formal business

Recent efforts initiated by the OECD, ILO, UNIDO, IFC and World Bank (1997, 2000, 2003, 2004, 2010, 2011, 2012) are responses to inefficiency in policy and legal frameworks by World Governments to address inclusion of all gender in development matters. This trend has attracted the focus and the attention of policymakers, law makers and researchers globally. But much of government policy rationale for development of women’s entrepreneurship was traditionally focused on women equality and empowerment, and social inclusion (Lotti, 2006). The real issue that most countries fail to address is the legal equality and women ownership in formal business (McKinsey, 2011). This affects the extent to which women are managing their business issues. A study conducted by IFC (2011) among different countries confirms this fact that the proportion of women ownership in formal enterprises tends to increase with legal equality. A similar study by World Bank (2010) found out that only 20 of the 128 countries covered by its study, set equal rights for women in accessing property rights and run own businesses. The report further found out economies where up to 80% of activities take place in the informal sector firms were prevented from entering formal sector by excessive regulation and

bureaucracy. In countries where regulations were transparent, efficient and simple to implement it encouraged all aspiring entrepreneurs, regardless of their gender and connections to enter into business. Although globalization has increased campaign for gender equality and mainstreaming, the rate of women consciousness and self-confidence in initiating businesses is yet to be established. Reliable and detailed picture of economic impact of women's entrepreneurship still lacks (Hall, 2003). More research opportunities should be undertaken to foster and enhance efforts for further knowledge about how women's entrepreneurship affect economic growth and development (Hall, 2003). To realize the impact from various FWB promotion strategies, legal investment environment should be strengthened to ensure women have more autonomy to own and manage their businesses (Carter, Sara, and Shaw, 2006).

According to the OECD (2012) survey, the number of women enterprises in United States, increased more markedly than the number of men enterprises between 2002 and 2007. This is attributed to the government's efforts to launch policies to support women entrepreneurs. The European Union (EU 2002) and OECD countries launched their best practices that promoted female entrepreneurship. According to them, different countries, developed different strategies that are workable with their women entrepreneurs. The United States Office of Women's Business Ownership (WBO), since established 1983, has done a lot more in encouraging all women entrepreneurs to create great ideas for new types of business that they are able to create concept and build them into established brand names. According to GEM (2011) report on entrepreneurship in the world, the level of established business ownership can provide some indication of the sustainability of entrepreneurship in the society.

The Government of Kenya officially recognizes the importance of gender equality in development by formulating and strengthening national policies on gender equality. ILOs

research report (2004) contends that much of the research in developing countries has tended to be on the position and profile of women as micro and informal entrepreneurs as well as on examining broad generic problems facing them as a whole. The report further asserts that, far less is known about the specific group of women who are formalizing and growing their businesses beyond the survival level. OECD (2004) also acknowledges that there exist gaps on political and legal frameworks and business operations rigidities facing women entrepreneurs, especially in the African context.

Studies carried out in African countries show that performance of women in formal businesses is affected by weak legal investment climate, a fact that also limits access to finance for SME where the majority of female businesses fall (ILO, 2004, 2010; OECD, 2011; IFC, 2011). The legal investment climate constraints hit smaller firms harder, and women entrepreneurs are affected since they are likely to run smaller businesses (World Bank, 2010). The African countries' legal systems were found out to accept exceptions in key areas of women economic rights. Some countries laws gave husbands the legal authority to deny their wives from working outside the home or opening a bank account (World Bank, 2010). According IFC (2011) women access to finance are constrained by existence of formal gaps in legal capacity and property rights. Based on constitutional and statutory provisions, women in many countries may be constrained to enter contracts in their own names, to control property within marriage, or receive an equal share of assets on divorce or in inheritance (Mckinsey, 2011). The characteristics of women and the enterprises they run also posed difficulties to them to get a business contract or tenders from the government as their business has no legally recognized name, yet most women businesses lie in the informal sector. Hundley (2001) concurs with this notion that women entrepreneurs face limitation in access to finance primarily due to their propensity to operate smaller and informal businesses. Formal firms that are usually larger have the

ability to access formal finance and realize their full potential. However, there are fewer women within this group of entrepreneurs who operate beyond this structural limitation (Sabarwal and Terrel, 2008). Expanding women's access to finance would require addressing the formal gaps in property rights that include legal capacity to apply for loans in own name and own rights. Micro-finance institutions have contributed to women's low access to formal finance, since the loans they provide are not often graduated to larger business loans beyond microfinance programmes (IFC, 2011). A few International Financial Institutions (IFIs) have realized that the share of women from microfinance is also declining as microfinance institutions are transforming into commercial banks thus worsening the situation of women access to finance. These IFIs are targeting financial institutions with programmes know-how to bank with women clientele to address their exclusion from financial services.

The effort of the Kenya government to demonstrate its commitment to address social and legal inequalities that exist among the gender started with the launch of The Sessional Paper No. 5 of 2005. This paper provided a framework for Operationalization of gender mainstreaming in policy, planning, and programming in Kenya. Since then in this sector of business an active local chapter of the Organization of Women in International Trade [OWIT], (ILO, 2008) has been formed and is facilitating women entrepreneurs to exploit potential international trade opportunities such as ,African Growth Opportunity Act (AGOA), Common Market for Eastern and Southern Africa (COMESA). The most recent development in the legal environment is the promulgation of the constitution in 2010. However it is impact to create a supportive enabling environment for women entrepreneurs still is low. To increase women legal access to property is widely acknowledged to improve access to collateral and control over assets strengthening their initiatives and ability to grow a business (IFC, 2011). In order to realize the benefits of

legal changes there is need to mainstream government policies and programmes to take into account the specific needs of women entrepreneurs (Shukla, Narang and Goreja 2012, p92). The fundamental element that must be addressed to secure women's formal property rights should be improved legislation sufficient enough to change the observed practices (Fiszbein, 2009). If this is done it is hoped to remove effectively the constraints of using and controlling the property for formal business purpose.

2.5 Sources of finance and participation of women in formal business

The most common start-up problems for women business seem to be lack of capital (Lee-Gosselin and Grise, 1990; Maysami et, al. 1999). A survey carried out by GEM (2011), found out that, firms that have trouble in obtaining finance in developing countries exhibit a higher likelihood of exit from business. This challenge of obtaining finance as shown by various researchers is aggravated by other factors that are also considered to affect accessibility to capital. On the other part, banks, suppliers, clients as well as family issues, pose additional problems that erode confidence in female business owners' abilities to access formal credit. Many financial institutions are usually reluctant to lend money to women enterprises because of high risks involved (Hallward-Driemeier, Mary and Aterido, 2009; Sabarwal and Terrel, 2008). They also contend that many banks' marketing strategies are built around a client profile that might not fit women entrepreneurs, since they know little about them. These skeptical and discriminatory attitudes of banks about the entrepreneurial abilities of women and the informal lending groups continue to increase hurdles of accessing and obtaining formal credit (UNIDO, 2003). Formal finance is based on repayment records and the ability for business to generate sufficient cash flows, official and legal documents that women entrepreneurs operating in informal sector rarely keep accurately.

The majority of women starting a venture obtain the money from personal savings, family loans or friends, whereas men tend to obtain capital from external sources. This tendency of women fearing risks not to incur large debts, combined with their concentration in less capital intensive service inhibit their growth ,expansion and formal evaluation of performance for purpose of credit appraisal and awards. Formalization of businesses is known to increase access to finance (Mckenzie and Salkho, 2007). However many women have tended to remain in informal business citing a number of constraints such as higher costs of registration. A number of studies (ILO, 2003; IFC, 2011) show that economies with higher entry costs in formal business, are associated with a larger informal sector and a smaller number of legally registered firms. Many economies have undertaken business registration reforms in stages-and often as of a larger regulatory reform programme. Among the benefits have been greater firm satisfactions and savings, and more registered business, financial resources and job opportunities. But most women's micro-business operates informally. According to Mckenzie and Salkho, (2007) formalities that require individuals to obtain a business license to show title of land and business ownership and location as well as the linkage with the taxation system, is seen as a disincentive to registration. Cost of travel to urban centers where the offices are located is another disincentive for formalization, and is likely to be more of an issue for women who lack time, are less exposed to officialdom, bureaucracy, and business matters, and have less information on business processes than their male counterparts (Hedditch and Manuel, 2010).

Although women entrepreneurs make significant contributions to their economies, it is estimated that they are in SMEs with full or partial female ownership representing, 31 to 38 percent (8 to 10 million) of formal SMEs in emerging markets (IFC and Mckinsey, 2011). The expanding abilities of women entrepreneurs to pursue economic opportunities,

invest additional capital, hire more employees, and grow their businesses are restricted across regions (IFC and Mckinsey, 2011). Many studies show that it is problematic for women entrepreneurs to access finance to grow their businesses, as they are more likely to face higher interest rates, be required to collateralize a higher share of the loan, and have shorter-term loans (Bardasi, et al 2007, Demirguc-Kunt, et al, 2008, GEM, IFC, 2011 , Stevenson and St-Onge, 2005,; Alila et al. ,2002). Industries, may partly account for women starting their business with low amounts of capital (Field, Erica and Torero, 2006

Financial availability and accessibility is cited in many studies as being one of the major barriers and constraints to growth of business initiated by women. In a study of NGOs and women small scale entrepreneurs in the garment manufacturing sector of the textile industry in Nyeri and Kenya by Macharia and Wanjiru (1998) notes that the factors that inhibit credit availability to women include lack of startup capital, lack of awareness of the existence of credit schemes, high interest rates, length and rigorous procedures for loan application and lack of collateral security for finance. Although more than a quarter of households in Kenya are women headed, only 5% of women own land in their own name (Field man 1984). Many cases have been noted where men refuse to pledge the family land title deed as collateral for woman.

The efforts to mobilize and improve performance of in formal business, as seen the emergence of many project models initiated both by private and public .The government of Kenya has been systematically moving forward solving this problem through; The Sessional Paper No.2 of 2005 and microfinance bill of 2005. Whereas many MFIs have emerged in Kenya that provide initial capital and working capital for women businesses, their relevance, appropriateness and cost- effectiveness is a constraint(Stevenson and St-Onge,2005).

United women's Savings and Credit Co-operative Society (UWSACCOs) was started by a group of professional woman consultants. It gives loans of Ksh 100,000 to Ksh 1000,000 at measurable rates. The women movement works with the spirit of co-operation and appears to be self sustaining (ILO women entrepreneur, 2008). Most banks have created special facilities to support MSEs as a result of government encouragement and their own need to expand. Many women entrepreneurs can now get access to microfinance programmes of commercial banks. Commercial banks such as co-operatives banks, Kenya commercial bank, equity bank, and k-rep bank have credit facilities that are affordable to women entrepreneurs. The access to finance has been identified as an important key to achieving the vision 2030 goals as it provides the capacity to invest in the flagship projects identified in vision 2030.

The Government's launch of the Women's Enterprise Development Funds (WEDF, 2006) as a strategic programme to address women access to finance for empowerment of woman in carrying out formally recognized business ventures, is hoped to increase opportunities for borrowing more money. The aim of the WEDF is to facilitate women's access to microfinance credit and other financial services at affordable rates. The research will want to examine the extent to which the fund has impacted positively to formal performance of women business. According to Gender and Kenya vision 2030, the Government of Kenya has put up measures to address various challenges of women access to finance. .

Access to and control over property is a basic requirement to running a business (IFC, 2011) and awareness of formal property rights provides a basis for addressing the formal gaps that affect performance of a business. According to Hallward-Driemeier and Mary (2011b) the removal of gender gaps in economic rights is associated with higher rates of women entrepreneurs being self-employed rather than employers.

2.6 Networking and participation of women in formal business

Women social position needs to be boosted as it determines the social network she has access to. Larson and Starr (1993) describe social networks as structures and processes that help individuals to be connected to each other and a forum for interaction. The interpersonal interactions differs both quantitatively and qualitatively everywhere (Aldrich et al., 1986b; Johannisson, 1988; Malecki, 1994), but what matters is its relevance. Lack of relevant networks affect women entrepreneurs (OECD, 2004) hence miss role models that they need to emulate and forge close private relationships with people in business community (Hansen, 1995; Matthews and Moser, 1995) with whom to share experiences. These links and relationship enlarge the business circle of trust, which in turn facilitates both formal and informal business negotiation and support. Successful entrepreneurs can take advantage of this complementary nature of various businesses both within the country and globally. Isolation makes market access a constant challenge for rural business owners, so network organizations is helping them to go beyond by offering marketing lessons (Ashley, 2007). Through network, ideas for helping people in remote areas to access markets is channeled these include: working with the state on getting broadband access; building an online business directory where members can post a business description, contact information and a photo; and creating online or print publications for members to write articles or tip columns to attract customers.

Networking can be an avenue of building a reputable credibility for a business and the owner. This is explained by the social network theory whose objective is to describe how status is attained in societies or how social capital can be utilized to achieve personal goals (Adler and Kwon, 2002; Lin, 1999). The formal network process enables individuals mobilize and invest resources in a more definite manner and defines status attainment. Through networks a business is able to establish a sustainable competitive advantage and

means of sourcing the scarce capital resources and human capital capabilities. A wide range of donor and national government institutions have launched many programmes that target supporting women entry and sustainability into the entrepreneurship sector. These institutions include Non-Governmental Organizations (NGOs), Community Based Organizations (CBOs) and Co-Operatives societies. These institutions provide a network which assist women entrepreneurs to establish business contacts and relationship a notion supported by Granovetter (1985), who explains the role networks plays in providing information, possibilities and support for business success.

Co-operative organizations assist members to form agglomerate network which enable different types of co-operative societies to access information about the business, get training opportunities that increase their capabilities and competencies as well as a collective channel to market their products at competitive prices. The NGOs and CBOs on the other hand facilitate the formation of organic network which leads to the establishment of strong linkages among the members that deal with products that are non-competing. However such linkages may not be beneficial if not formalized. For greater benefits women entrepreneurs who belong to this network should engage others in a formally manner and each individual's role play be prescribed in an open system under which the network exists.

The scenario in most traditional communities, women are in general deemed to have a lower social position than men. This characteristic affects the kind of network women can access or they are part of. For successful business, it's important to have weak-tie networks as well as strong-ties (Aldrich and Zimmer, 1986; Burt, 2000; Granovetter, 1985; Granovetter, 1973). However, most women are involved in strong and personal networks that they traditionally engage in and are well suited to the purpose linked to the family related tasks that may prove to be a hindrance in the marketplace (Lin, 1999).

There is evidence to prove that women are less involved in networks than men are, and their type of network is different. Thus, women differ to men in the kind of networks they use and the social capital available to them through the network. Women have therefore less access to critical resources, support and information needed to successfully start and manage a new firm compared to men. A study conducted by Nmadu (2011) on enhancing women's participation in entrepreneurship in Jos Metropolis (Nigeria) found out that women still belong to tribal associations rather than trade associations or NGOs that would help their businesses. Despite, many research showing the importance of social networking and support through role models and close private relationships with people in small business community, such as provision of emotional support, social persuasion, and vicarious experience which are central to whether or not a person engages in entrepreneurship and does so successfully is still low, (Hansen, 1995; Matthews and Moser, 1995).

Whereas the real need for networking that come from within the organization as the objective is cost reduction. This is greatly enabled through; sharing of production processes that avoids wasteful duplication of resources, utilization of by-products and processes and may even allow the partners to share brand names and distribution channels. Several interventions may be carried out by a number of stakeholders to ensure that women in business play their critical role fully, including entering into contracts formally (ILO, 2010).

Donors, the funding community have devised innovative programs for micro entrepreneurs which are also a key strategy and initiatives for supporting women in entrepreneurship. In order to reach them they have been mainly partnering with the local intermediaries such as NGOs, CBOs and other self-help groups to empower women economically, socially and politically.

2.7 The Conceptual Framework

The conceptual framework for this study is provided in figure 1. Through this model which independent variables encompasses the; formal business operated by women, influence of social cultural factors, legal environment, role of sources of finance and social networking influence on the dependent variable; the participation of women formal in business, is shown. Market for transactions is the intervening variable while formal women education is the moderating variable.

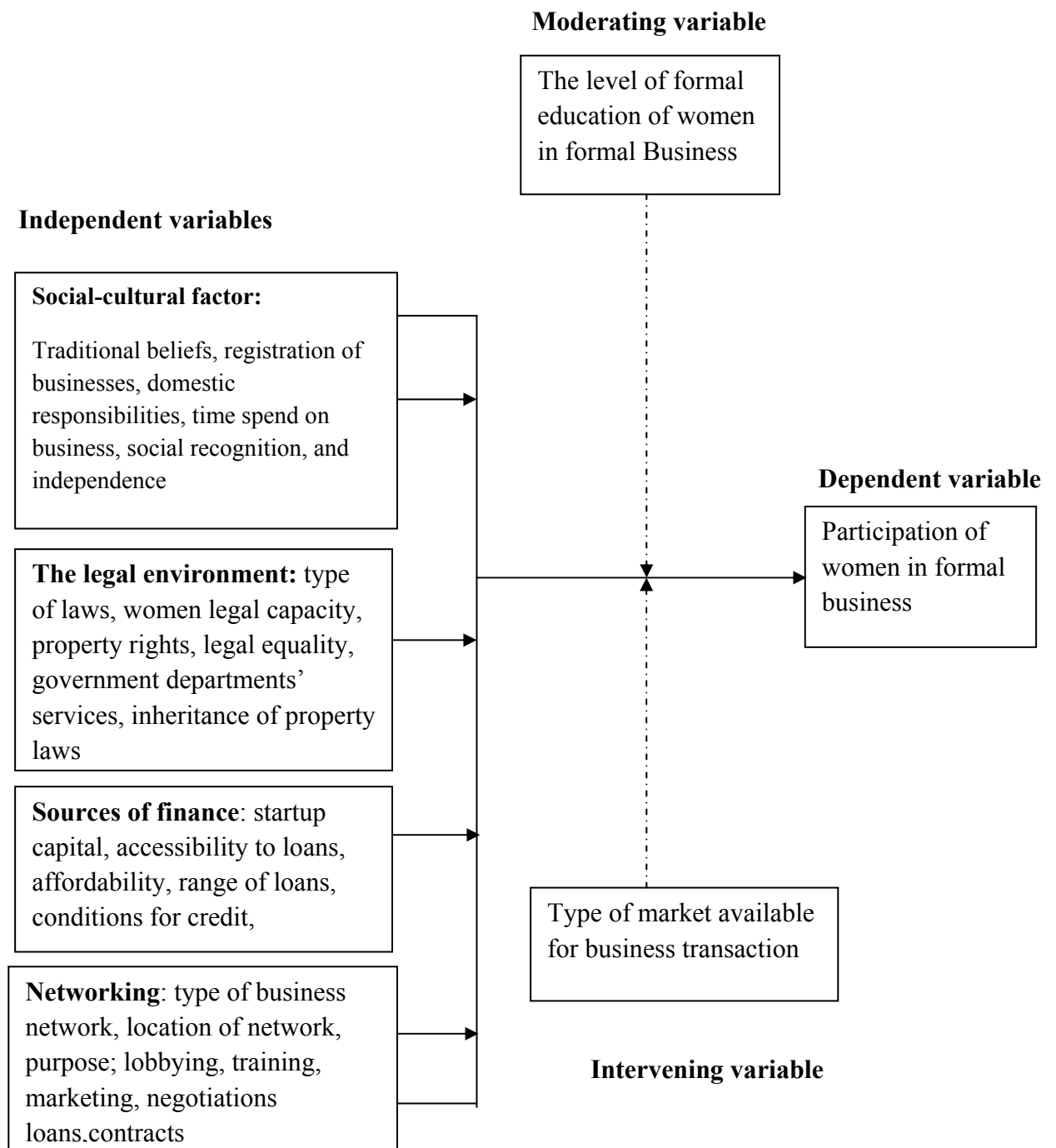


Figure 1 conceptual frame work

The whole literature review was summarized up in the above conceptual framework. A relationship between the factors that influence the role of women in formal business was established. From the above conceptual framework gaps in how traditional beliefs, registration of businesses operated by women and how they determined their participation

in formal business was established. A link between the socio-cultural factors of; gaps in domestic responsibility, time spend on business matters and social recognition and how they influence women's participation in formal businesses was also established. Legal gaps of advocating for gender equality, women legal capacity, property rights and freedom of association was linked to the participation of women in formal business. The gaps in accessibility to loans and conditions of obtaining loans and their influence on participation of women in formal business were also determined. Finally, the influence of networking to empower women to improve their participation in formal business was shown. The influence of a moderating variable, level of formal education was also identified. The intervening variable of type of market available which influences the participation of women in formal business was also shown.

2.8 Summary

This chapter focused on the various authors' opinion researched on women entrepreneurship that highlighted the area of study; factors that influence the participation of women in formal business. The factors discussed include: social cultural, legal environment, sources of finance and the influence of networking. The review focused on the new area of research gap as regards the relationship between the various factors and women participation in formal business. Their relationship has been illustrated in a conceptual framework as; independent, intervening, moderating and dependent variables.

CHAPTER THREE

RESEARCH METHODOLOGY

2.1 Introduction

This chapter comprises of the methodology that was used in this study that is; research design, target population, sample size, sampling procedure, research instruments, data collection procedures, validity and reliability of the research instruments, data analysis techniques, ethical issues and operational definitions of variables.

3.2 Research design

A research design refers to the overall conception of the study including description of all concepts, variables and categories, the relational propositions and the methods of data collection and analyses (Mugenda, 2008). A research design thus worked as a systematic plan, where the outline of the study, the researcher's methods of compilation, details on how the study arrived at its conclusion and limitation of the research was outlined (Trochim, 2006). In this study, a descriptive survey design was used. According to Kothari (2008), such a design is an efficient method of collecting descriptive data regarding the characteristics of populations, current practices and conditions or needs. This research design was mostly suited for this study as it assisted a researcher to collect data on phenomena that could not be observed directly. Another most attractive attribute of the descriptive survey design which made the researchers to prefer it to the other methods, was that, apart from enabling direct generation of information, it created the opportunity for in-depth responses through sharing on the past, present and future possibilities that usually provide a good understanding of the phenomena under study. The use of descriptive survey design was adopted for this study as it was appropriate in examining social issues that exist in communities such as gender, culture, traditions.

This research design therefore facilitated the collection of data and discussion of resultant issues from; background information, social-cultural influences, legal factors, sources of finance and the influence of business networking on women participation in formal business.

3.3 Target population

A target population refers to the entire group of individuals, objects or things that share common attributes or characteristics and may not be found within the same geographical location. According to Mugenda (2003), target population is the total population that researcher specifies in his or her research. The target population for this research included all the 11,280, formal businesses operated by women entrepreneurs in Kimilili-Bungoma District (Social services and Gender Department, 2013). This target population was unevenly distributed among the four locations of Kimilili-Bungoma District. The unit of analysis was the women business owners or managers of family businesses or co-owners.

3.4 Sample size and Sampling Procedure

3.4.1 Sample size

The sample size is the number of respondents the researcher selects from the target population to constitute a sample that fulfills the requirements of representativeness of the target population (Kothari, 2008).

To determine the sample size, the Yamane (1967) formula was used where;

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

Where n=sample size (responses required)

N = population size

e^2 = sampling error limit

N= 11,280 (women in formal business)

e = 0.09

l= Designates the probability of the event occurring

$$\begin{aligned} \text{Sample size } n &= \frac{N}{1 + N(e)^2} \\ &= \frac{11,280}{1 + 11,280(0.09)^2} \\ n &= 122.12 \\ n &= 122 \end{aligned}$$

The sample size for the study in Kimilili-Bungoma was 122 women in formal business.

3.4.2 Sampling procedure

Stratified sampling technique was applied to determine the independent sample size for each location that ensured equal representation of formal women businesses from the four locations since each had a different number and characteristics of women involved in business activities. Under stratified sampling the population is divided into several sub-populations that are individually more homogeneous than the total population (Kothari, 2008). Using proportional allocation the sample sizes for each location were determined in proportion to the women population in formal business.

Table 3.1 Sample size for each location

| Location | Number of women in formal business in each location (Ni) | stratified sampling $n_i = (N_i \times n) \div N$ | Sample size in each location (ni) |
|-----------|--|--|-----------------------------------|
| Kimilili | 3,600 | $(3,600 \times 122) / 11,280$ | 38.93 |
| Kamukuywa | 1,120 | $(1,120 \times 122) / 11,280$ | 12.11 |
| Maeni | 2,160 | $(2,160 \times 122) / 11,280$ | 23.36 |
| Kibingei | 4,400 | $(4,400 \times 122) / 11,280$ | 47.58 |
| TOTAL | 11,280 | $(11,280 \times 122) / 11,280$ | 122.00 |

From the calculation above the sample size for each location was: Kimilili location; 39, Kamukuywa location; 12, Maeni location; 23, and Kibingei location; 48. After stratified sampling was used to determine the sample size, for each of classified district, four locations it was followed by simple random sampling in selection of the required women running business in each location according to the sample size determined in the table 3.1. In this case the names of the women doing businesses in each location were written on pieces of paper then put in four different containers. One piece of papers was picked from each container recorded and was returned. This procedure was repeated for other containers until the required sample size was reached. This method of simple random sampling is called the lottery method and is convenient for the studies involving small samples as it can be tiring when large samples are involved (Mugenda, 2003). With the help of four research assistants a list of business women in each location was prepared. This gave rise to 122 business women that were issued with questionnaires for the study. Stratified random sampling was also used to identify and classify women who were

literate to fill the questionnaire and those who were illiterate to whom interview guide was applied.

3.5 Research instruments

This study used two instruments to collect data, administration of questionnaires and use of interview guides that helped prop for more information that would not have been captured effectively in the questionnaire. The questionnaires were used to collect more information over a short time and the interview guides were used for the respondents who had more information than the questionnaire contained and collected. The choice of instruments was guided by the nature of the data that was collected, the time available as well as the objectives of the study.

The study was mainly concerned with finding out views, opinions, perceptions, feelings and attitude of the respondents, such information was captured by use of the two instruments. The questionnaire and interview guides contained both open and close ended items as to encourage solicit complete responses from the respondent

3.5.1 Questionnaire

The questionnaires was the preferred tool for this study because it enabled the researcher to get views from a larger number of respondents within a short time, thus made it easier to collect relevant information. The questionnaire contained both closed and open ended questions. The closed-ended questions were designed to get exact information while open-ended questions were designed to get more opinion and views of respondents on; social cultural factors, influence of legal environment, sources of finance, the influence of networking in facilitating participation of women in formal businesses. Matrix questions that utilized the Likert rating scale were also used. This instrument was piloted on 10 business women randomly selected in Bungoma-Central District to ensure content clarity

of each research instrument. This small group piloted was similar to the one under study and helped check the instrument validity and reliability. The piloted respondents carefully completed the instruments and critiqued the format and instructions. The questionnaire was issued to women who were literate and who knew how read and write.

3.5.2 Interview guides

This instrument was used to gather evidence of social cultural changes of sampled units and to provide further for any details necessary to the study that was not captured comprehensively in the questionnaire. It was held face to face with the aid of a constructed interview guide. The District Gender Officers trade officer was interviewed on business support issues to FWB, such as procedures of identification, designing, financing and supervision of credit, records in the departments, how to improve the competence of women and their general view on performance of women business and choices of profitable business. The interview guide was also used for women who do not know how to read and write.

3.6 Validity of the Research Instruments

According to Mugenda and Mugenda (2003) validity refers to the degree of accuracy and meaningfulness of inferences made based on the results obtained. It is asking a relevant question framed in the least ambiguous way. This research adopted the ‘content validity’ technique to measure the validity of the instruments that were used. Content validity enables data being collected to be reliable in representing the specific content of a particular concept. It involved designing an instrument that would yield content valid data and these was subjected to subjects of a similar sample and inferences were made compared to the existing theory. Content validity of the instruments was established in three stages. The researcher critically considered each item to see if it contained a real

representation of the desired content and sought if it could measure what it was supposed to measure after considering the constructs that were measured.

The developed instruments were then presented to the supervisors of the project and research experts that evaluated the applicability and appropriateness of the content, clarity and adequacy of constructs of the instrument from a research perspective. A pilot study was conducted with 10 business women randomly selected in Bungoma-Central District to ensure content clarity of each research instrument. Respondents carefully completed the instruments and critiqued the format and instructions.

Upon completion of the pilot study, the data was reviewed and the items that were not clear were modified accordingly. This pilot study was conducted in the neighbouring Bungoma Central District, which was not involved in the final study, to avoid contaminating the final actual sample. Content validity was determined to establish representation of the items with respect to the objectives of the study (Wiersma, 1991).

3.7 Reliability of the Research Instruments

Mugenda and Mugenda (2003) explain reliability as the degree to which a research instrument will yield consistent results after repeated trials. The researcher will use split half technique to check on reliability of instruments. Research instruments was retested on a sample of at least 10 respondents who were not representatives (Mulusa, 1990). In this study one location was sampled from a nearby Bungoma-Central District, to get 10 respondents that the instruments were administered to. Split half technique was used to obtain X and Y scores. The X distribution included odd positioned items, whereas Y distributions took even positioned items. It was then assumed that the two sets of halves formed two different sets of questions. They were scored separately to obtain the scores for first half X and the scores for second half Y. A correlation between the two sets of

scores was computed using a Spearman Brown formula. A correlation coefficient obtained was 0.5 and above and it was considered a good measure of reliability.

3.8 Data collection procedures

The researcher with the help of the University of Nairobi, supervisors constructed the questionnaire and interview guide after which there was a pilot test on an independent group of women in similar formal business from a neighbouring Bungoma Central District that checked the validity and reliability of the instruments. The researcher and his assistants issued 122 questionnaires directly and personally to the sampled group. This helped them to explain the purpose and significance of the study, clarify points on how to answer questions. This motivated respondents to answer the questions carefully and truthfully. Before proceeding to conduct the study, the researcher obtained an introductory letter from University of Nairobi that enabled him to get a permit from the district commissioner of Kimilili-Bungoma District. A letter of introduction was also obtained from local authority, from the chief's office. Another letter was also obtained from the districts gender officer as a courtesy. Copies of the notification to carry out the research were availed to the district officers and chiefs, of two divisions and four locations where data was obtained from.

3.9 Data analysis techniques

Data analysis refers to examining what has been collected in the field and making deductions and inferences. It involves uncovering the underlying structures, extracting variables, detecting anomalies and testing any underlying assumptions. Quantitative analysis was done that involved coding responses into categorical variables followed by application of a SPSS method of analysis (Kombo and Tromp, 2006). The findings of the study on factors that influence women participation in formal business were also analyzed using descriptive statistics analysis method (Mugenda and Mugenda, 2003) which refers to

a systematic qualitative description of the objectives or units of study (categorical variables) and determined the intensity with which certain themes or phrases were used. It involved detailed description of the items that comprise the sample.

In interpreting the results, the frequency with which the items appeared was interpreted as a measure of importance, attention or emphasis. The specific classification system used to record the information for this research was designation content analysis which determined the frequency and trends with which concepts of the objectives were mentioned. This was then interpreted as a measure of direction or bias regarding the objectives. Tabulating data and presenting them on the table was also used that gave a visual display of Individual units about which descriptive and explanatory statements were made, from the sampled content. Groups of data helped in the final comparison and relationship of results and interpretations were made.

3.10 Operational definition of variables

There are two variables that were considered in this study, the independent and dependent variables. The independent variables are: formal women businesses, social-cultural, legal environment, sources of finance and networking while the dependent variable is participation of women in formal business. The information is presented in the Table 3.2.

Table 3.2 Operationalization of the variables for the study

| Objectives | Variables | Indicators | Tool of data collection | Analysis Technique | Scale |
|---|---|---|--------------------------------------|--|------------------------------|
| Women in formal business. | Dependent variable Types of businesses owned | Registration of business name Sector of business | Questionnaire | Cross-tabulation. Frequencies. Percentages. | Ratio Nominal |
| Social cultural factor influence on role of women in formal business. | Independent variable Social cultural Dependent variable Who operates the business and where | Location of the business. Hours spent in the business. Business name used. Gender roles Use of business Income. | Questionnaire | Cross-tabulations. Frequencies. Percentages. | Nominal Ratio Ordinal |
| The legal environment influence on role of women in formal business. | Independent variable Legal environment Dependent variable formal ownership and control of business recognized contracts | Right to own property/asset policies Investment climate policies. Human rights Act. Gender integration policies. Subsidies to businesses. | Questionnaire. Interview guide | Cross-tabulations. Frequencies. Percentages. | Nominal Ratio |
| Sources of finance influence on role of women in formal business. | Independent Sources of finance Dependent; size of capital for business | Number /type of finance institutions. The rate of interest charged/other conditions on credit policy. Personnel advice/ customer care. | Questionnaire Interview guide | | Ratio Interval Nominal |
| Networking influence on role of women in formal business. | Independent variable Business networking Dependent variable Link to markets, group guarantee | Type of network Location of network Activities of network Benefits of network | Questionnaire | Cross-tabulations. Frequencies. Percentages. | Nominal and ratio |

3.11 Ethical Issues

Data collection was done in line with ethical issues, for instance, confidentiality of the respondent was kept informed, content was obtained from the respondent and relevant authority, openness and honesty was upheld and the researcher explained in advance the purpose of the research.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF THE FINDINGS

4.1 Introduction

The results of the data analysis are presented in this chapter. Data has been organized and presented as per the objectives of the study and demographic information of the respondents handled as deeply as possible. The study was guided by the following objectives; to investigate how the socio-cultural factors influence the participation of women in formal businesses, to determine how the legal environment influences the participation of women in formal business, to investigate how the sources of finance influence the participation of women in formal business and to determine how networking influences the participation of women in formal business in Kimilili – Bungoma District.

4.2 Questionnaire Return Rate

Table 4.1 contains the rate at which the questionnaires were returned after dispatch to the sampled respondents.

Table 4.1: Questionnaire Return Rate

| Questionnaire | Number | Percentage |
|---------------|--------|------------|
| Delivered | 122 | 100% |
| Returned | 116 | 95% |
| Not Returned | 6 | 4.9% |

Out of 122 questionnaires that were delivered to respondents 116 (95%) were returned dully filled while 6 (4.9%) were not returned. These were considered adequate for this analysis.

4.3 Demographic Information of Respondents

In this part general information of respondents was analyzed by use of frequencies and percentages for age, marital status, family size, level of education and age of business in years.

4.3.1 Present Age of Respondents

The study sought to know the age of respondents. Table 4.2 summarizes the age of respondents.

Table 4.2: Age Frequencies

| present Age | Frequency | Percent |
|-------------|-----------|---------|
| 18 – 30 | 36 | 31.0 |
| 31 – 40 | 40 | 34.5 |
| 41 – 50 | 31 | 26.7 |
| 51 – 60 | 9 | 7.8 |
| Total | 116 | 100.0 |

Table 4.2 shows that, out of 116 (100%) respondents those who were aged between (18 – 30) years were 36 (31%), between (31 – 40) years were 40 (34.5%), between (41 – 50) years were 31 (26.7%) and between the ages of 51 – 60 were 9 (7.8%). The study revealed that most of the women who were involved in formal business in Kimilili-Bungoma District were aged between (31 – 40) years old that comprised of 40 (34.5%).

4.3.2 Marital Status

The study sought to know the marital status of respondents. Table 4.3 summarizes the marital status of respondents.

Table 4.3: Marital Status

| Marital Status | Frequency | Percent |
|-----------------------|------------------|----------------|
| Single | 19 | 16.4 |
| Married | 79 | 68.1 |
| Separated | 7 | 6.0 |
| Widowed | 11 | 9.5 |
| Total | 116 | 100.0 |

Table 4.3 shows that out of 116 respondents, 19 (16.4%) were single women, 79 (68.1%) were married, 7 (6.0%) were separated and 11 (9.5%) were widowed. The research revealed that out of 116 women who were involved in formal business in Kimilili –Bungoma District, were mostly carried out by married women.

4.3.3 Family Size

The study sought to know the family size of respondents. Table 4.4 shows the information on family size of the respondents.

Table 4.4: Family Size

| Family Size | Frequency | Percent |
|--------------------|------------------|----------------|
| >8 | 5 | 4.3 |
| 6 – 8 | 32 | 27.6 |
| 3 – 5 | 41 | 35.3 |
| 1 – 2 | 38 | 32.7 |
| Total | 116 | 100.0 |

Table 4.4 shows ,out of 116 women who were interviewed, those with family sizes greater than 8 were 5 (4.3%), between (6 – 8) family members were 32 (27.6%),

between (3 – 5) family members were 41 (53.3%) and those with a family size between (1 – 2) were 38 (32.7%). This research also revealed that women with smaller family sizes were more involved in formal business in Kimilili than those with large family sizes.

4.3.4 Educational Level of Respondents

The study sought to know the educational level of respondents. Table 4.4 shows this.

Table 4.5: Education Level

| Education Level | Frequency | Percent |
|------------------------|------------------|----------------|
| Primary | 9 | 7.8 |
| Secondary | 21 | 18.1 |
| College | 59 | 50.9 |
| University | 27 | 23.3 |
| Total | 116 | 100.0 |

Table 4.5 shows that, out of 116 respondents that were interviewed, 9 (7.8%) had attained primary level, 21 (18.1%) had attained secondary level, 59 (50.9%) had attained college level, 27 (23.3%) had attained university level. The study revealed that most of the women who participated in formal business in the district were those who had attained college or university level education.

4.3.5 Sector of Business

The study sought to know the business sector of respondents. Table 4.6 summarizes the business sectors where the respondents businesses belong.

Table 4.6: Business Sector

| Business Sector | Frequency | Percent |
|------------------------|------------------|----------------|
| Farming | 24 | 20.7 |
| Services | 10 | 8.6 |
| Juakali | 12 | 10.3 |
| Clothing | 35 | 30.2 |
| Technology | 17 | 14.7 |
| Retail Shop | 18 | 15.6 |
| Total | 116 | 100.0 |

Table 4.6 shows that, out of 116 interviewed women, 35 (30.2%) were selling clothes; 24 (20.7%) were involved in farming; 17 (14.7%) were involved in technology related businesses; 18 (15.6%) were involved in operating retail shops; 12 (10.3%) were in juakali businesses and 10 (8.6%) were involved in providing service businesses. The study revealed that most women in Kimilili were involved in selling clothes.

4.3.6 Location of Business Premise

Table 4.7: Business Premise Location

| Location | Frequency | Percent |
|-----------------|------------------|----------------|
| Rural Market | 24 | 20.7 |
| Urban Centre | 77 | 66.4 |
| Mobile Market | 6 | 5.2 |
| Residential | 9 | 7.8 |
| Total | 116 | 100.0 |

Table 4.7 shows that, out of 116 respondents who were interviewed about where they operated their businesses from, 77 (66.4%) were situated in urban centres, 24 (20.7%)

were located in rural market, 9 (7.8%) operated from residential premises and 6 (5.2%) were mobile businesses. The research revealed that most formal businesses carried out by women in Kimilili Bungoma District were located in the urban centres.

4.4 Social cultural factors that Influence the Participation of Women in Formal Business in Kimilili

To establish how social cultural factors influence the participation of women in formal business in Kimilili Bungoma District, the following social cultural aspects were sought by the study; the level of traditional beliefs and women participation, the relation between educational level of women, traditional and formal participation in business, traditional cultural and registration of business, women involvement in husbands business, family provider, women demand for time in family activities, societal perception on women who operate formal businesses, traditional culture and location of women formal business. The findings were presented according to each aspect.

4.4.1 Traditional beliefs and cultural influence on women participation in formal business

The respondents were asked whether traditional beliefs and culture had influence on participation of women in formal business. The study findings are shown in table 4.8.

Table 4.8: Traditions and Culture

| Traditions and Culture | Frequency | Percent |
|-------------------------------|------------------|----------------|
| Yes | 44 | 37.9 |
| No | 72 | 62.1 |
| Total | 116 | 100.0 |

Table 4.8 shows that, out of 116 women who were interviewed, 44 (37.9%) admitted that their participation in business was influenced by cultural factors while 72 (62.1%) said their involvement was not influenced by culture and beliefs. The findings show that traditions and culture had some influence on women participation in formal business.

4.4.2 Education Level relation to Culture & Traditions

On comparing the education level of women and whether their involvement in business was affected by the culture and beliefs, the study findings are shown in table 4.9.

Table 4.9: Education Level relation to Culture & Traditions

| Traditions and Culture | | | |
|-------------------------------|-----------------|-----------------|-------------------|
| Education level | Yes (%) | No (%) | Total (%) |
| Primary | 5 (4.3%) | 4 (3.5%) | 9 (7.8%) |
| Secondary | 12 (10.3%) | 9 (7.8%) | 21 (18.1%) |
| College | 23 (19.8%) | 36 (31.0%) | 59 (50.9%) |
| University | 5 (4.3%) | 22 (20.0%) | 27 (23.2%) |
| Total | 44 (38%) | 72 (62%) | 116 (100%) |

Table 4.9 shows that, 9 (7.8%) women who had attained primary level of education 5(4.3%) were affected by culture and traditions in their businesses, while 4 (3.5%) were not. Out of 21(18.1%) who attained secondary level of education, 12 (10.3%) admitted their participation in formal business was influenced by the traditions and culture, while 9 (7.8%) did not admit, and out of 59 who had attained the college level of education, 23 (19.8%) admitted were influenced by traditions and culture while 36 (31.0%) did not and lastly out of 27 who had gone up to university level 5 (4.3%) admitted that their involvement in business was influenced by traditions while 22 (20.0%) did not admit. This revealed that the more learned a woman is the less influence culture and traditions

have on her involvement in formal business. Overall it was revealed that out of 116 respondents, 44 (38%) were influenced by traditions and culture while only 72 (62%) were not, basing on their education level. The findings show that the majority of the respondents who had higher educational level tradition and culture had little influenced on how they participated in formal business.

4.4.3 Formal business registration in relation to Culture & Traditions

The respondents were asked whether the business they run was registered in their names and whether traditional beliefs and culture had influence on the registration of the businesses. Table 4.10 shows the findings.

Table 4.10: Summary of registration

| Registration of business names | | | | | |
|--------------------------------|-------------------------|---------------------------|-------------------------------|------------------------------|--------------|
| Traditions/ Culture | Women's Name | Husband's Name | Both spouses' Name | Franchisers' Name | Total |
| Yes | 32 (27.6%) | 4 (3.4%) | 8 (6.9%) | 0 (0%) | 44(37.9%) |
| No | 34 (29.3%) | 19 (16.4%) | 13 (11.2%) | 6 (5.1%) | 72(62.1%) |
| Total | 66 (56.9%) | 23 (19.8%) | 21 (18.1%) | 6 (5.1%) | 116 (100%) |

Table 4.10 Shows out of 66 (56.5%) whose business were registered in their names, 32 (27.6%) agreed they were strongly influenced by culture and traditions while 34 (29.3%) agreed were not influenced by culture and traditions. Out of 23 (19.8%) women whose businesses were registered under their husbands' names 4 (3.4%) agreed were strongly influenced by the culture and traditions while 19 (16.4%) had their businesses registered under the husband's name but they were not influenced by culture and traditions. Out of 21 (18.1%) whose business were registered in both spouses names, 8 (6.9%) agreed were strongly influenced by culture and traditions while 13 (11.2%) agreed were not influenced by culture and traditions. Out of 6/116 respondents who admitted their businesses were registered in Franchisers name none (0) of them admitted to have been

influenced by culture and traditions. The study revealed that most women who had their businesses registered in their names and all those who participated in franchise business were not influenced by traditional culture.

4.4.4 Women involvement in men’s business

The study also sought to find out different ways through which women participated in formal businesses through involvement in men’s businesses. Table 4.11 summarizes how women were involved in men’s business.

Table 4.11: Women’s involvement in men’s business

| Women’s involvement | Frequency | Percent |
|----------------------------|------------------|----------------|
| Mostly assistants | 69 | 59.5 |
| Mostly co-owners | 39 | 33.6 |
| Both | 8 | 6.9 |
| Total | 116 | 100.0 |

Table 4.11 shows that out of 116 respondents, 69 (59.5%) were involved as mostly assistants, 39 (33.6%) were involved as co-owners and 10 (8.6%) were involved as both assistants and co-owners. From the analysis there was a clear indication that most women were involved in men’s business as assistants.

4.4.5 Family provider

The study also sought to find out who between the women and men provide for family upkeep and the results are as in table 4.12.

Table 4.12: Family Provider

| Family Provider | Frequency | Percent |
|-----------------|-----------|---------|
| Mostly men | 40 | 34.5 |
| Mostly women | 50 | 43.1 |
| Both | 26 | 22.4 |
| Total | 116 | 100.0 |

Table 4.12 showed that out of 116 respondents who run formal businesses in Kimilili Bungoma District, mostly men providers were, 40 (34.5%), mostly women family providers were 50 (43.1%), both women and men providers were only 26 (22.4%). This clearly indicated that women who run formal businesses in Kimilili District mainly used their incomes to provide for their families upkeep.

4.4.6 Amount of time women in formal business spend in their family activities

The study sought from women respondents who run formal business on how much time they spend on their family subsistence activities in relation to the business. Table 4.13.presents the findings.

Table 4.13: Amount of Time Spend on Family Activities

| Amount of Time | Frequency | Percent |
|----------------|-----------|---------|
| > 8 hours | 15 | 12.9 |
| 5 – 8 hours | 31 | 26.7 |
| 3 – 5 hours | 35 | 30.2 |
| < 3 hours | 30 | 25.9 |
| None | 5 | 4.3 |
| Total | 116 | 100.0 |

Table 4.13 shows that out of the 116 women who were interviewed, 15 (12.9%) spend more than 8 hours on their family's responsibilities activities, 31 (26.7%) take 5 – 8

hours, 35 (30.2%) take 3 – 5 hours, 30 (25.9%) take less than 3 hours and 5 (4.3%) do not spend any time on their family activities. This indicated that most women spent between 3-8 hours in their family matters and very little time left for their businesses. Most of their time was spent on family activities a precious time that would have otherwise been used to participate in improving and making profit at their businesses.

4.4.7 Perception of women in formal business by society

The 116 women respondents were also asked to rate how other people in the society perceive women who had formalized their businesses. Their responses are as in table 4.14.

Table 4.14: Perception of women with formal businesses in society

| Perception | Strongly Agreed | Moderate Agreed | Disagreed | Undecided | Total |
|---------------------|-----------------|-----------------|------------|------------|------------|
| Earn social respect | 104 (89.7%) | 0 (0%) | 12 (10.3%) | 0 (0%) | 116 (100%) |
| Autonomous | 48 (41.4%) | 39 (33.6%) | 16 (13.8%) | 13 (11.2%) | 116 (100%) |
| Social security | 54 (46.6%) | 36 (31.0%) | 15 (13.8%) | 11 (9.5%) | 116 (100%) |
| Hardworking | 100 (86.2%) | 15 (12.9%) | 1 (0.9%) | 0 (0%) | 116 (100%) |
| Proud | 29 (25.0%) | 23 (19.8%) | 45 (38.8%) | 19 (16.4%) | 116 (100%) |
| Iron lady | 52 (44.8%) | 21 (18.1%) | 19 (16.4%) | 24 (20.7%) | 116 (100%) |

Table 4.14 shows that, out of 116 women respondents that were interviewed, 104 (89.7%) strongly agreed they were perceived to be women of social respect, 12 (10.3%) moderately agreed that they earn social respect while none of them was undecided about the idea of earning social respect. On being autonomous, 48 (41.4%) strongly agreed to be autonomous, 39 (33.6%) moderately agreed to be autonomous, 16 (13.8%) disagreed about being autonomous and 13 (11.2%) were undecided. On formalization of their businesses giving them social security, 54 (46.6%) strongly agreed, 36 (31.0%) moderately agreed, 15 (12.9%) disagreed and 11 (9.5%) were undecided. On being perceived as hardworking women, out of 116 women, 100 (86.2%) strongly agreed they

were perceived as hardworking, 15 (12.9%) moderately agreed, 1 (0.9%) disagreed and none of them was undecided. When they were asked whether other people look at them as proud, 29 (25.0%) strongly agreed, 23 (19.8%) moderately agreed, 45 (38.8%) disagreed and 19 (16.4%) were undecided. Lastly when they were asked whether people look at them as iron ladies, 52 (44.8%) out of 116 respondents strongly agreed, 21 (18.1%) moderately agreed, 19 (16.4%) disagreed and 24 (20.7%) were undecided. These findings clearly indicated that women who formalize their business were mostly viewed as hardworking and they earn a lot of respect from the society. Their businesses were also considered as a form of social security.

4.4.8 Distance of Women Business from home in relation to Traditions and Culture

The study sought from respondents whether their businesses' location distances from home were influenced by traditions and culture. Table 4.15 summarizes the findings of how far the women respondents businesses are located from home in relation to tradition and culture.

Table 4.15: Distance of Women Business from home in relation to Traditions and Culture Tabulation

| Distance | Traditions and Culture | | Total |
|-----------------|-------------------------------|-------------------|------------------|
| | Yes | No | |
| Within 1 km | 24 (20.7%) | 31 (26.7%) | 55(47.1%) |
| Within 5 km | 4 (3.4%) | 19 (16.4%) | 23(19.8%) |
| Within 10 km | 1 (0.86%) | 2 (1.72%) | 3(2.6%) |
| Within 20 km | 1 (0.86%) | 6 (5.2%) | 7(6.06%) |
| In other towns | 14 (12.1%) | 14 (12.1%) | 28(24.2%) |
| Total | 44 (37.9%) | 72 (62.1%) | 116(100%) |

Table 4.15 shows the findings of how the women respondents' businesses are located from home in relation to tradition and culture. Out of 116 respondents, 55 (47.4%) had their businesses within 1 km away from their homes, out of this 24 (20.7%) agreed were influenced by culture and traditions while 31 (26.7%) were not influenced by culture. For those with businesses within 5 km were 23 (19.8%) of which 4 (3.4%) said they were greatly influenced by culture and traditions while 19 (16.4%) said their location was not influenced by traditions and culture. Those whose businesses were located within 10 km were only 3 (2.6%) of which 1 (0.86%) said the location was influenced by culture and traditions while 2 (1.72%) said culture and traditions had no effect on their location. Those whose businesses are located 20 km away were 7 (6.06%), out of which 1 (0.86%) said the distance was greatly influenced by culture and traditions while 6 (5.2%) said their location of business was not influenced by culture and traditions. Finally those whose businesses were located in other towns were 28 out of 116, of which 14 (12.1%) agreed that their location of business was influenced by culture and traditions while 14 (12.1%) were not influenced by culture and traditions. The study thus revealed that traditional culture continues to influence the location of some women formal businesses and most women operated their formal businesses within 1 kilometer and 5 kilometers.

4.5 Influence of Legal Environment on the Participation of Women in Formal Business

To establish how legal environment influenced the performance of women participation in formal business various attributes of law on women business were sought by the study; the level of government law supporting formal business, types of laws supporting women businesses, government departments supporting women businesses, ranking of departments' support, adequacy of government support, changes in the constitutions

government measures and effects of law on women businesses in participation of women in formal businesses in Kimilili Bungoma District.

4.5.1 Level of Government Laws Supporting Business

The study required respondents to indicate whether government laws support their businesses. The findings were presented in the table 4.16.

Table 4.16: Level of Government Laws Supporting Business

| Government Laws Support | Frequency | Percent |
|--------------------------------|------------------|----------------|
| Yes | 85 | 73.3 |
| No | 31 | 26.7 |
| Total | 116 | 100.0 |

Table 4.16 shows that, out of 116 women who were interviewed, those who agreed that the government laws support their businesses were 85 (73.3%) while those who said their businesses are not supported by the government laws were 31 (26.7%). This clearly indicated that women in formal business in Kimilili Bungoma District were highly supported by the government.

4.5.2 Types of Laws Supporting Business

The respondents were asked to rank how different types of government laws support their formal businesses, using the likert scale of completely agree, agree, undecided, disagree and completely disagreed. Table 4.17 shows the summary of responses of how different government laws support women participation in formal businesses.

Table 4.17: Types of Laws Supporting Business

| Government Laws | Completely Agreed | Agreed | Undecided | Disagreed | Completely Disagreed | Total |
|------------------------|--------------------------|---------------|------------------|------------------|-----------------------------|--------------|
| Human rights | 55 (47.4%) | 26 (22.4%) | 10 (8.6%) | 18 (15.5%) | 10 (8.6%) | 116 (100%) |
| Property rights | 45 (38.8%) | 33 (28.4%) | 10 (8.6%) | 18 (15.5%) | 10 (8.6%) | 116 (100%) |
| Inheritance laws | 26 (22.4%) | 26 (22.4%) | 13 (11.2%) | 22 (19.0%) | 29 (25.0%) | 116 (100%) |
| Trade Licensing | 29 (25.0%) | 45 (38.8%) | 12 (10.3%) | 11 (9.5%) | 19 (16.4%) | 116 (100%) |

Table 4.17 shows that out of 116 women who were interviewed those who completely agreed that they were supported by human rights laws were 55 (47.4%), 26 (22.4%) just agreed, 10 (8.6%) were undecided, 7 (6.0%) disagreed and 18 (15.5%) completely disagreed. On inheritance laws, out of 116 women, 26 (22.4%) completely agreed, 26 (22.4%) just agreed, 13 (11.2%) were undecided, 22 (19.0%) disagreed and 29 (25.0%) completely disagreed. The women were also asked whether they were supported by the Trade Licensing Act and the responses were as follows; 29 (25.0%) completely agreed, 45 (38.8%) just agreed, 12 (10.3%) were undecided, 11 (9.5%) disagreed and 19 (16.4%) completely disagreed. Finally on property rights they responded as follows; out of 116 women, those who completely agreed were 45 (38.8%), those who just agreed were 33 (28.4%), those who were undecided were 10 (8.6%), those who disagreed were 18 (15.5%) and those who completely disagreed were 10 (8.6%). This study revealed that the a highest number of women participating in formal business ranked human rights support to their business highest 68.8%, followed by; property rights 67.2%, trade licensing 63.8% and least support was from inheritance laws 44.8%. Overall the study revealed that different laws supported women participation in formal business.

4.5.3 Awareness of Government Departments' support to women in formal business

The respondents were asked to rank how different government departments support their formal businesses. The responses from the study are shown in Table 4.18.

Table 4.18: Government Departments Supporting Women Business

| Awareness | Frequency | Percent |
|-----------|-----------|---------|
| Yes | 92 | 79.3 |
| No | 24 | 20.7 |
| Total | 116 | 100.0 |

Table 4.18 shows that out of 116 women in formal business in Kimilili Bungoma District that were interviewed, those who were aware of government departments that support women business were 92 (79.3%) while those who were not aware were 24 (20.7%). These findings revealed that most of the respondents were aware that they were supposed to be supported by the government agencies in their businesses.

4.5.4 Ranking of support received from different government Departments

The respondents were asked to rank the departments that support women in formal business. Table 4.19 summarizes the information on how respondents ranked the support from various departments.

Table 4.19: Government Departments' Support Ranking

| Government Department | Completely | Agreed | Undecided | Disagreed | Completely | Total |
|---------------------------|------------|------------|------------|------------|------------|------------|
| | Agreed | | | | Disagreed | |
| Labour & Human resource | 20 (17.2%) | 27 (23.3%) | 36 (31.0%) | 20 (17.2%) | 13 (11.2%) | 116 (100%) |
| Social service & gender | 60 (51.7%) | 23 (19.8%) | 8 (6.9%) | 13 (11.2%) | 12 (10.3%) | 116 (100%) |
| Finance | 30 (25.9%) | 51 (44.0%) | 16 (13.8%) | 6 (5.2%) | 13 (11.2%) | 116 (100%) |
| Trade, commerce & tourism | 23 (19.9%) | 12 (10.3%) | 17 (14.7%) | 38 (32.8%) | 26 (22.4%) | 116 (100%) |
| Tertiary education | 12 (10.3%) | 29 (2.5%) | 22 (19.0%) | 25 (21.6%) | 28 (24.1%) | 116 (100%) |

Table 4.19 shows that out of 116 women; 20 (17.2%) completely agreed that labour and human resource department supported them; 27 (23.3%) only agreed; 36 (31.0%) were undecided about it; 20 (17.2%) disagreed about it and 13 (11.2%) completely disagreed about it. The respondents were also asked about whether social services and gender department supported them in their formal business, the responses were as follows; 60 (51.7%) completely agreed; 23 (19.8%) agreed; 8 (6.9%) were undecided; 13 (11.2%) disagreed and 12 (10.3%) completely disagreed. They were also asked whether the

finance department supports them and 30 (25.9%) completely agreed; 51 (44.0%) just agreed; 16 (13.8%) were undecided; 6 (5.2%) disagreed and 13 (11.2%) completely disagreed. On whether trade, commerce and tourism department supported them; 23 (19.9%) completely agreed; 12 (10.3%) agreed; 17 (14.7%) were undecided; 38 (32.8%) disagreed and 26 (22.4%) completely disagreed. They were finally asked whether tertiary education department supports them and 12 (10.3%) completely agreed; 29 (25.0%) agreed; 22 (19.0%) were undecided; 25 (21.6%) disagreed and 28 (24.1%) completely disagreed. From table 4.19 it was quite clear that most women in formal business were greatly supported by social services and gender department, 83 (71.5%) followed by the finance department 81 (69.9%). Tertiary education, trade commerce and tourism, labour and human resource minimally supported women in their formal businesses.

4.5.5 Adequacy of Government Support

The respondents were asked whether the government support to their businesses was adequate, their responses are shown in table 4.20.

Table 4.20: Adequacy of Government Support

| Adequacy of Government Support | Frequency | Percent |
|---------------------------------------|------------------|----------------|
| Yes | 40 | 34.5 |
| No | 76 | 65.5 |
| Total | 116 | 100.0 |

Table 4.20 show that out of 116 respondents, 40 (34.5%) said it was adequate while 76 (65.5%) said the support was not adequate. The study thus revealed that the

government's effort to promote women participation in formal businesses was inadequate.

4.5.6 Changes in the Constitution in Relation to Women Formal Businesses

The respondents were asked how they rate the changes in the constitution in relation to formal business and property rights; Table 4.21 shows a summary on how the respondents rated changes in the constitution in relation to their businesses.

Table 4.21: Changes in the Constitution in Relation to Women Formal Businesses

| Rate | Frequency | Percent |
|--------------|------------------|----------------|
| Fair | 40 | 34.5 |
| Satisfactory | 25 | 21.6 |
| Good | 44 | 37.9 |
| Very good | 7 | 6.0 |
| Total | 116 | 100.0 |

Table 4.21 shows that out of 116 respondents only 7 (6.0%) rated it as very good, 44 (37.9%) rated it as good, 25 (21.6%) as satisfactory and 40 (34.5%) rated it as fair. Overall a high number of women in formal business 51 (43.9%) rated the changes in the constitutions as fair and satisfactory. This study revealed that a high number of women participating in formal business had not benefited much from the changes in the constitution.

4.5.7 Contributions of Government to Women Formal Businesses

The respondents were also asked to state the level to which they agreed with the measures the government uses to support to their business and they responded as shown in the table 4.22.

Table 4.22: Government Measures that Contribute to Women Formal Businesses.

| Government Measures | Strongly Agree | Agreed | Disagreed | Strongly Disagreed | Undecided | Total |
|------------------------------------|-----------------------|---------------|------------------|---------------------------|------------------|--------------|
| Provide site for business | 20 (17.2%) | 28 (24.1%) | 47 (40.5%) | 14 (12.1%) | 7 (6.0%) | 116 (100%) |
| Allocate title deeds to women | 33 (28.4%) | 23 (19.8%) | 32 (27.6%) | 20 (17.2%) | 8 (6.9%) | 116 (100%) |
| Free registration | 26 (22.4%) | 35 (30.2%) | 23 (19.8%) | 16 (13.8%) | 16 (13.8%) | 116 (100%) |
| Improve infrastructure/roads | 30 (25.9%) | 62 (53.4%) | 11 (9.5%) | 10 (8.6%) | 3 (2.6%) | 116 (100%) |
| Market services for their products | 36 (31.0%) | 18 (15.5%) | 21 (18.1%) | 37 (31.9%) | 4 (3.4%) | 116 (100%) |
| Provide affordable loans | 43 (37.1%) | 46 (39.7%) | 17 (14.7%) | 7 (6.0%) | 3 (2.6%) | 116 (100%) |
| Offer government contracts | 47 (40.5%) | 19 (16.4%) | 12 (10.3%) | 10 (8.6%) | 28 (24.1%) | 116 (100%) |
| Provide physical structures | 13 (11.2%) | 17 (14.7%) | 46 (39.7%) | 24 (20.7%) | 16 (13.8%) | 116 (100%) |

Table 4.22 shows that when women were asked whether the government provides them with site for their businesses, out of 116 respondents, 20 (17.2%) strongly agreed, 28 (24.1%) agreed, 47 (40.5%) disagreed, 14 (12.1%) strongly disagreed while 7 (6.0%) were undecided. On whether the government allocates them with title deeds, out of 116, 33 (28.4%) strongly agreed, 23 (19.8%) agreed, 32 (27.6%) disagreed, 20 (17.2%) strongly disagreed and 8 (6.9%) were undecided about the issue. On whether the government registered them free of charge, 26 (22.4%) strongly agreed, 35 (30.2%) agreed, 23 (19.8%) disagreed. 16 (13.8%) strongly disagreed and 16 (13.8%) were undecided.

The 116 women were also asked if the government contributed in the improvement of infrastructure/roads and 30 (25.9%) strongly agreed, 62 (53.4%) agreed, 11 (9.5%) disagreed, 10 (8.6%) strongly disagreed and 3 (2.6%) were undecided. On whether the government marketed their services and products, 36 (31.0%) strongly agreed, 18 (15.5%) agreed, 21 (18.1%) disagreed, 37 (31.9%) strongly disagreed while 4 (3.4%)

were undecided. When the same respondents were asked if the government provides affordable loans to them to run their businesses, 43 (37.1%) strongly agreed, 46 (39.7%) agreed, 17 (14.7%) disagreed, 7 (6.0%) strongly disagreed and only 3 (2.6%) were undecided. They were also asked to state whether the government offered them with contracts and the responses were as follows; 47 (40.5%) strongly agreed, 19 (16.4%) agreed, 12 (10.3%) disagreed, 10 (8.6%) strongly disagreed and 28 (24.1%) were undecided.

The 116 respondents were lastly asked if the government provided them with physical structures like shops and 13 (11.2%) strongly agreed, 17 (14.7%) agreed, 46 (39.7%) disagreed, 24 (20.7%) strongly disagreed and 16 (13.8%) were undecided.

Comparing those who agreed and those who disagreed with government contributions to their businesses there was a clear indication that the government highly supported women in formal business starting from improving infrastructure 92 (79.3%) out of 116 (100%), provision of affordable loans 89 (76.8%), free registration of their businesses 66 (52.6%), offer of title deeds which enabled them to be land owners 56 (48.2%). The rest of the government measures were provided but minimally. From these findings it was revealed that the government uses different ways and highly supports women participation in formal businesses.

4.5.8 Effects of the laws on women business

The respondents were also asked to give information on the effects of government laws on their business and they gave the following responses presented in summary in Table 4.23.

Table 4.23: Effects of the laws on women business

| Effect of the laws on Business | Strongly Agre | Agreed | Disagreed | Strongly Disagreed | Undecided | Total |
|--|------------------|------------|------------|-----------------------|------------|------------|
| Not many business registered in their names | 12 (0.3%) | 15 (12.9%) | 47 (40.5%) | 35 (30.2%) | 7 (6.0%) | 116 (100%) |
| Do not have property legal rights | 8 (6.9%) | 23 (19.8%) | 46 (39.7%) | 39 (33.6%) | 0 (0.0%) | 116 (100%) |
| Regulations are transparent & simple | 29 (25%) | 34 (29.3%) | 17 (14.7%) | 23 (19.8%) | 13 (11.2%) | 116 (100%) |
| Capital inheritance supported | 41 (35.3%) | 30 (25.9%) | 9 (7.8%) | 12 (10.3%) | 24 (20.7%) | 116 (100%) |
| Government policies address legal equality | 36 (31%) | 40 (34.5%) | 15 (12.9%) | 17 (14.7%) | 8 (6.9%) | 116 (100%) |
| Established government offices give women capital for merry go round | 9 (7.8%) | 18 (15.5%) | 10 (8.6%) | 58 (50%) | 21 (18.1%) | 116 (100%) |
| Women have no control over property in marriage | 41 (35.3%) | 21 (18.1%) | 26 (22.4%) | 19 (16.4%) | 9 (7.8%) | 116 (100%) |
| Formal women business face significant financial constraint | 37 (31.9%) | 42 (36.2%) | 10 (8.6%) | 13(11.2%) | 14(12.1%) | 116 (100%) |
| Small loans given to women | 51 (44.0%) | 28 (24.1%) | 19 (16.4%) | 4 (3.4%) | 14 (12.1%) | 116 (100%) |

Table 4.23 shows how the respondents using Likert scale ranked the various attributes of law affect women in formal businesses ; 70.7% of the respondents strongly and just agreed that the law supported businesses to be registered in their names, 73.6% strongly and just agreed that the law supported them to have property legal rights, 54.3% strongly and just agreed that regulations were transparent and simple, 61.2% agreed that the law supports capital inheritance,65.5% agreed that government policies address legal equality, 68.% of the respondents disagreed with the support from established government offices, 53.4% of the respondents agreed that women had no control over

property in marriage and 68.1% of the strongly agreed that women in formal business faced significant financial constraints and were usually given small loans. On the effects of law in relation to participation of women in formal business the 116 respondents rated positively many attributes of law to their businesses. But regulations were revealed as not simple and transparent while women were revealed to have no control over property in marriage.

4.6 The influence of sources of finance on the participation of women in formal business

This section discusses the findings of the influence of finance on the participation of women in formal business. The information was sought on; sources of start-up capital, the institutions that give those loans, the adequacy of loans advanced, problems encountered when accessing loans, bank loans application conditions and the range of loans amount given.

4.6.1 Sources of startup capital

The respondents were asked about the sources of their start-up capital for their businesses. Table 2.24 shows a summary of the information of respondents' sources of startup capital

Table 4.24: Sources of startup capital

| Sources of startup capital | Completely Agreed | Agreed | Undecided | Disagreed | Completely Disagreed | Total |
|-----------------------------------|--------------------------|---------------|------------------|------------------|-----------------------------|--------------|
| Own savings | 49 (42.2%) | 33 (28.4%) | 7 (6.0%) | 9 (7.8%) | 18 (15.5%) | 116 (100%) |
| Inheritance | 24 (20.7%) | 12 (10.3%) | 9 (7.8%) | 30 (25.9%) | 41 (35.3%) | 116 (100%) |
| Merry go round | 21 (18.1%) | 58 (50%) | 10 (8.6%) | 18 (15.5%) | 9 (7.8%) | 116 (100%) |
| Donation from husband | 18 (15.5%) | 28 (24.1%) | 6 (5.2%) | 27 (23.3%) | 37 (31.9%) | 116 (100%) |
| Loans from micro-finance | 47 (40.5%) | 29 (25.0%) | 7 (6.0%) | 18 (15.5%) | 15 (12.9%) | 116 (100%) |

Table 4.24 shows that, out of 116 respondents who were asked whether the source of capital was from their own savings; 49 (42.2%) completely agreed, 33 (28.4%) agreed, 7

(6.0%) was undecided, 9 (7.8%) disagreed and 18 (15.5%) completely disagreed. On whether their startup capital was from inheritance, 24 (20.7%) completely agreed, 12 (10.3%) agreed, 9 (7.8%) were undecided, 30 (25.9%) disagreed and 41 (35.3%) completely disagreed. On when whether their capital came from merry go rounds (chamas) 21 (18.1%) completely agreed, 58 (50%) agreed, 10 (8.6%) were undecided, 18 (15.5%) disagreed and 9 (7.8%) completely disagreed. They were also asked whether their capital for business came from donations from their husbands and 18 (15.5%) completely agreed, 28 (24.1%) agreed, 6 (5.2%) were undecided, 27 (23.3%) disagreed and 37 (31.9%) completely disagreed. Lastly when they were asked whether their capital come from micro-finance, 47 (40.5%) completely agreed, 29 (25.0%) agreed, 7 (6.0%) were undecided, 18 (15.5%) disagreed. From this findings it was a clear indication that women doing formal business in Kimilili Bungoma District got their startup capital mostly from their own savings, followed by the merry go rounds and lastly from the micro-finance.

4.6.2 Characteristics of loans

The respondents were also asked to state the characteristics of the types of loans available to them and the responses are shown table 4.25.

Table 4.25: Characteristics of loans

| Characteristics of loans | Strongly agreed | Moderately agreed | Disagreed | Total |
|---|-----------------|-------------------|------------|------------|
| Most women get bank loans | 36 (31.0%) | 56 (48.3%) | 24 (20.7%) | 116 (100%) |
| Commercial banks have fair Lending terms to women | 36 (31.0%) | 41 (35.3%) | 39 (33.6%) | 116 (100%) |
| Most micro-finance give loans to women | 67 (57.8%) | 46 (39.7%) | 3 (2.6%) | 116 (100%) |
| Micro-finance loans are not Sufficient | 56 (48.3%) | 26 (22.4%) | 34 (29.3%) | 116 (100%) |

Table 4.25 shows that out of 116 women who were interviewed as whether most women get bank loans, 36 (31.0%) strongly agreed, 56 (48.3%) agreed, while 24 (20.7%) disagreed.

Out of 116 women respondents who were also asked whether commercial banks had fair lending terms to women ; 36 (31.0%) strongly agreed, 41 (35.3%) moderately agreed, 39 (33.6%) disagreed and when asked if most micro-finance give loans to women 67 (57.8%) strongly agreed, 46 (39.7%) moderately agreed while 3 (2.6%) disagreed. They were also asked to state whether micro-finance loans were not sufficient and 56 (48.3%) strongly agreed that the loans were not sufficient, 26 (22.4%) moderately agreed and 34 (29.3%) disagreed. From the findings it was clear that commercial banks were now lending money to women in formal businesses, but however the amount loaned was inadequate. Most women got loans from micro-finance 97.5% (113/116), when you combine those who strongly and moderately agreed.

4.6.3 Factors that pose problems to women in obtaining finance

The respondents were asked to indicate the level to which they agreed with the factors that posed problems to women in obtaining finance from commercial banks. Table 4.26 shows the findings of factors that pose problems to women in formal business in obtaining finance.

Table 4.26: Factors that pose problems to women in obtaining finance

| NO | Factors that pose problems to women in obtaining finance | Strongly agreed | Moderately agreed | Disagreed | Total |
|----|---|-----------------|-------------------|------------|------------|
| 1 | Women lack legal capacity and property rights | 38 (32.8%) | 44 (37.9%) | 34 (29.3%) | 116 (100%) |
| 2 | There are many risks involved in operating of women business | 41 (35.3%) | 38 (32.8%) | 37 (31.9%) | 116 (100%) |
| 3 | many women businesses lack proper records and official documents | 30 (25.9%) | 38 (32.8%) | 48 (41.4%) | 116 (100%) |
| 4 | Many women businesses have insufficient cash flows | 47 (40.5%) | 36 (31.0%) | 33 (28.4%) | 116 (100%) |
| 5 | Women entrepreneurs have less information about the available credit schemes | 34 (29.3%) | 30 (25.9%) | 52 (44.8%) | 116 (100%) |
| 6 | Interest rate charged on loans borrowed by women is higher than that charged to men | 28 (24.1%) | 34 (29.3%) | 54 (46.6%) | 116 (100%) |
| 7 | There is high bureaucracy for women applying for loans | 34 (29.3%) | 40 (34.5%) | 42 (36.2%) | 116 (100%) |
| 8 | Most financial institutions are located far away from where stay | 29 (25.0%) | 49 (42.2%) | 38 (32.7%) | 116 (100%) |
| 9 | Married women must request for consent from their husbands before applying for business loans | 46 (39.7%) | 49 (42.2%)s | 21 (18.1%) | 116 (100%) |

Table 4.26 shows that out of 116 respondents those who strongly agreed that women lack legal capacity and property rights were 38 (32.8%), 44 (37.9%) moderately agreed and 34 (29.3%) disagreed. The 41 (35.3%) respondents strongly agreed that there were many risks involved in operating women business, 38 (32.8%) moderately agreed while 37 (31.9%) disagreed; 30 (25.9%) strongly agreed that many women businesses lacked proper records and official documents, 38 (32.8%) moderately agreed while 48 (41.4%) disagreed; 47 (40.5%) strongly agreed that many women businesses had insufficient cash flows; 36 (31.0%) moderately agreed and 33 (28.4%) disagreed; 34 (29.3%) strongly agreed that women entrepreneurs had less information about the available credit

schemes, 30 (25.9%) moderately agreed while 52 (44.8%) disagreed. 28 (24.1%) strongly agreed that interest rate charged on loans borrowed by women was higher than that charged to men, 34 (29.3%) moderately agreed while 54 (46.6%) disagreed. On high bureaucracy for women applying for loans 34 (29.3%) strongly agreed, 40 (34.5%) moderately agreed while 42 (36.2%) disagreed. They were also asked whether most financial institutions were located far away from where they stay, 29 (25.0%) strongly agreed, 49 (42.2%) moderately agreed and 38 (32.7%) disagreed; on whether women must request for consent from their husbands before applying for business loans 46 (39.7%) strongly agreed, 49 (42.2%) moderately agreed while 2 (18.1%) disagreed. From the result of the study it was evident that women in formal business still faced many challenges in obtaining finance. Requesting for consent from husband by married women was ranked the highest constraint 81.9%, followed by insufficient cash flows 71.5% and lack of legal capacity 70.7%. All the other constraints were rated over 50%. The study revealed that women were constrained in their participation in formal business by a large number of factors that hindered their access to finance.

4.6.4 Bank loans application conditions

The respondents were also asked to rank the conditions required to be fulfilled before getting bank loans and the findings were as shown in table 4.27.

Table 4.27: Bank loans application conditions

| Bank loans application conditions | Frequency | Percent |
|---|------------------|----------------|
| Pledge of land title deed and properties for collateral | 80 | 69 |
| Group guarantee | 90 | 77.6 |
| Consent from husband | 55 | 44 |
| Previous credit records | 107 | 92.3 |
| Total | 116 | 100.0 |

Table 4.27 shows that out of 116 respondents those who ranked previous credit records were the highest (92.3%) followed by group guarantee 77.6%, pledge of land title deed and properties for collateral 69% and the least ranked was the consent from husband 44%. From the findings women in formal business need to improve their credit rating and belong to groups that guarantee them to secure bank loans.

4.6.5 Range of loans

Information was also sought about the range of loans the women with formal business are given. Table 4.28 contains the findings.

Table 4.28: Range of loans

| Range of loans(ksh) | Frequency | Percent |
|----------------------------|------------------|----------------|
| > 1 Million | 5 | 4.3 |
| 500,000 – 1 Million | 20 | 17.2 |
| 200,000 – 500,000 | 31 | 26.7 |
| 100,000 – 200,000 | 13 | 11.2 |
| 50,000 – 100,000 | 27 | 23.3 |
| < 50,000 | 20 | 17.2 |
| Total | 116 | 100.0 |

Table 4.28 shows that out of 116 women 5 (4.3%) said they got more than one million, 20 (17.2%) got between ksh 500,000 – one million, 31 (26.7%) got between ksh 200,000 –ksh 500,000, 13 (11.2%) got between ksh 100,000 – ksh 200,000, 27 (23.3%) got between ksh 50,000 – ksh 100,000 and 20 (17.2%) got less than ksh 50,000. This clearly revealed that most women in Kimilili received loans ranging between ksh 200,000 to ksh 500,000 followed by ksh 50,000 to ksh 100,000.

4.7 The influence of networking on participation of women in formal business

This section presents and analyses findings of the influence that networking has on participation of women in formal business. Information was sought from the respondents on various aspects of networking that affect participation of women in formal business; type of social network, location of social network, registration of social network and benefits of social network.

4.7.1 Type of Social Networks

Information was also sought about the type of social networks the women with formal business were given. Table 4.29 contains the findings.

Table 4.29: Type of Social Networks

| Social network | Frequency | Percent |
|----------------|-----------|---------|
| Community | 46 | 39.7 |
| Welfare | 14 | 12.1 |
| Political | 1 | 0.9 |
| Business | 48 | 41.4 |
| Several | 7 | 6.0 |
| Total | 116 | 100.0 |

Table 4.29 shows that out of 116 women who were interviewed, 46 (39.7%) belonged to community social networks, 14 (12.1%) belonged to welfare social networks, 1 (0.9%) belonged to political social network, 48 (41.4%) belonged to business social network and 7 (6.0%) belonged to several social networks. This revealed clearly that most women belonged to business and community social networks.

4.7.2 The location of social networks

The study also sought to find out the location of the social networks and the results are shown in table 4.30.

Table 4.30: Location of social networks

| Location | Frequency | Percent |
|-----------|-----------|---------|
| Kibingei | 30 | 25.9 |
| Kimilili | 41 | 35.3 |
| Maeni | 25 | 21.6 |
| Kamukuywa | 20 | 17.2 |
| Total | 116 | 100.0 |

Out of 116 respondents, 30 (25.9%) were located in Kibingei location, 41 (35.3%) in Kimilili location, 25 (21.6%) and 20 (17.2%) in Kamukuywa. This finding revealed that most of the network were in urban centre (Kimilili) followed by Kibingei location which is also adjacent to Kimilili town.

4.7.3 Network registration

Information was also sought from respondents about the registration of the social networks they belong to. Table 4.31 shows the findings.

Table 4.31 Network registration

| Network Registration | Frequency | Percent |
|----------------------|-----------|---------|
| Social Services | 47 | 40.5 |
| N.G.O's | 28 | 24.1 |
| Cooperative Society | 12 | 10.3 |
| Business Association | 22 | 19.0 |
| Franchise | 7 | 6.0 |
| Total | 116 | 100.0 |

Table 4.31 shows that out of 116 respondents, it was revealed that 47 (40.5%) were registered under social services, 28 (24.1%) under NGO's, 12 (10.3%) under cooperative society, 22 (19.0%) under business association and 7 (6.0%) under franchise. This is a clear indication that most social networks were registered under social services.

4.7.4 Network registrations in relation to social networks cross tabulation

On comparing network registration in relation to the type of social and whether their involvement in business was affected by the culture and beliefs, the study findings are shown in table 4.32

Table 4.32: Network registrations in relation to social networks cross tabulation

| Network registration | Social Network | | | | | Total |
|----------------------------|-------------------|-----------|----------|---------|---|-------|
| | Community Welfare | Political | Business | Several | | |
| Under social services | 19 | 3 | 1 | 21 | 3 | 47 |
| Under NGO's | 10 | 1 | 0 | 15 | 2 | 28 |
| Under co-operative society | 4 | 2 | 0 | 6 | 0 | 12 |
| Under business association | 10 | 4 | 0 | 6 | 2 | 22 |
| Under franchise | 3 | 4 | 0 | 0 | 0 | 7 |
| Total | 46 | 14 | 1 | 48 | 7 | 116 |

Table 4.32 shows, out of 46 respondents who belonged to community social networks and were registered under social services were 19, under NGO's were 10, under co-operative society 4, under business association 10 and franchise 3. Out of 14 that belonged to welfare social networks those that are registered under social services are 3, NGO's 1, co-operative society 2, business association 4 and franchise 4. Out of those that belonged to political social network and are registered under social services are 1

and none of them is registered under NGO's, co-operative society, business association or franchise. Out of 48 that belonged to business social network and were registered under social services were 21, NGO's 15, co-operative society 6, business association 6, franchise 0 and finally out of 7 who belonged to several social networks and were registered under social services were 3, NGO's 2, co-operative society 0, business association 2 and franchise 0. This information clearly shows that more registered women doing formal businesses belonged to community social networks and business networks.

4.7.5 Benefits to members who belong to business network

The respondents were also asked to state whether they benefit as members of networks.

Table 4.33 summarizes the information.

Table 4.33: Benefits to members who belong to business network cross tabulation table

| Registered members (women) | | | |
|---------------------------------------|--------------------|-----------------------|-------------------|
| Business benefits | Benefit | Do not benefit | Total |
| Link to multilateral donor | 90 (77.6%) | 26 (22.4%) | 116 (100%) |
| Wider market for products | 88 (75.9%) | 28 (24.1%) | 116 (100%) |
| Win awards for business contracts | 86 (74.1%) | 30 (25.9%) | 116 (100%) |
| Ability to negotiate for formal loans | 82 (70.7%) | 34 (29.3%) | 116 (100%) |
| Total | 346 (74.6%) | 118 (25.4%) | 464 (100%) |

Out of 116 respondents interviewed, those who said they benefited by being linked to a multilateral donor were 90 (77.6%) while those who least benefited or did not benefit at all were 26 (22.4%). Those who said they benefited from wider marketing of products were 88 (75.9%) while those who least benefited were 28(24.1%). Those who benefited from winning awards for business contracts were 86 (74.1%) while those who did not benefit were 30 (25.9%). Out of 116 respondents who were interviewed about whether

they benefited by being linked to social network's ability to negotiate for formal loans; 82 (70.7%) agreed while those who did not benefit from it were 34 (29.3%). This information clearly revealed that those women who were registered in social networks had a variety of benefits.

On interviewing the Kimilili Bungoma District social and gender officer, he said the department deals with registering women groups, provides financial assistance to women and also deals with preparing business proposal for Women Enterprise Funds (WEF) loans to women which is given 3 months after registration.

On asking whether there were specific government policies that support women business, he said there is a Women Enterprise Fund policy, affirmative action policy and gender mainstreaming policy. He said the role of the department is to finance women (give them loans), prepare business plans/proposal and organize seminars at location levels on; group leadership, project management and link business women to NGO's. Another finding from the interview was that by the year 2012, 87 women groups were fully registered and benefitted from the Women Enterprise Fund (WEF). He also said women in the district were affected by traditional beliefs and socio-cultural practices made most women to avoid the post of a chairperson in business groups. He also added that women in Kimilili Bungoma District were not aggressive, they feared taking loans (WEF), and they only wanted grants because they feared loan repayment. He also noted that one officer coordinated two districts; Bungoma North and Kimilili Bungoma districts. As the only officer manning this department in two districts, he was therefore not able to serve the women participating in formal business affairs effectively.

CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

In this chapter the summary of findings and recommendations of the study are presented based on conclusions. The summary of findings is presented in paragraphs each according to the objectives of the study.

5.2 Summary of the findings

The study had four objectives; to investigate how the socio-cultural factors influences the participation of women in formal business, to determine how the legal environment influences the participation of women in formal business, to investigate how the sources of finance influence the participation of women in formal business and to determine how networking influences the participation of women in formal business in Kimilili Bungoma District.

The study revealed that out of 116 women respondents, 68.1% of the business women were married with 70% of them having family sizes ranging between (1 – 5). 74.2% had attained college or university levels of education and the most popular business sector they were involved in was clothing and farming. Another finding is that most formal business women (66.4%) carried out their businesses in urban centres and most of them were located within one and five kilometers.

The findings show only 37.9% of the women were influenced by traditions and culture in their involvement in formal business in Kimilili Bungoma District. It was noted that women in the district avoided the top positions in business groups like the post of chairperson or any management positions.

It was also found out that 59.5% women ran their husband's business as their assistants and in their husband's names. It was highly found out that 69.8% of women participating in formal business in Kimilili Bungoma District spend most of their time on family subsistence activities at the expense of their businesses, a precious time that would have been spent to make profits at their businesses. 89.7% of women also did formal business to earn social respect.

Looking deeply at the influence of legal environment on the participation of women in formal business 73.3% of women accepted they were supported by government laws in business operations. The support from law that was rated highly (69.8%) was the human rights laws. The government department that was ranked highly (70%) in support of women in their formal business, was the social services and gender department but the support from the government was rated inadequate. Another 53.4% of the respondents highly agreed that women had no legal control over property in marriage. From the result of the study it was evident that women in formal business still faced many legal challenges in obtaining finance. The conditions required to be fulfilled before getting bank loans were previous credit records which were ranked highest followed by pledge of land title deed and properties for collateral and consent from husband. On the effects of changes in the constitution in relation to participation of women in formal business the 116 respondents only rated it as fair. This reveals that a high number of women in formal business had not benefited much from the changes in the constitution. Although many women respondents rated positively many attributes of law to their businesses but regulations for formal participation in business were revealed as not simple and transparent. Women were revealed to have no control over property in marriage. On the influence of sources of finance on participation of women in formal business, the research revealed that a high number of women (70.6%) got their startup capital from

their own savings. It was also highly revealed that women in formal business borrow money from commercial banks but most of them (97.5%) got their loans from micro-finance. It was noted from gender and social services department that women feared taking WEF loans because they did not want repayment burden, but they rather preferred grants. It was also clearly revealed that most women in formal business in Kimilili Bungoma District received loans ranging between ksh 50,000 to ksh 500,000. An amount many rated small. The findings showed that commercial banks were then lending money to women in formal businesses, but however the amount loaned was inadequate. From the results of the study it was evident that women in formal business still faced many challenges in obtaining finance. Requesting for consent from husband by married women was ranked the highest constraint 81.9%, followed by insufficient cash flows 71.5% and lack of legal capacity 70.7%. The study revealed that most women were constrained in their participation in formal business by a large number of factors that hinder their access to finance.

On the influence of networking on participation of women in formal business, Kimilili location was found to be having the highest number of social networks (35.3%). A high number of women in formal business (40.5%) registered their business with social services and 24.1% with NGO's. 77.6% of women in formal business who belonged in social networks benefited from multilateral donors. This study revealed that women who belonged to community networks benefited a great deal from donors and financiers.

A unique finding that the study revealed was that the officer dealing with issues of Women Enterprise Fund was just alone; there was no enough staff to deal with the overwhelming numbers of women in formal business seeking advisory services. Another

unique finding was that only one woman (0.9%) in the district was registered with political social networks hence making it so unpopular.

5.3 Discussion of the findings

Basing on the findings of this study a number of conclusions were drawn. Participation of women in formal business was influenced by a number of factors that were reviewed in the literature.

This study found out that women were reluctant to take up a post of a chairperson in mixed business groups of women and men. They tended to avoid the top position of management in business groups and that they were not aggressive to take loans. According to the development policy management from (DPMF 2009) accurate figures representing females in top positions in companies and business registers had been difficult to obtain. It was also found out that a large number of women 59.5% participate in husbands' businesses mostly as their assistants. This was in agreement with (Salleh, et al 2006) who says this attribute is due to culture that usually allows the husband's name to appear on any business documentation even when though he may or may not be involved in the business. It was also revealed that 69.8% women who were in formal business spend most of their time on family activities at the expense of the business. Karim (2000) asserts that a situation where women face competing demands on time had been observed in a number of studies and it was a hindering burden that made matters worse for women who wanted to succeed in formal business and at the same time maintain stable marriage.

Another factor that influenced participation of women in formal businesses was the legal environment. 73.3% of women in Kimilili Bungoma District acknowledged that their businesses were highly supported by government laws. But although this government

effort was geared to increase numbers of women in formal business to be in line with the OECD (2012) recommendations they were yet to realize a notable achievements. The OECD (2012) survey findings noted that the number of women enterprises in United States, increased more markedly than the number of men enterprises between 2002 and 2007 as a result of the government's efforts of launching policies to support women entrepreneurs. The European Union (EU 2002) and OECD countries had launched their best practices that promoted female entrepreneurship. According to them, different countries need to develop different strategies that are workable with their women entrepreneurs. The United States Office of Women's Business Ownership (WBO), since established 1983, has done a lot more in encouraging all women entrepreneurs to create great ideas for new types of business that they are able to create concept and build them into established brand names (Centre for Women's Business Research, 2009). This is also in agreement ILOS report (2004) which recognizes the importance of gender equality in development by formulating and strengthening national policies on gender equality. The research revealed that women in Kimilili Bungoma District had no control over property rights especially in marriage. Women's businesses were mostly registered under the name of their husbands. Mckinsey (2011); basing his arguments on constitutional and statutory provisions, concurs with this fact that women in many countries may be constrained to enter contracts in their own names, to control property within marriage or receive an equal share of assets on divorce or in inheritance. The report of IFC (2011) concurs with this notion that women access to finance is constrained by existence of formal gaps in legal capacity and property rights. Yet according to GEM (2011) report on entrepreneurship in the world, the level of established business ownership can provide some indication of the sustainability of entrepreneurship in the society. On sources of finance for their businesses, the study

revealed that majority of women got startup capital from their own savings and that they feared taking any type of loan since they feared the risk of loan repayments. This finding goes hand in hand with what McKenzie and Salkho (2007) who says; the majority of women starting a venture obtain the money from personal savings, family loans or friends, whereas men tend to obtain capital from external sources. This tendency of women fearing risks of incurring large debts, combined with their concentration in less capital intensive service inhibit their growth, expansion and formal evaluation of performance for purpose of credit appraisal and awards. The most common start-up problems for women business seem to be lack of capital (Lee-Gosselin and Grise, 1990; Maysami et, al. 1999). Similar findings were also noted from this study where requesting for consent from husbands by married women who sought for loans which was ranked the highest constraint 81.9%, followed by insufficient cash flows 71.5% and lack of legal capacity 70.7%.

The research also revealed that the conditions required to be fulfilled before getting bank loans was the previous credit records which was ranked the highest (92.3%) followed by pledge of land title deed and other properties for collateral 69%. This is similar to a survey report carried out by GEM (2011), which found out that, firms that had trouble in obtaining finance in developing countries and they exhibited a higher likelihood of exit from business. This challenge of obtaining finance is also shown by various researchers as aggravated by other factors that are also considered to affect accessibility to capital. On the other part, banks, suppliers, clients as well as family issues, pose additional problems that erode confidence in female business owners' abilities to access formal credit. Many financial institutions are usually reluctant to lend money to women enterprises because of high risks involved (World Bank, 2010b; Sabarwal and Terrel, 2008). They also contend that many banks' marketing strategies

were built around a client profile that might not fit women entrepreneurs, since they knew little about them. These skeptical and discriminatory attitudes of banks about the entrepreneurial abilities of women limits the accessibility to formal sources of finance and the highest proportion of amount loaned to women in Kimilili Bungoma District was found to range between; 50,000-500,000 Kenya shillings.

Another major finding about sources of finance in Kimilili Bungoma District is that 97.5% of women got money from micro-finances. This is in agreement with what ILO (2008) report which says; that many women entrepreneurs can now get access to micro-finance programmes of commercial banks. The access to finance has been identified as an important key to achieving the vision 2030 goals as it provides the capacity to invest in the flagship projects identified in vision 2030.

Finally it was revealed that a high number (35.3%) of social networks were located in Kimilili location (town) than those found in the other three rural locations; Kibingei, Maeni and Kamukuywa. The study also revealed that a high number of women (77.6%) in formal business are registered in social networks and this has enabled them to benefit greatly from multilateral donors. This contradicts with (Hansen, 1995, Mathews and Mosen, 1995) who says the importance of social networking and support of women is very low. The study also strongly indicated that 74.6% of women who were registered with social networks greatly benefited from them in different ways as entrepreneurs. For successful business, it's important to have weak-tie networks as well as strong-ties (Aldrich and Zimmer, 1986; Burt, 2000; Granovetter, 1985; Granovetter, 1973). However, most women are involved in strong and personal networks that they traditionally engage in and are well suited to the purpose linked to the family related tasks that may prove to be a hindrance in the marketplace (Lin, 1999).

5.4 Conclusion

From this study it is observed although there is the possibility of changing, traditional culture continues to influence the location, business registration names of some women who participate in formal businesses, the number of women enterprises increased more markedly where legal environment and government policies are conducive to support women entrepreneurs and encourage the best practices that promote female entrepreneurship. Different countries have developed different strategies that were workable with their women entrepreneurs and have succeeded. Women in formal business in Kimilili Bungoma District face cash flow problems but access to micro-finance and WEF is identified as an important key to achieving the vision 2030 flagships goals. The study found out insufficient departmental government support services hindering the rate of participation by women in formal business. Establishing women business offices within proximity locations and employing enough staff in the district social and gender office who will deal with training women on how to minimize risks on borrowed loans and repay loans especially the Women Enterprise Fund (WEF) would enhance their participation rate and improve business profitability. Women entrepreneurs should also be sensitized on the need follow legal policies that govern them as women in formal business. The women in rural locations should join social and business networks so that they may also benefit from them group guarantee schemes for loans.

5.5 Recommendations

From the findings, the following recommendations were suggested.

1. The government and policy makers should organize awareness campaigns so that women get sensitized on women leadership so that they are able to take top positions

2. The government should also establish women business offices within proximity locations and employ enough staff in the district social and gender office who will deal with training women on how to borrow and repay loans especially the Women Enterprise Fund (WEF). Women entrepreneurs should also be sensitized on the need to follow legal policies that govern them as women in formal business. Promoting business network should be encouraged as it strengthen the sense of self-confidence, provide different useful resources for aspiring and practicing women in formal business. The women in rural locations should join social business networks so that they may also benefit from them through group guarantee schemes for loans and share experiences of operating business successfully.

5.6 Recommendation for further research

1. Research needs to be done on factors influencing social networking in empowering women business in rural areas.
2. Further research should also be done on the influence of culture on obtaining and managing loans by women in formal business.
3. There is need to carry out a study on the factors that influence participation of women in franchise business.

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APPENDICES

APPENDIX 1: LETTER OF INTRODUCTION FROM THE UNIVERSITY OF NAIROBI,



UNIVERSITY OF NAIROBI
COLLEGE OF EDUCATION AND EXTERNAL STUDIES
DEPARTMENT OF EXTRA-MURAL STUDIES
KAKAMEGA & WESTERN KENYA AREA

Your Ref:
Our Ref: Uon/Cees/Kak/2/2/SPF/(7)

P.O. Box 422
KAKAMEGA
KENYA

Telephone: Kakamega 056-31038

2nd August, 2013

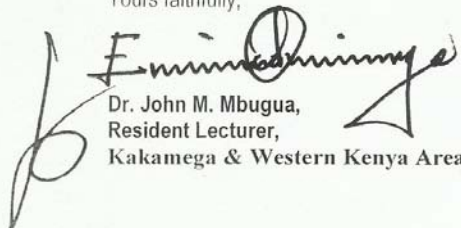
TO WHOM IT MAY CONCERN

REF: JAMES CURRYWAY NYANCHOKA REG. NO. – L50/70549/2011

This is to confirm that the above named person is a student at the University of Nairobi, College of Education and External Studies, School of Continuing and Distance Education, Department of Extra-Mural Studies, pursuing a course leading to the award of Masters of Arts, Project Planning and Management. He has completed the course work and is now working on Research work.

Any assistance accorded to him will be highly appreciated.

Yours faithfully,


Dr. John M. Mbugua,
Resident Lecturer,
Kakamega & Western Kenya Area



**APPENDIX 2: A RESEARCH PERMIT FROM THE NATIONAL COUNCIL
FOR SCIENCE AND TECHNOLOGY**

APPENDIX 3: LETTER OF INTRODUCTION TO THE RESPONDENTS

JAMES CURRYWAY NYANCHOKA,

P.O BOX 282,

KIMILILI.

5TH JUNE 2013.

Dear respondent,

RE: FILLING IN OF THE QUESTIONNAIRE

I am a post graduate student in the department of project planning and management, university of Nairobi undertaking a research on *“factors that influence the participation of women in formal business in Kenya. A case of Kimilili-Bungoma District”*

I am kindly requesting you to accept to answer the questions provided by putting a tick (√) where appropriate. In case you have any additional information that you think will be useful for this research, put it down in the blank spaces provided. All responses will be treated with total confidentiality and used for the purpose of this research only. Do not therefore write your name anywhere in the questionnaire.

Thank you in advance.

Yours faithfully,

Nyanchoka C. James.

**APPENDEIX 4: QUESTIONNAIRE FOR WOMEN IN FORMAL BUSINESS IN
KIMILILI-BUNGOMA DISTRICT.**

SECTION A: DEMORGRAPHIC INFORMATION

Please tick (√) where appropriate

1) What is your marital status?

1. Single [] 2. Married [] 3. Separated [] 4. Widowed [] Others []

2) What is your family size?

1. More than 8 [] 2. 6-8 [] 3. 3-5 [] 4. 1-2 []

3) What is your age at present?

1. 18-30 [] 2. 31-40 [] 3. 41-50 [] 4. 51-60 [] 5. 61 and above []

4) What is your highest education level?

1. Primary [] 2. Secondary [] 3. College [] 4. University [] 5. None []

5) Which sector is your business?

1. Farming [] 2. Services [] 3. Jua kali [] 4. Clothing []
5. Technology [] 6 retail shops []

6) Where is your business premises situated?

1. Rural market centre [] 2. Urban centre [] 3. Mobile business []
4. Residential premises []

7) How old is your business?

1. More than 10 years [] 2. Between 5-10 years [] 3. Between 3-5 years []
4. Between 1-3 years [] 5. Less than 1 year []

SECTION B: WOMEN FORMAL BUSINESSES

Please tick (√) where appropriate

8) Before you started your business what were you doing for a living?

.....
.....

9) The following are some of the reasons associated with why people start business. Please indicate the levels you agree to why you started your business.

| Reasons for starting business | Strongly agree | Moderately agree | Disagree | Undecided |
|-------------------------------|----------------|------------------|----------|-----------|
| Family influence | | | | |
| Frustrations | | | | |
| Extra income | | | | |
| Formal recognition | | | | |
| Independence | | | | |
| Market gap | | | | |
| Pride of ownership | | | | |
| Government influence | | | | |
| Role models | | | | |

10) Did you go for formal training before starting the business?

1. Yes [] 2. No []

11) If yes, what is the source of training?

1. Franchisor [] 2. NGOs [] 3. SACCOs [] 4. Private consultant []
5. Department of trade & commerce [] 6. Department of gender & social services []

12) Under whose name is your business registered?

1. Your name [] 2. Family name [] 3. husbands name [] 4. partnership name []
5 Company's name []

13) Do you operate a bank business account? 1. Yes [] 2. No []

14) If yes, which of the following were the requirements to open a bank account?

| Bank requirements | Category 1 | Category 2 |
|--|-----------------------------------|---------------------------------------|
| 1. National identity card | For self only [] | For both with spouse [] |
| 2. Letter of introduction from a referee | A must from spouse or referee [] | Not a must from spouse or referee [] |
| 3. Local government license | A must [] | Not a must [] |
| 4. A constitution of a local CBOs | A must for group business [] | Optional [] |
| 5. license from Department of trade & commerce | A must [] | Optional [] |
| 6. a certificate from Department of gender and social services | A must for group business [] | Optional [] |

15a) Do you employ any staff? 1. Yes [] 2. No []

b) If yes how many.....
.....

16) What is the monthly sales volume for your business?

1. Less than sh 100,000 [] 2. Less than sh 200,000, [] 3. More than sh 500,000. []

SECTION C: SOCIAL-CULTURALFACTORS THAT INFLUENCE PARTICIPATION OF WOMEN IN FORMAL BUSINESS

(Please tick (√) where appropriate)

17) Are there traditional beliefs and social cultural practices that do still prohibit certain businesses not to be operated by women?

1. Yes [] 2. No []

If yes, which businesses would your community acknowledge as acceptable in the society?

18) Does your family responsibility affect your business operations?

1. Yes [] 2. No []

If yes, elaborate how.....

19) What amount of time do you spend on your family subsistence activities?

- 1) More than 8 hours [] 2) 5-8hours [] 3) 3-5hours [] 4) Less than 3 hours []
5) None []

20) Who usually provides more to family and community needs?

1. Mostly men [] 2. Mostly women [] 3. Both []

21) How are women involved in business owned by men?

1. Mostly assistants [] 2. Mostly co-owners [] 3. Both []

22 a) Are you women in your community allowed to own land?

- 1) Yes [] 2) No []

b) If yes, how did you acquire?

| NO | Means of land acquisition | Tick |
|----|---------------------------------------|------|
| 1 | By inheritance | [] |
| 2 | Through marriage | [] |
| 3 | Through land allocation by government | [] |
| 4 | By lease | [] |

23 a) Are you aware of other women in your community who have formalized their businesses?

1. Yes [] 2. No []

b) If yes, in whose name is their business registered?

| NO | BUSINESS REGISTRATION | TICK |
|----|-----------------------------|------|
| 1 | Women's name | [] |
| 2 | Husband's name | [] |
| 3 | In the name of both spouses | [] |
| 4 | Franchiser's name | [] |

c) State any other means not stated above.

.....

24) How are women who formalize their businesses perceived by other people in the society? Indicate the levels to which you agree with the statement

| | Strongly agree | Moderately agree | Disagree | Undecided |
|---------------------|----------------|------------------|----------|-----------|
| Earn social respect | [] | [] | [] | [] |
| Autonomous | [] | [] | [] | [] |
| Social security | [] | [] | [] | [] |
| Hard working | [] | [] | [] | [] |
| Proud | [] | [] | [] | [] |
| Iron lady | [] | [] | [] | [] |

25) How do women manage their business in your community?

| NO | Style of management | Tick |
|----|-----------------------------|------|
| 1 | Oneself | [] |
| 2 | Oneself & family assistance | [] |
| 3 | Oneself & hired labour | [] |
| 4 | Hired labour mostly | [] |
| 5 | Jointly with the spouse | [] |

26 a) Rank the support you get from the family members in the running of the business. Use the scale of:

1 (completely disagree), 2 (disagree), 3 (undecided), 4 (agree), 5 (completely agree).

| NO | Management support from family members | Rank |
|----|--|------|
| 1 | Additional capital | [] |
| 2 | Marketing of products | [] |
| 3 | Stocking of products | [] |
| 4 | Information on government regulations | [] |
| 5 | Record keeping | [] |

b) State any other support not stated above

.....

27) How far is your business located from your home?

| NO | Distance of business location | from home | Tick |
|----|-------------------------------|-----------|------|
| 1 | Within 1 kilometer | | [] |
| 2 | Within 5 kilometers | | [] |
| 3 | Within 10 kilometers | | [] |
| 4 | Within 20 kilometers | | [] |
| 5 | In other towns | | [] |

28 a) From the list of factors that influence the site of a business location, select and rank the ones which influenced you to locate your business? Use the scale of:

1 (no influence), 2 (least influence), 3 (undecided), 4 (moderate influence), 5 (most influence)

| NO | Decision where to locate business | Rank |
|----|-----------------------------------|------|
| 1 | Own choice | [] |
| 2 | Family members support | [] |
| 3 | Community allocates sites | [] |
| 4 | Business associations | [] |
| 5 | Government influence | [] |

b) State any other factor not stated above.

.....

29 a) For what purpose do you use the income generated from the business? Select and rank the purpose.

Use the scale of:

1 (completely disagree), 2 (disagree), 3 (undecided), 4 (agree), 5 (completely agree).

| NO | PURPOSE FOR INCOME GENERATED FROM BUSINESS | Rank |
|----|--|------|
| 1 | Own choice and discretion | [] |
| 2 | Support family's subsistence | [] |
| 3 | Community development | [] |
| 4 | Supplement family income | [] |
| 5 | For business growth | [] |

b) State any other purpose for income generated not stated above.

.....

SECTION D: INFLUENCE OF LEGAL ENVIRONMENT ON THE PARTICIPATION OF WOMEN IN FORMAL BUSINESS

(Please tick (√) where appropriate)

30) Are the government laws supporting your business? 1. Yes [] 2. No []

If yes, please identify and rank them. Use the scale of:

1 (completely disagree), 2 (disagree), 3 (undecided), 4 (agree), 5 (completely agree).

| NO | Government laws | Rank |
|----|---------------------|------|
| 1 | Human rights | [] |
| 2 | Property rights | [] |
| 3 | Inheritance laws | [] |
| 4 | Trade licensing Act | [] |

b) State any other.....

31 a) Are you aware of government departments that support women in business?

1. Yes [] 2 No []

If yes, please identify and rank them. Use the scale of:

1 (completely disagree), 2 (disagree), 3 (undecided), 4 (agree), 5 (completely agree).

| NO | Government Departments | Rank |
|----|---------------------------|------|
| 1 | Labour & Human Resource | [] |
| 2 | Social services & Gender | [] |
| 3 | Finance | [] |
| 4 | Trade ,Commerce & Tourism | [] |
| 5 | Tertiary Education | [] |

b) State any other.....

32 a). Is the government support adequate? 1 Yes [] 2. No []

b) If no please indicate the reason.....

.....

33) How do you rate the changes in the constitution in relation to women formal business and property rights?

1. Fair [] 2, Satisfactory [] 3. Good [] 4. Very Good

34) The following are measures the government may use to improve investment and formal business in the country. From the list state by ticking (√) the level to which you agree with their contributions to your business.

| | Strongly agree | Agree | Disagree | Strongly disagree | Undecided |
|--|----------------|-------|----------|-------------------|-----------|
| Provided sites to women to locate business. | [] | [] | [] | [] | [] |
| Allocated land title deeds to women. | [] | [] | [] | [] | [] |
| Registered women businesses free of charge. | [] | [] | [] | [] | [] |
| Improvement in infrastructure/roads. | [] | [] | [] | [] | [] |
| Marketing services for women business products | [] | [] | [] | [] | [] |
| Provision of affordable and adequate loans. | [] | [] | [] | [] | [] |
| Offering government contracts to women business owners | [] | [] | [] | [] | [] |
| Training/ seminars/workshops on business. | [] | [] | [] | [] | [] |
| Provision of business physical structures/shops to women | [] | [] | [] | [] | [] |
| Introduced new technology/seeds/equipments | [] | [] | [] | [] | [] |

35. The following statements describe various effects the law has on women business. State by ticking (√) the level to which you agree on how they affect your business.

| | Strongly agree | Agree | Disagree | Strongly disagree | Undecided |
|---|----------------|-------|----------|-------------------|-----------|
| Laws of a country do not allow women to enter into business contract under their names. | [] | [] | [] | [] | [] |
| Women in the country do not have property legal rights. | [] | [] | [] | [] | [] |
| Proportion of women business ownership increase with increase in equality. | [] | [] | [] | [] | [] |
| Most business regulations are transparent and simple for women entrepreneur to implement. | [] | [] | [] | [] | [] |

| | | | | | |
|--|-----|-----|-----|-----|-----|
| Women face excessive regulations and bureaucracies in moving from informal to formal business. | [] | [] | [] | [] | [] |
| Government policies on business address legal equality. | [] | [] | [] | [] | [] |
| There are formally established government offices to support women businesses. | [] | [] | [] | [] | [] |
| Most women do not have control over property within marriage. | [] | [] | [] | [] | [] |
| Informal women businesses face significant financial constraints. | [] | [] | [] | [] | [] |
| Average government loans size given to women business is small. | [] | [] | [] | [] | [] |
| | | | | | |

SECTION E: THE INFLUENCE OF SOURCES OF FINANCE ON THE PARTICIPATION OF WOMEN IN FORMAL BUSINESS

36 a) What were your major sources of start- up capital for your business? Use the scale of:

1 (completely disagree), 2 (disagree), 3 (undecided), 4 (agree), 5 (completely agree).

| NO | Sources of start-up capital | Rank |
|----|-----------------------------|------|
| 1 | Own savings | [] |
| 2 | Inheritance | [] |
| 3 | Merry-go- round | [] |
| 4 | Donation from husband | [] |
| 5 | Loans from microfinance | [] |

b) Which are your other sources of capital not named above?

.....

37) The following are some of the types of loans available to women for their business expansion. Please indicate by ticking (√) the levels to which you agree with the statement.

| NO | Type of loan | Strongly agree | Moderately agree | Disagree |
|----|---|----------------|------------------|----------|
| 1 | Mostly women get bank loans | | | |
| 2 | Commercial banks have fair lending terms to women | | | |
| 3 | Most microfinance give loans to women | | | |
| 4 | Micro finance loans are not sufficient | | | |

38) Please indicate by ticking (√) the level you agree with the following factors that pose problems to women in obtaining finance from commercial banks.

| NO | Factors that pose problems to women in obtaining finance | Strongly agree | Moderately agree | Disagree |
|----|--|----------------|------------------|----------|
| 1 | Women lack legal capacity and property rights | | | |
| 2 | There are many risks involved in operating of women business | | | |
| 3 | many women businesses lack proper records and official documents | | | |
| 4 | Many women businesses have insufficient cash flows | | | |
| 5 | Women entrepreneurs have less information about the available credit schemes | | | |
| 6 | Interest rate charged on loans borrowed by women is than that charged to men | | | |

| | | | | |
|---|---|--|--|--|
| 7 | There is high bureaucracy for women applying for loans | | | |
| 8 | Most financial institutions are located far away from where stay | | | |
| 9 | Married women must request for consent from there husbands before applying for business loans | | | |

39) Rank the following conditions required to be fulfilled before getting bank loans. Use the scale of: **1** (least requirement), **2** (may be requirement), **3** (must requirement)

| Bank loans application conditions | Rank conditions |
|---|-----------------|
| Pledge of land title deed and properties for collateral | |
| Group guarantee | |
| Consent from husband | |
| Previous credit records | |

40) What amount of range of loans (in Kenya shillings) mostly advanced to women? Please tick (✓) where appropriate.

- 1) More than 1 million [] 2) 500,000-1 million [] 3) 200,000-500,000 []
 4) 100,000 200,000 [] 5) 50,000-100,000 [] 6) less than 50,000 []

SECTION F: THE INFLUENCE OF NETWORKING ON PARTICIPATION OF WOMEN IN FORMAL BUSINESS

(Please tick (✓) where appropriate)

41) Do you belong to any social networks? Yes [] No []. If yes which one?

1. community [] 2. welfare [] 3. political [] 4. business [] 5. several []

42) Where is your social network located?

1. Mostly within the locality [] 2. Mostly outside the locality [] 3. Both []

43) Is your network registered?

1. Under social services [] 2. NonGovernmental Organization (NGOs) []
 3. Co-operative society [] 4. Business Association [] 5. Franchise []

44) What are members given when joining to show that they belong to the network?

1. Registration number [] 2. Registraion certificate [] 3. Both [] 4. None []

45) The following are some benefits to members, who belong to a business net work,

Rank according to the way they benefit your business on a scale of: **1** (no benefit), **2** (least benefit), **3** (moderate benefit), **4** (more strong benefit) to **5** (most strong benefit).

1. Link to a multilateral donor []
 2. Wider market for products..... []
 3. Win awards for business contracts..... []
 4. Ability to negotiate for formal loans..... []

THANK YOU VERY MUCH

**APPENDIX 5: INTERVIEW GUIDE FOR WOMEN IN FORMAL BUSINESS SECTOR
IN KIMILILI-BUNGOMA DISTRICT**

This study is aimed at finding out your views on the factors that influence the role of women in formal business in Kimilili-Bungoma District. You have been identified as a useful resource contact on this topic in your department and this is to request you to attend to this interview. These interview questions will require you to provide answers that most reflect your perception of the issues as they are. No participating individual in this research will be identified and the responses given will be strictly confidential and for research purposes only.

Does your department deal with women business activities? For how long?

.....
.....
.....

Are there specific government policies that support women business? Describe them.

.....
.....
.....

Describe the specific role of your department that facilitates women business.

.....
.....
.....

How many staff members are allocated to deal with women business activities?

.....

How many women businesses are registered with your department? Which products do they deal with?

.....
.....
.....

Do the traditional beliefs and socio-cultural practices affect women businesses? In your opinion, do you believe that these practices can be changed? If yes, suggest how they can be changed.

.....
.....
.....
.....

Are women involved in businesses owned by men or family?

.....
.....

What challenges do you face when providing supportive business services to women? What measures are you employing to handle the challenges?

.....
.....
.....
.....

Suggest what should be done to improve performance of women in formal business.

Sites to women to locate business.

Allocation of land title deeds to women.

Registered women businesses free of charge

Improvement in infrastructure/roads.

Marketing services for women business products

Provision of affordable and adequate loans.

Offering government contracts to women business owners

Training/ seminars/workshops on business.

Provision of business physical structures/shops to women

Introduced new technology/seeds/equipments

10. What is your views on the effects of changes in law on women business ?

Laws of a country do not allow women to enter into business contract under their names.

Women in the country do not have property legal rights.

Proportion of women business ownership increase with increase in equality.

Most business regulations are transparent and simple for women entrepreneur to implement.

Women face excessive regulations and bureaucracies in moving from informal to formal business.

Government policies on business address legal equality.

There are formally established government offices to support women businesses.

Most women do not have control over property within marriage.

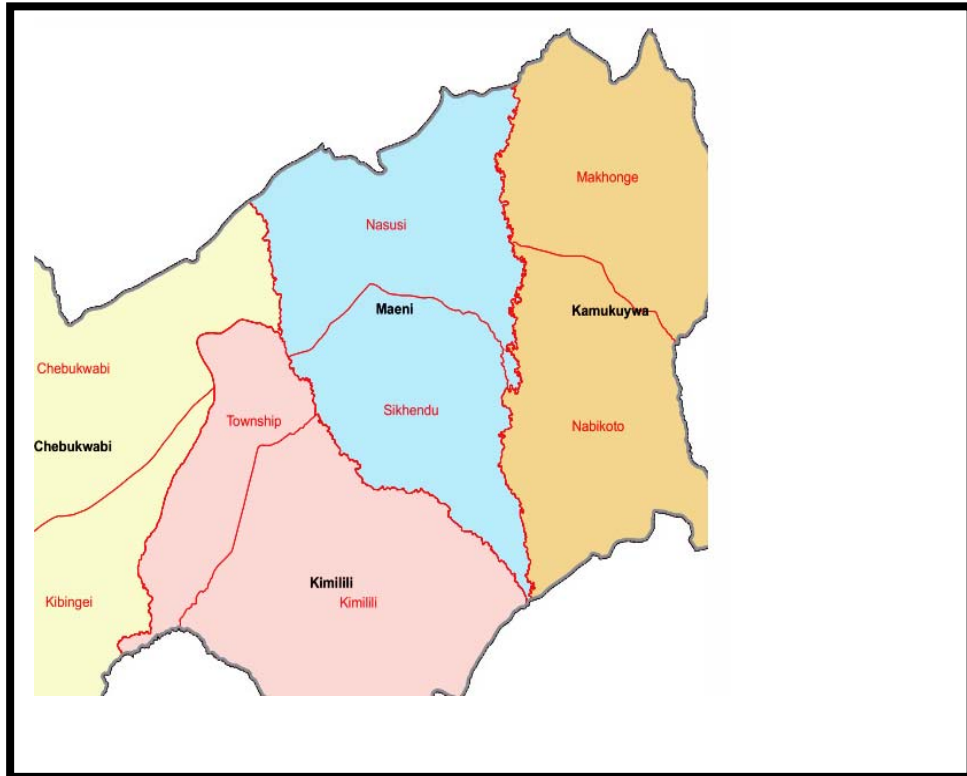
Informal women businesses face significant financial constraints.

Average government loans size given to women business is small.

THANK YOU VERY MUCH FOR YOUR TIME AND WILLINGNESS TO CONTRIBUTE TO THIS STUDY

James C. Nyanchoka.

APPENDIX 6: MAP OF KIMILILI-BUNGOMA DISTRICT



Map of Kimilili-Bungoma District (Source- GoogleMaps , 2012)