

**INFLUENCE OF WOMEN ENTERPRISE FUND ON INITIATION OF WOMEN
OWNED RETAIL ENTERPRISES IN SABOTI CONSTITUENCY, TRANS-
NZOIA KENYA**

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**A research project submitted in partial fulfillment of the requirement for the award
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DECLARATION

This project is my original work and has not been presented for the award of a degree in this or any other university.

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DEDICATION

This project is dedicated to my parents most especially my mother, Esther Wanjala and my late father, Pius Wanjala.

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LIST OF ABBREVIATIONS

CWEFC	Constituency Women Enterprise Fund Committee
DGSDO	District Gender and Social Development Officer
DGSS	Department of Gender and Social Services
GOK	Government of Kenya
KWFT	Kenya Women Finance Trust
MDG	Millennium Development Goals
MFI	Micro Finance Institution
MGCS	Ministry of Gender Children and Social Development
MSE	Micro and Small Enterprises
MSMEs	Micro, Small and Medium Enterprises
NCST	National Council of Science and Technology
SHGs	Self Help Groups
PESCTE	Political, Economic, Socio-cultural and Technological
SME's	Small and Medium Enterprises
SMEP	Small and Micro Enterprise Programme
SWOT	Strengths, Weaknesses, Opportunities and Threats
USAID	United States Agency for International Development
WEF	Women Enterprise Fund
WEG	Women's Entrepreneurship Group

ABSTRACT

Youth unemployment has continued to be a major developmental problem facing Kenya hence The Women Enterprise Fund (WEF), a Kenya Government Initiative aims to develop and grow women-owned Micro, Small and Medium Enterprises (MSMEs). Eight years since its inception, it is imperative to establish whether the Fund is achieving its objectives in influencing initiation of the women owned retail enterprises. The study was guided by four objectives: Examine the influence of training on initiation of women owned retail enterprises in Saboti Constituency, to examine the influence of legislations on initiation of women owned retail enterprises in Saboti Constituency, assess the influence of the loan size on initiation of women owned retail enterprises in Saboti Constituency and establish the level of education on initiation of women owned retail enterprises. The study findings gave valuable information to stakeholders involved in promotion of women owned enterprises, challenges faced will be understood, information will act as literature review for future academicians as well as the achievement of some of the key pillars of the vision 2030. The study adopted the entrepreneurial supply theory. Similarly the study utilized a descriptive survey design. The study sample comprised of 286 women in Self Help Groups in Saboti constituency, the WEF field officers and the regional credit coordinator. The study also used questionnaires for the women in Self Help Groups and an in-depth interview (IDIs) for the WEF officers. The instruments validation exercise was done by the supervisor. Reliability of the instruments was determined through a pilot study where a Cronbach alpha co-efficient of 0.76 was obtained for women owned retail enterprises questionnaires. This indicated that the instruments were reliable. Frequency distributions and percentages were used in the analysis of quantitative data. For qualitative data, inferences were objectively and systematically made and used in summarizing of findings. The study established that the WEF trainings on how to initiate businesses only targeted group officials hence leaving out other members that could benefit more from such trainings. This impacted negatively on the other members of the group. Majority of the women owned enterprises got between Kshs 30,000 and Kshs 40,000 as a loan from WEF which was considered not enough to initiate a business. It also established that the condition by WEF that all applications must be subjected to rigorous financial viability assessment by the Constituency WEF Committee is a major factor as to why women owned enterprises find it hard to access loans to initiate businesses. The study further established that majority of the women entrepreneurs had secondary or college level of education while all the men who had access to the credit for business initiation had secondary, college or tertiary education. The study therefore concluded that WEF plays a very important role in the initiation of many of the women owned retail enterprises. The study recommends that there should be some enhanced and standardized training for all the members who intend to initiate women owned retail enterprises. The maximum loan amount should be increased since the amounts of funds allocated to borrowers fall far below the actual financial business initiation needs. The loans should be remodeled towards more of individual lending than group lending since at enterprise initiation members in a group cannot have the same thinking level, attitude and commitment as there are personal differences. It is hoped that, the findings of this study will assist the government policy makers to focus more on WEF as a means of promoting initiation of women owned retail enterprises as means of uplifting the socio-economic status of women in Kenya.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

In the enlarged European Union of 25 countries, some 23 million SMEs provide around 75 million jobs and represent 99% of all enterprises (European Commission, 2009). In Britain; SMEs are the backbone of the British economy (Rowe, 2008). In terms of UK turnover and Gross Domestic Product (GDP), UK SMEs account for 1.48 trillion sterling (British Pounds). SMEs (with at least 1 women employee) outperform the large UK Corporations in terms of productivity despite having minimal resources, little support and being largely ignored.

Similarly, Women-owned small businesses in the United States make a measurable contribution to the American economy. Sixteen percent of jobs in the United States are provided by women-owned small businesses, which alone contribute nearly three trillion dollars to the economy. In addition, their success rate is higher than that of other business segments, surpassing men-owned businesses in growth rate and rate of job creation. (Barbara 2014). In many parts of the world- for example, sub-Saharan Africa and South Asia, 75% of agricultural producers are women. Small and medium-sized enterprises (SMEs) are the backbone of Singapore's economy, contributing 47% of the country's GDP and generating 62% of available jobs (SMU, 2008). According to Bekele and Worku (2008) women represent up to 30% of all small and medium enterprise (SMEs) owners in Ethiopia, yet have a 78% failure rate. This is because women – owned SMEs are particularly disadvantaged in meeting their business growth needs, facing such difficulties as: the inability to secure loans from formal lenders like commercial banks, poor managerial skills, low levels of education, and limited access to networking opportunities and information.

In addition to these, in Kenya, there are other factors that influence the initiation of women enterprises such as the level of entrepreneurial training. Walter and Dohse, (2009) define entrepreneurship training as the building of knowledge and skills in preparation for starting a business. Thus, the purpose of entrepreneurship training is very specific. Drucker (1985) argued that entrepreneurship is a practice and that *“most of what you hear about*

entrepreneurship is all wrong. It's not magic; it's not mysterious; and it has nothing to do with genes. It's a discipline and, like any discipline, it can be learned." Agreeing with Drucker's concept of entrepreneurship, then it follows that education and training can play a key role in its development. The level of education and training required to develop each of these skills will be highly dependent upon the levels of human capital that individuals might already possess before embarking upon their entrepreneurial journey. Indeed it has been argued that developing these skill-sets will engender enterprising persons who should be equipped to fulfill their potential and create their own futures, whether or not as entrepreneurs (NESTA, 2008).

In addition loan size has an influence on initiation of enterprises. Accessing finance has been identified as a key element for MSEs to succeed in their drive to build productive capacity, to compete, to create jobs and to contribute to poverty alleviation in developing countries. MSEs in rural areas are involved in group microcredit programmes that aid them to access finance easily and timely. Women in rural areas access microcredit as a group rather than individually since they are faced by various challenges (Kiragu and Sakwa, 2013).

Similarly, legislation and government policies are aimed at guiding and accelerating the growth of SME sector. As a result, SME bill of 2012 was established to promote, regulate and improve SMEs. Its policies are to: fast track the enactment activities of the Micro, Small and Enterprise Bill, establish an Industrial Development Fund (IDF), develop a National Industrial Incubation Policy, develop a 'One-Stop-Shop' for business registration, licensing and taxation for MSMs and develop a National Industrial Subcontracting Policy. It therefore enhances the profile of SMEs because it addresses issues including lack of access to affordable finance, limited access to markets, lack of infrastructure, hostile business environment, weak management structures, and lack of access to skilled labour that have been hurting the growth of the sector. Education also influences the selection to become an entrepreneur through various mechanisms. More education is generally correlated with higher wealth and consequently lower start-up costs for enterprise activities. The direct impact of education might also differ across occupations and therefore influence the initial choice of occupation. If education has a higher impact on the productivity in business activities compared to other occupational

choices, more talented persons become entrepreneurs. Education increases both the likelihood of becoming an entrepreneur and the performance of the entrepreneur. According to Lazear (2005), entrepreneurship requires general knowledge and the formal education system normally increase this, particularly at the lower levels that are most common in developing countries.

In Kenya, women constitute 51% of the total population and they play very crucial roles as active contributors in the development of the economy but their contribution has been time and again limited by factors such as limited accessibility to financial services (Government of Kenya, 2003). In line with the global gender equality and women empowerment trends, the Government of Kenya as a signatory of the (MDG), enacted its gender policy in 2002 as a tool for implementing gender equality and women empowerment plans (Government of Kenya 2002). The Kenyan government recognizes the important roles women play in its economic and general development. One of the areas where women play crucial roles is the development of the informal sector in trade and industry.

Since 2002 to date the Kenyan government has laid concrete strategies towards revamping its economy which had been performing below its expected potentials due to socio-economic and political setbacks. One of the strategies adopted by the government to revive the economy has been the strengthening of the micro and small enterprises (MSE) in the informal sector through the establishment of the national micro finance policy and increasing accessibility to financial services to the disadvantaged category of the population like women (Government of Kenya 2006). The Department of Gender and Social Services (DGSS) of the Ministry of Gender and social services (MG&SS) is the arm of the government mandated to coordinate the mainstreaming of gender issues in national programmes.

To address the needs of women reduce the existing disparities between men and women, the government of Kenya initiated a fund known as the Women Enterprise Fund (WEF) in 2006 (Republic of Kenya, 2006). However, the report of the rapid assessment of January 2009 carried out in the selected regions of the country revealed that the majority of the women are not able to access WEF (Republic of Kenya 2009).

TransNzoia County has a population of about 818,757 people. Poverty and age dependency are the some of the main challenges facing the population in TransNzoia County. Majority of the poor population in TransNzoia County are women who form 72% of the vulnerable youth and the disabled (ERS, 2003). The existing commercial credit institutions cannot offer credit to these categories of the population because these financial institutions require very high collaterals based on lending like Land Title deed, Log Books and others that the women do not have. Despite the existence of many MFI's and other financial institutions which have been lending their services for the last two or so decades in TransNzoia County, accessibility by most of the majority of the women is limited.

Studies indicate that the self-help groups (SHGs) mediated by microcredit have helped women gain control over assets and subsequently acquired self-esteem, knowledge and power (Zaman 2001; Simanowitz and Walker 2002). The logic of microfinance's potential for empowerment is similar to the economic model of empowerment: microfinance makes women economically independent by putting capital and financial resources in their hands. Economic independence results in higher bargaining power for women in their households and communities, and subsequently results in higher prestige and self-esteem.

1.2 Statement of the Problem

Microcredit is acknowledged as one of the prime strategies of eradicating extreme poverty and hunger, promotion of gender equality and empowering women (1st and 3rd Millennium Development Goals). This is because access to sustainable financial services enables enterprise owners to finance business start-ups, build assets and reduce their vulnerability to external shocks (Ehigiamusoe, 2005). But according to Daniel (2007), finding start-up finance for an enterprise is the biggest hurdle that many entrepreneurs go through. Even after getting started, getting sufficient finance to sustain enterprise growth, development and financial stability is also a challenge. Despite the small and medium enterprises being the major agents of economic growth and employment, in Kenya, over sixty percent of small businesses of women are estimated to fail each year at start-up (Kenya National Bureau of Statistics, 2007). Thus the Government of Kenya conceived

the idea of institutional financing, WEF, to provide women with access to finance for self-employment activities and entrepreneurial skills development as a way of addressing unemployment and poverty which essentially are women problems (GoK, 2009). Despite the introduction of WEF, Kimathi (2009) observes that business start-up especially among the women is still a challenge and many fail to take off even in the face of financial assistance. He further emphasizes that small businesses are held back by tough local conditions; some of them are unable to raise huge collaterals. Given that the finance constrain among rural women entrepreneurs has been significantly eased by the emergence of group lending mechanism practiced by the WEF, there exists a need therefore to assess the influence of WEF access on initiation of women owned retail enterprises in Saboti constituency, TransNzoia County.

1.3 Purpose of the Study

The purpose of the study was to statistically quantify the influence of women enterprise fund on initiation of women owned retail enterprises in Saboti constituency, Trans-Nzoia County Kenya.

1.4 Objectives of the study

The study sought to:

1. Examine the influence of training on initiation of women owned retail enterprises in Saboti Constituency.
2. To examine the influence of legislations on initiation of women owned retail enterprises in Saboti Constituency.
3. Asses the influence of the loan size on initiation of women owned retail enterprises in Saboti Constituency.
4. Establish the level of education on initiation of women owned retail enterprises.

1.5 Research Questions

1. To what extend is the influence of training on initiation of women owned retail enterprises in Saboti Constituency?

2. What is the influence of legislations on initiation of women owned retail enterprises.
3. How does the loan size influence initiation of women owned retail enterprises in Saboti Constituency?
4. What is the influence of the level of education on initiation of women owned retail enterprises?

1.6 Significance of the Study

This study is expected to provide a statistical quantification of the influence of WEF on women owned retail enterprises in Saboti constituency, TransNzoia County as well as contribute to literature and scholarly debate on this topic. It is also hoped that the findings of the study will give valuable information to stakeholders involved in promotion of women owned retail enterprises in Saboti constituency, TransNzoia County through the women enterprise fund.

Secondly the result of this study yield information that will bring an understanding of the challenges faced in accessing WEF services channeled through MFIs and CWEFC by showing the key constrains limiting the accessibility. The analysis of the results provide information on the factors that hinder access to financial services by the women. Thirdly, it yields information that may act as literature review for the future academicians who may write further research papers on related topics. Other development practitioners may use the recommendations there to either initiate or improve on similar programs like WEF. Fourthly, the result of the study generate information that will contribute towards achieving some of the key pillars in the Vision 2030 and MDGs of eradication of extreme poverty and issues to do with gender equality and women empowerment. Lastly the general public will benefit from the findings of the study for their general awareness and understanding on the operations of the fund.

1.7 Delimitations of the study

The study was delimited to the aspects of training, legislations, loan size and level of education derived from the objectives. It also focused on women owned retail enterprises in Saboti constituency TransNzoia County. Youth and men owned enterprises

were outside the scope of this study. The study was also delimited to the use of questionnaires and in-depth interviews schedule.

1.8 Limitation of the study

Since the study only covered women owned retail enterprises in TransNzoia County, the findings may not be representative of other counties.

1.9 Basic assumptions of the study

The study assumed that WEF is available and its' utilization by the women groups on their enterprises in Saboti constituency follow existing policies and guidelines. It also assumed that external forces operating from outside of the WEF such as bribery, tribalism and political considerations do not determine the women groups that access loans. Lastly, the study assumed that the enterprise's officials are literate and that the beneficiaries (groups) are knowledgeable enough to manage this.

1.10 Definitions of significant terms

Women Enterprise Fund: An agency that provides accessible and affordable credit to support women to start or expand business for wealth and employment creation.

Initiation of women owned retail enterprises: Starting businesses that belong to and are run by women.

Small and Medium Enterprises: Enterprises with between 10 to 30 full-time employees excluding the technology/knowledge based enterprises) that are registered and/or licensed.

Legislations: These are rules set to govern how laws should be put in place in a certain sector in the country prescribed by a competent authority

Loan size: This is the amount of money a borrower can borrow.

Training: Entrepreneurship training is the building of knowledge and skills in preparation for starting a business and running a business.

Education: Is a form of leaning in which the knowledge, skills and habits of a group of people are transferred from one generation to the next through teaching, training or research.

Collateral: Collateral is the property that you agree to give to a bank if you fail to pay back money that you have borrowed. Over time, traditional commercial banks used land title deeds and other assets as collateral for loans borrowed.

Entrepreneur: An entrepreneur is a person who is able to identify business opportunity and obtain the necessary resources to initiate a successful business activity.

Microfinance: Refers to small scale financial services primarily credit and savings to people who operate small enterprises. It is a development intervention that has evolved over time to operate a commercially viable basis which aims at providing banking and financial services to the low income and poor people (K-REP Bank). Micro- insurance and Micro-Savings also fall under this category as components of microfinance.

Access: In this study access is generally taken as the opportunity of women to be given the financial services and make use of them. It is also defined as women's access to factors of production on equal basis as men.

1.11 Organization of the study

The project is organized into five chapters. Chapter one covered the introductory part of the study. It also comprises of the background to the study; the statement of the problem; objective of the study and the significance of the study. Chapter two covered the review of the available literature. The review of literature critically analyzed what had been done about the topic vis-à-vis the objectives. From the review of literature a knowledge gap that this study intended to fill was also identified. The chapter also comprises of the theoretical and the conceptual framework. Chapter three outlines the methodology and tools used in the study. It pointed out the research designs used in the study, areas of study, the target population, sample size and sampling procedures and data collection and analysis procedures. This descriptive research sought to provide needed evidence on the influence of women enterprise fund on initiation of women owned retail enterprises in Saboti constituency. Chapter four dealt with the research findings and discussion as per the

objectives of the study. Under each objective, data was presented as follows: introduction (what was done to get the data), presentation of the results, highlights of the results and lastly the interpretation and discussion of the results. Chapter five focuses on the summary of the findings and practical implications. It outlines the main findings of the study as drawn from the results in chapter four. These findings are closely tied to the objectives of the study. This chapter also provides the conclusions as well as the recommendations from the study which were systematically drawn in terms of contribution to practice.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of related theoretical and empirical literature according to the following subheadings in relation to the study objective: Examine the influence of training on initiation of women owned retail enterprises, to examine the influence of legislations on initiation of women owned retail enterprises, assess the influence of the loan size on initiation of women owned retail enterprises and establish the level of education on initiation of women owned retail enterprises.

2.2 Concept of women owned retail enterprises

Women owned retail enterprises are the businesses belonging to women and are managed by them. For years women have fought for their rights. Once women gained rights in the society, including right to vote in 1928 through the representation of the people's act, they were no longer willing to be treated as second class citizens in the home or in the work place. In the 1960's it was a public opinion that women should be entitled to equal pay and be seen as equals in the work place. As a path around the glass ceiling (discrimination against women running or managing businesses), there was a movement of women toward entrepreneurship. Key factors in business ownership were leadership recognition and the authority to make decisions. Women therefore decided to leave corporations due to: a mix of personal and professional reasons from lack of work/life balance to gender discrimination to the opportunity to pursue new challenges such as increased compensation, opportunity to develop new skills/competencies, greater advancement opportunities, increased intellectual stimulation, different type of work, more authority to make decisions and organizational values compatible with their own (Wirth, L. 1998).

In the United States the growing number of women owned or majority women-owned businesses demonstrates that women entrepreneurs are breaking through the glass ceiling. According to the U.S. Department of Labor, the Census Bureau's latest Survey of Women-Owned Business Enterprises reported that women owned 51% or more of

5,417,034 firms in 1997. The three industries with the largest total revenues for women-owned businesses were wholesale trade, retail trade and manufacturing. Between 1997 and 2002, the number of minority women-owned firms increased by 32%. In terms of the proportion, in 2002 one in five women-owned businesses in the United States was owned by a woman of color. Increasingly, women entrepreneurs are being recognized for their work and for their growing companies. However recommendations on educating and supporting women in career development were made as follows: emphasizing the importance of women acquiring line management experience, encouraging mentoring via informal and formal programs, acknowledging successful senior-level women as role models, supporting the development and utilization of women's networks inside and outside the organization and creating and implementing leadership development programs for women, including international assignments.(UN 2004).

Similarly, Kenya government like other countries set up the Women Enterprise Fund (WEF) in 2006 as a government strategy to address poverty through socio-economic empowerment of women. The broad objective of the fund is to facilitate enterprise development initiatives among women through the disbursement of loans through a revolving credit fund. The fund is dispersed through micro finance intermediaries and constituency women enterprise schemes targeting viable women group enterprises.

2.3 Training and women operating retail enterprises.

Walter and Dohse, (2009) define entrepreneurship training as the building of knowledge and skills in preparation for starting a business. Thus, the purpose of entrepreneurship training is very specific. Drucker (1985) argued that entrepreneurship is a practice and that *“most of what you hear about entrepreneurship is all wrong. It's not magic; it's not mysterious; and it has nothing to do with genes. It's a discipline and, like any discipline, it can be learned.”* Agreeing with Drucker's concept of entrepreneurship, then it follows that education and training can play a key role in its development. The level of education and training required to develop each of these skills will be highly dependent upon the levels of human capital that individuals might already possess before embarking upon their entrepreneurial journey. Indeed it has been argued that developing

these skill-sets will engender enterprising persons who should be equipped to fulfill their potential and create their own futures, whether or not as entrepreneurs (NESTA, 2008). Most authors agree, that experiential learning, or “learning by doing,” is more effective for developing entrepreneurial skills and attitudes than traditional methods like lectures (European Commission, 2008; Walter and Dohse, 2009). Several studies carried out in innovation-driven countries, including Singapore (Tan and Ng, 2006), Sweden (Rasmussen and Sorheim, 2005), and the United Kingdom (Raffo et al., 2002) show that entrepreneurs learn best with an experiential learning approach. It is now well-recognized that education and training opportunities play a key role in cultivating future entrepreneurs and in developing the abilities of existing entrepreneurs to grow their business to greater levels of success (Henry et al, 2003).

According to the European Commission (2008), the aim of entrepreneurship education and training should be to ‘develop entrepreneurial capacities and mindsets’ that benefit economies by fostering creativity, innovation and self-employment. Storey, (1994) argues that it is just a minimal group of enterprises germinating rapidly who provide the real increase in jobs and therefore it is these firms which policy makers should be converging upon. However, identifying how small businesses can be transformed into growth-orientated firms remains elusive and despite the magnitude of research on growth firms, researchers remain uncertain regarding why some firms grow and others do not when originating from similar circumstances. Ledgerwood (2000) urged that start-up business needs more than financial services. They need skills, training or other inputs to make their enterprises a success. This training may not lead to increased production, profitability, job creation and re-investment.

2.3.1 Barriers to Growth

Hoy et al (1992) recorded that a wide variety of growth measures were used ranging from increased market share or enhanced venture capital funding, to growth in revenue, return on investment, or the number of customers of a firm. Within these studies, employment was generally the most accepted method of measuring growth. This occurs because the data is easily gathered, determined and categorized, and because this system is already frequently utilized to ordain firm size. Additionally, employment

figures will be unaffected by inflationary adjustments and can be applied equally in cross-cultural studies, although difficulties may arise in determining how one measures part-time or seasonal employees. It is also worth noting that while a firm may increase its level of employment, it does not necessarily follow that it has expanded its market or financial success.

However, it is now broadly agreed that if a firm is to achieve sustained expansion, it must satisfy a number of requirements for growth - it must increase its sales, it must have access to additional resources, it must expand its management team, and it must extend its knowledge base. But each set of requirements establishes a different set of obstacles for the entrepreneur. They are therefore categorized as follows: External Barriers including: labor market conditions, market structure/competition, government policy, economic climate, legislation and access to markets and Internal Barriers including psychological/motivational factors, management capability, funding, shortage of orders, sales/marketing capacity and poor product/Service. However, the most frequently mentioned reasons for failure included: the founder's inability or unwillingness to change, lack of management skills, experience and know-how, not keeping complete and accurate records, having little focus in activities (attempting to be all things to all people), under-pricing, underestimating competition, poor marketing activities, weak financial control, lack of strategic planning, and inadequate liquidity. Many of these causes of firm failure could also be identified as barriers to firm growth and therefore might be considered in any training needs analysis that is developed regarding engendering firm growth.

A study by Woldie (2008), on perceptions of business challenges facing Malaysian SMEs, indicated that factors related to human capital were observed to be the greatest challenge facing the businesses. The factors were indicated by dominance of unskilled workforce in the industry and lack of motivation among the workforce, there was also lack of managerial and marketing skills as well as low labour productivity. In a study carried out by Woldie (2008) on perceptions of business challenges facing Malaysian SMEs, findings indicated that factors related to human capital were observed to be the greatest challenge facing the businesses. The factors were indicated by dominance of unskilled workforce in the industry and lack of motivation among the workforce, there was also lack

of managerial and marketing skills as well as labour productivity.

2.4 Loan size and women owned retail enterprises.

The idea of microfinance, lending to the poor, was discovered by a Nobel Prize winner Dr. Mohammed Yunus of Bangladesh in the 1970's (Swope 2010; Banuri, 2006). Yunus combated poverty and provided resources to the poor through the Grameen Bank (Banuri 2006). The Grameen Bank's approach to poverty alleviation is known as microfinance. Before Yunus project, the poor were not allowed to access credit and loans due to the widespread belief that they could not repay. However through this project, it was revealed that poor people can be empowered to improve their own lives through microcredit (Swope 2010). Since the adaptation of microcredit in various parts of the world, there has been different empirical evidence about effects of microcredit to women empowerment. Through literature, some findings show positive and negative effects of microcredit towards empowering women. Woolcock (2002) observes that a long loan period may make the client to be extravagant and end up failing to pay back the loan. Jakobson (2003) also indicated that the loan period should always depend on the amount of loan advanced to the intending borrower. Clients taking small loans should not be given very long repayment period.

2.4.1 Positive effects of microcredit.

Noreen (2011) argued that microcredit services lead to women empowerment by positively influencing women's decision making power at household level and their overall socioeconomic status. Although the process of empowerment varies from culture to culture, several types of changes are considered to be relevant in a wide range of cultures. Some of these changes include increased participation in decision making, more equitable status of women in the family and community, increased political power and rights, and increased self-esteem. (Hoque & Itohara 2009) reported that micro-credit is contributing to some extent in generating economic activities and participation in family decision making of the rural women.

Pitt et al (2003) argued that credit programs increase the role of women in household decision making and also have greater access to financial and economic

resources. In addition it increases social networks and having greater freedom of mobility.

Access to credit is argued to have a potential contribution on improved resource base among women borrowers. Evidence reveals that micro credit provision can potentially enhance income generating activities and build assets and consequently improve status of women socially and economically. Mayoux (2000) extensively advocates that women's access to savings and credit creates economic empowerment associated with choices they make concerning credit and savings. It enables them to start their own economic activities, invest more in existing activities, acquire assets or raise their status in household economic activities through their visible capital contribution. Nissanke and Aryeety (2004); Bhuyan (2006), indicated that MFIs maintain a wider interest rate charged to their customers. This is further confirmed by Lehmann et al (2004) who revealed that MFIs charge higher interest rates where their sustainability comes from the poor paying high interest rates. Stevenson & St-Onge (2005) also observes that even where microfinance institutions have come in to address the issue of access to credit, their focus has largely been poverty reduction, rather than enterprise development and growth. Their loan sizes have therefore tended to be too small to support growth.

On their study Sultana and Hasan (2010) found out that women who had access to microcredit experienced income rise and were able to save more money as compared to their counterparts. Another significant outcome revealed by the study was increase in the women's ownership of productive assets (cattle, goat, poultry, etc.) and non productive (jewelry, TV/radio, private vehicles and others households goods) as result of accessibility to credits because they could afford such assets through profits generated from their microenterprises. Overall women's active role in decision making process in the public and household domain is also argued to improve when women participate in credit schemes. Kabeer (2008) and Malhotra, (2002) use the term agency referring to power within; which encompasses ones active role to formulate strategic choices and to control resources and decisions that influence important life outcomes.

Channeling credits through women may enable them to play an active role in intra household decision making, decrease potential household vulnerability and increase investment in family welfare especially in areas of children's nutrition and education. Consequently, social and political empowerment occur from a combination of women's

increased economic activity and increased decision-making in the household as the two give women greater confidence and a sense of self-worth (IFAD 2008; Mayoux, 2005). Hashemi (1996) concludes that credit programs provide access to an important economic resource, and consequently enable women to bargain gender barriers, increase their control over their own lives, and improve their relative positions in their households.

In terms of public domain, Kuhn and Cheston (2002) establishes that women joining microcredit institutions tend to realize more respect from their communities than they did before joining a microfinance program. Studies have shown that women are taking greater roles in giving advice within the community, organizing for social change, and participating in community meetings—in part because they are now able to contribute financially to community needs and social activities. In other cases, women's involvement in political affairs is also reported to increase. Citing Sebstad and Cohen report (Kuhn and Cheston 2002) adds that lending schemes provide a means for women to know each other; a forum for learning leadership and public speaking skills; and a basis for development of trust, friendship and financial assistance. While the empowering potential of microfinance programs remains strong, the evidence of challenges, ineffectiveness and limitations of the potential is equally compelling. Although microfinance has the ability to empower women, the connection is not straightforward or easy to make. Just handing money to women and giving them access to financial assets and resources does not create a sense of empowerment for women, thus there is a need to structure the microcredit schemes in such a way that the empowerment outcome is realized. Others argue more strongly that access to microcredit actually impacts women's empowerment experience negatively by leading to a certain kind of disempowerment (Kulkarni 2011).

Both men and women assume risks when taking out a loan—which becomes a debt with all of its accompanying stresses and responsibilities. In addition some studies of the impact of microfinance programs have raised legitimate concerns about the potentially negative impact that programs can have on women, particularly in highly restrictive environments. One often-reported concern is that clients' husbands or other household members take control of the woman's loans, yet the client herself retains responsibility for paying off the loans, thus increasing her level of stress and dependency (Goetz et al, 1996; Rahman, 1999). Johnson (2004) cited in Wrenn (2005) that having women as key

participants in microfinance businesses do not automatically lead to empowerment; sometimes negative impacts can be witnessed. She refers to increased workloads, increased domestic violence and abuse.

Nevertheless, Mayoux (2000) notes gender and contextual constraints at all levels that continue to obstruct women from accessing credit programs, increasing or controlling incomes or challenging subordination. She asserts that where women are not able to significantly increase incomes under their control or negotiate changes in intra-household and community gender inequalities, they may become dependent on loans to continue in very low-paid occupations with heavier workloads and enjoying little benefit. Empirical study by Rahman (1999) on micro-credit program of the Grameen Bank reveals that, on the contrary loan repayment pressure to have inflicted an intense pressure among women clients resulting into loan recycling practices among the borrowers, increases tension and frustration among household members and produces institutional dominance over women in society.

Goetz and Gupta (1996) also present counter effects findings that access to credit in some cases may not bring any empowerment to women especially when it is the husbands who control the credit instead of the women themselves. Their study in rural Bangladesh on control over loan use revealed women's credit to be controlled by husbands, hence negating development objectives of lending to women (Nathan et al 2004).

2.5 Legislative Processes and Policy Framework

Ever since the (International Labour Organization) ILO (1972) recognized the important role played by SMEs' informal sector in employment creation, various policies have been put in place to promote establishment and growth of the sector. Kenya government aware of the role small and medium sized enterprises play in the economy has taken steps to develop a legal and regulatory framework aimed at guiding and accelerating the growth of this sector. As a result, SME bill of 2012 was established to promote, regulate and improve SMEs. Its policies were to: fast track the enactment activities of the Micro, Small and medium Enterprise Bill, establish an Industrial

Development Fund (IDF), develop a National Industrial Incubation Policy, develop a 'One-Stop-Shop' for business registration, licensing and taxation for MSMEs and develop a National Industrial Subcontracting Policy. It is therefore aimed at enhancing the profile of SMEs because it addresses issues including lack of access to affordable finance, limited access to markets, lack of infrastructure, hostile business environment, weak management structures, and lack of access to skilled labour that have been hurting the growth of the sector. Similarly the impact of devolution on SMEs development depends on the architecture of the regulatory and institutional framework inclined to support SMEs in an economy (Kiggundu, 2000)

Another policy framework of SMEs in Kenya is contained in the Sessional Paper Number 2 of 2005 on Development of Micro and Small enterprise for Wealth and Employment Creation for Poverty Reduction which states that SMEs have great potential for creating a variety of jobs, while generating widespread economic benefits. According to Perera and Amin (1996), problems encountered by enterprises in the informal sector include the issue of legality, lack of infrastructure, substandard structures, and the threat of demolition. The findings in the study by Wanjohi and Mugure (2008) indicate that business environment is among the key factors that affect the growth of SMEs. Unpredictable government policies coupled with high taxation rates all continue to pose great threat, not only to the sustainability of SMEs but also to the Kenyan economy that was gaining momentum. This obstacle can be overcome if officials adopt an enabling approach which urges governments to organize proprietors, and to encourage them to follow regulations and safety standards as well as to participate in the planning, assistance and advocacy processes.

A study by Stevenson and St-Onge (2005) on women enterprises in Kenya identified, specific factors that limit their growth and development are largely around financing. These include: (i) Women are very often unable to meet loan conditions, specifically collateral requirements. This is primarily due to cultural barriers that restrict women from owning fixed assets such as land and buildings; (ii) Many financial institutions lack confidence in enterprises owned by women; (iii) Women are perceived to be risk adverse in approaching banks to finance their small enterprises. Small loans are costly for financial institutions to put on the books and administer; (iv) Women are seen to

lack management skills, and some women have relatively low levels of education and technical skills; (v) Women often lack the ability to approach a financial institution and to develop a proposal for financing (business plans); and (vi) Women do not have the same opportunities for full-time waged employment, and therefore have more limited capacity for savings accumulation than men.

2.6 Education and women owned retail enterprises

Education is a form of learning in which the knowledge, skills and habits of a group of people are transferred from one generation to the next through teaching, training or research. In Davidson's (1991) Sweden study, the findings also suggested that business-related experience and business education were highly correlated with the entrepreneur's ability to start and manage a business. Harmon, Oosterbeek and Walker (2003) find that the return of education is 9% for men and 16% for women in the UK. Education also influences the diversification strategies within a household (more education provides more room for diversification within the household). Education leads to diversification strategies away from farming activities (Reardon T., 1997; Hatlebakk 2009). He also finds that persons completed primary school in Malawi generally tends to work as wage earners, but he does not find a corresponding significant impact of education on the choice to become an entrepreneur. In their review of studies from developing countries van der Sluis et al (2008:248) find that more educated individuals are more likely to become wage earners and/or entrepreneurs and that women are more likely to become wage earners when education increases. Lerner, Brush and Hisrich (1995) argue that a majority of the entrepreneurs were highly educated with college and graduate degrees. The above referred separation effect between wage earners and entrepreneurial activities further increase with the level of urbanization and in countries where agriculture is dominating

Education can have a further impact on business *performance*. On the one hand, education increases managerial ability and thereby increases the probability of entrepreneurship. On the other hand, education generates better outside opportunities and thus decrease the likelihood of entrepreneurship. For instance, increased education increases the opportunities for (high) wage income (van der Sluis et al 2008:798). While

there is a lot of literature on factors determining diversification strategies of the rural poor (Barret et al 2001, Reardon 1997), this literature generally does not analyze how education influences the decision to become an entrepreneur. In addition to increased profits, education can have further productive effects on business performance that are more difficult to measure. Education can for instance increase the survival rate of the firm through the facilitation of improved capabilities of the entrepreneurs, including capabilities to adjust to new external conditions and to adopt new technology.

Education might also reflect signaling activities by the firm. Rather than improving productivity, education is in many circumstances used to signal existing productivity. As for the human capital model, the signaling model is not able to provide policy prescriptions about the relative importance of education for various occupational groups – for instance whether entrepreneurs gain more from education than wage employees. For instance, one might claim that entrepreneurs do not need to signal their productivity as they are self employed, but on the other hand the self-employed are also dealing with uninformed stakeholders such as clients and providers of credit and might need signaling devices. Also at this point, the theory is ambiguous and it is therefore not obviously clear that education only play a signaling role for wage earners.

Education influences the selection to become an entrepreneur through various mechanisms. More education is generally correlated with higher wealth and consequently lower start-up costs for enterprise activities. The direct impact of education might also differ across occupations and therefore influence the initial choice of occupation. If education has a higher impact on the productivity in business activities compared to other occupational choices, more talented persons become entrepreneurs. When education improves the entrepreneurial ability, but not the productivity of an individual employee – education will increase both the likelihood of becoming an entrepreneur and the performance of the entrepreneur. According to Lazear (2005), entrepreneurship requires general knowledge and the formal education system normally increase this, particularly at the lower levels that are most common in developing countries.

A number of studies have argued that education facilitates entrepreneurial success by providing for the nourishment of competencies such as innovativeness and ability to acquire resources. These competencies are regarded as imperatives to success in many

entrepreneurial ventures (Bird 1993; Ronstadt 1984). Notably, in highly technical industries, a specified amount of education may be required as a prerequisite for employment. Borjas (1987) revealed that education has a positive and significant impact on self-employment rates. In all samples, the higher the education levels, the higher increase in the individual's ability to provide a service to those persons who may desire it; or perhaps that higher education levels increase the organizational or managerial skills of workers. Vesper (1980) pointed out that the more education an entrepreneur has had in business (especially small business) the more likely the entrepreneur will succeed in the current venture. He also asserts that prior mental programming in the form of both formal education and experience in the particular line of work of the new venture repeatedly crops up as correlated in generally positive ways with odds of success in studies of startups (p. 32). The level of technical and business skills is also a major factor in successfully starting and managing a small business (Davidson 1991; Vesper 1980).

2.7 Theoretical framework.

Entrepreneurial Supply Theory by Kunkel, H. J. (2009)

“Entrepreneurial Supply Theory is more inclined towards the capabilities of human beings. According to this theory, behavioral pattern of individuals is important for development and such a pattern can be influenced by external incentive so as to alter it in the manner we want it.” Entrepreneurial Supply Theory is more inclined towards the capabilities of human beings. In other words if we want more people in society to behave as entrepreneurs, we can bring about a change in their behavior by appropriate alteration so that they are motivated to undertake entrepreneurial quest. It has been pointed out in some studies that entrepreneurs are not equally distributed in the population and minorities have provided most of entrepreneurial talent. But this is not true for all the minorities. There must be some additional significant factors at work. There are basically four factors which influence the supply of industrial entrepreneurship.

First is limitation structure. Social culture restricts the behavioral patterns of a population segment. The society limits the specific activities to members of particular sub-cultures. Not a single member of the society can escape this factor.

Second comes demand structure. It is mainly economic in nature. The Demand

structure changes with economic progress. It can be improved by providing material incentive. Such rewards are essential to lay the foundation for the future social gains. The behavioural pattern can be influenced in an entrepreneurial way by manipulative demand structure.

The opportunity structure is the third factor that greatly influences the supply of entrepreneurs. It is necessary to increase the probability of entrepreneurial activity. Opportunity structure consists of availability of capital, managerial skills, opportunities to learn information about the business operations, and the like.

Last but not the least is the labor structure. Labor is quite different from the supply of other material conditions like capital. It is basically a human resource. It is a function of several variables. The supply of factory labor is governed by a number of complex factors like business alternatives, means of livelihood, traditionalism and outlook on life.

2.8 Conceptual framework

The study adopted the conception that MFIs act as tools formed to help fight high poverty levels particularly among the women majority of whom have either no or limited ability and capacity to access funds from formal commercial banks and other financial institutions. Accessibility of financial services like credit and other services like savings are considered very key for women and men alike in empowering them to run their own enterprises in the efforts to improve their livelihood strategies for the ultimate reduction of poverty. However due to constraining factors in the environment in which WEF is operated, majority of the women are excluded from accessing the benefits of WEF. MFIs interact with the general environment composed of political, economical, socio-cultural, and institutionally based factors which impacts on accessibility.

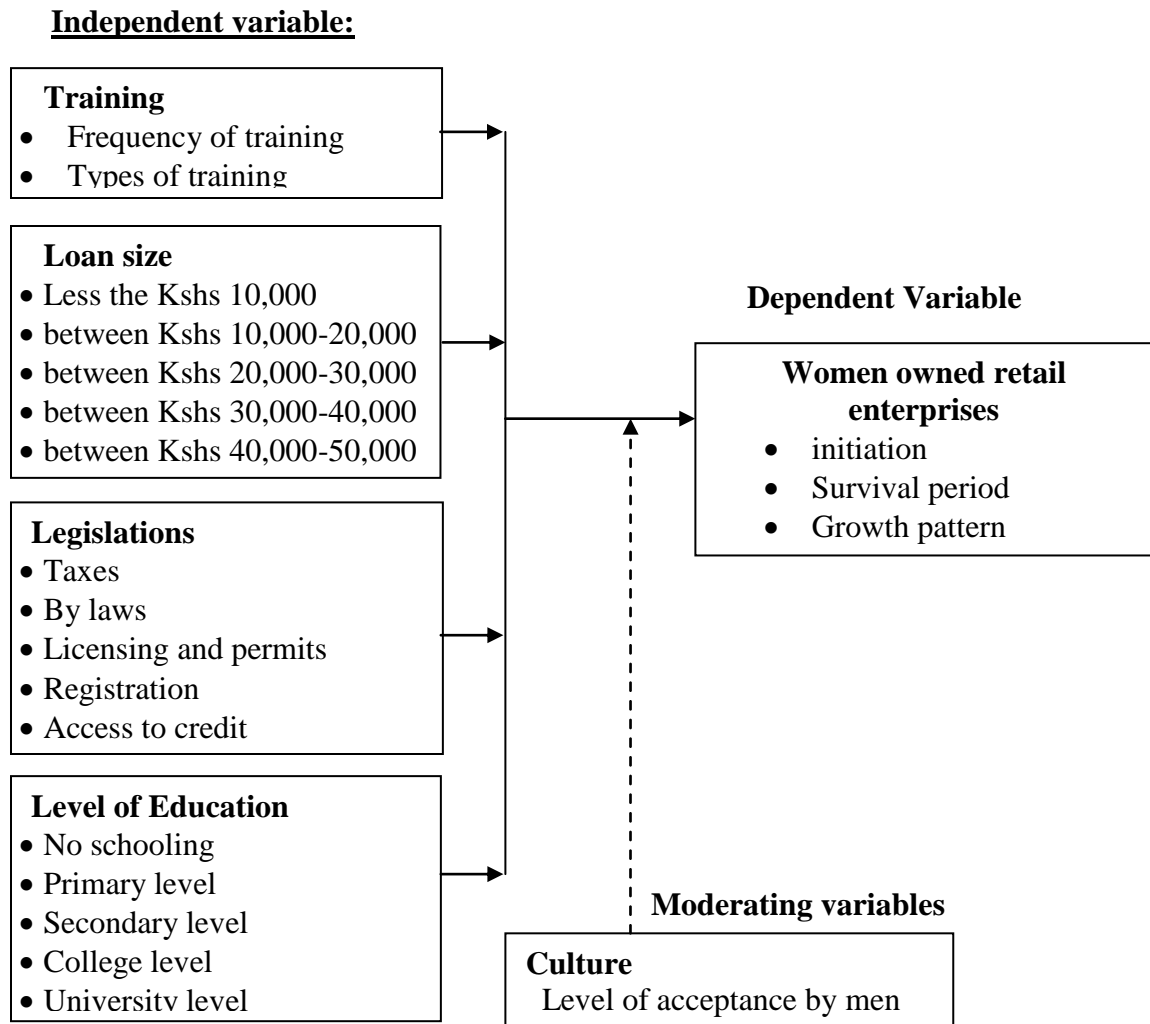


Figure 1. Conceptual framework of the linkages between variables in the study

The independent variable is the Women Enterprise Fund. The dependent variable is the initiation of women owned retail enterprises. Culture, is the important moderating variables in measuring the effect of the independent variable on the dependent variable.

2.9 Knowledge gap

Variable	Source	Finding	Gap
Training	European Commission (2008),	Education and training should be to ‘develop entrepreneurial capacities and mindsets’ that benefit economies by fostering creativity, innovation and self-employment	Studies do not seek to examine the influence of training on initiation of retail enterprises hence the need for this study
Legislations	Kiggundu, (2000)	They are aimed at enhancing the profile of SMEs by addressing issues like lack of access to affordable finance, limited access to markets, lack of infrastructure, hostile business environment, weak management structures, and lack of access to skilled labour that have been hurting the growth of the sector	Similarly other studies have not studied the influence of legislative processes and policy framework on initiation of women owned retail businesses hence the focus for this study.
Loan size	Ledgerwood (2000)	Loan sizes tend to remain very small and the risk of business failure is high.	The other studies did not establish the influence of the loan size on initiation of enterprises hence for the focus for this study
Level of education	Barret et al (2001), Reardon (1997)	Education can for instance increase the survival rate of the firm through the facilitation of improved	Other studies give a relationship between education and survival of an enterprise but do not indicate

capabilities of the entrepreneurs, including capabilities to adjust to new external conditions and to adopt new technology.	their influence on initiation hence need for this study
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2.10 Summary of the literature reviewed

Literature was reviewed according to the subtopics derived from the objectives of this study: Examine the influence of training and women owned retail enterprises, where the European Commission (2008), argue that education and training should be to ‘develop entrepreneurial capacities and mindsets’ that benefit economies by fostering creativity, innovation and self-employment. Similarly Drucker (1985) argues that concept of entrepreneurship follows that education and training can play a key role in development and will be dependent upon the levels of human capital that individuals might already possess before embarking on their entrepreneurial journey. Legislation processes and policy framework are aimed at enhancing the profile of SMEs by addressing issues like lack of access to affordable finance, limited access to markets, lack of infrastructure, hostile business environment, weak management structures, and lack of access to skilled labour that have been hurting the growth of the sector (Kiggundu 2000). Assessing the influence of the loan size and women owned retail enterprises, Ledgerwood (2000) posits that projects loan sizes tend to remain very small and the risk of business failure is high. Establishing the level of education on initiation of women owned retail enterprises, Davidson (1991) and Vesper (1980) observe that the level of technical and business skills is also a major factor in successfully starting and managing a small business.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter highlights the research design adopted, the target population, sample size, and procedures for selection of such samples. Also included in the chapter are research instruments and methods employed in data collection and analysis. Lastly it looks at the ethical issues and operationalization of variables.

3.2 Research Design

The study adopted a descriptive survey research design. Descriptive survey research design was also chosen because it involves collecting quantitative and qualitative data in order to answer questions or test hypotheses concerning the current status of the subjects of the study (Kerlinger, 2000). Mugenda and Mugenda (2003) also note that the design seeks to identify the nature of factors involved in a given situation, determine the degree in which they exist and discover the links that exist between them. The research design was relevant in this study because it produced statistical information about aspects of WEF especially the ever changing and expanding of their facilitation of women related activities. It aided the researcher in examining the attitudes, opinions, perception and characteristics of women who own small and medium enterprises towards their access to WEF. The design also enabled the researcher to undertake a desk study in which relevant literature was studied and a field work to collect primary data using qualitative data collection methods.

3.3 Target Population

The study population comprised of all the 70 women owned retail enterprises in Saboti Constituency that are being supported by WEF. WEF (2014) statistics show that the women owned retail enterprises have 951 members in Saboti constituency. The study therefore targeted all the 951 members.

Table 1: Target population by divisions of Saboti constituency

Divisions	Number of retail enterprises	Number of members
Central	47	704
Saboti	13	130
Kinyoro	10	116
Totals	70	951

The study also targeted the WEF Regional credit coordinator and all the field officers in charge of Saboti constituency.

3.4 Sample selection and Sample Size

In an ideal situation, data should be collected from the whole target population in Saboti constituency. Since the population was too large and scattered, it was prohibitively expensive to use the whole population in the study. It was also not necessary and practical to make a list of the entire population especially for the members of the retail enterprises. Under these circumstances the sample was selected as follows:

The retail projects were proportionately and randomly selected from each stratum using the lottery method. A sample of 30% was considered ideal because Gay (1992) recognizes a sample of 30% of the total population as being appropriate for studies in social sciences. This is also echoed by O'Connor (2011) who says that, there are formulas for determining sample size, but the main thing is to be practical and for a small population of interest, you would most likely need to sample about 30% of that population. Thus 30% (286 members) of the retail enterprises was sampled from the targeted population. Once the sample size was known, simple random sample techniques was used to get those who participated in the study (respondents) in the sampled retail enterprises. A summary of the sample size is as shown in table 2.

Table 2: Sample size

Division	Number of SME's	Number of members
Central	14	212
Saboti	4	39
Kinyoro	3	35
Totals	21	286

The WEF Regional credit coordinator and the field officer in charge of Saboti constituency were purposively sampled for the study. They were purposively sampled because they were able to provide data on the amount of loans disbursed, frequency of the trainings, legislations and the level of education of women owned retail enterprises.

3.5. Data Collection Instruments

Data collection instrument are tools used to collect data from respondents. Questionnaires and interview schedules will therefore be used to solicit data from the respondents. The study used two types of instruments, questionnaires for members of the women owned retail enterprises and interview schedules for the regional coordinator and the field officers.

Questionnaires were used to collect data from the sampled women owned retail enterprises members. Given that the respondents were literate and had no problem in reading and answering the questionnaire, use of questionnaires helped to save on time when the sample size was as big as in the case of the retail enterprises members. The questionnaires generated data on the type of loan advanced and how it had assisted them facilitate investment in their retail enterprises; how WEF had supported them to develop linkages with large enterprises; how WEF had facilitated their marketing of products and services in both domestic and international markets; how WEF had supported women capacity building in their retail project's and the challenges they faced under the WEF among other data.

Interviews are the most common forms of data collection in qualitative research (Lichtman, 2010). Kvale (1996) argues that the aim of an interview is to gain open

nanced descriptions of different aspects of the subjects' life world. The interviews therefore gave the researcher the freedom to focus on the dimensions she thought were important in WEF management and the women owned retail enterprises and also assisted her to keep the discussion on track so that the interview remains focused on the topic at hand. Thus interview schedules were used on the WEF Regional credit coordinator and the field officer in charge of Saboti constituency to provide data on the amount of loans disbursed, frequency of the trainings, legislation and level of education of women owned retail enterprises.

3.5.1 Pilot testing of the instruments

A pilot was done on three women owned retail enterprises in the constituency under study. These women owned retail enterprises were not included in the main study. A data entry screen was developed using these questionnaires and their data keyed and analyzed. Results were used to make necessary adjustments to the instruments (Polland, 2005). The main aim of piloting was to determining the accuracy and consistence of the instrument before they are used for actual data collection. This also helped the researcher to establish to what extent the instruments measured accurately the attributes under investigation.

3.5.2 Validity of the instruments

In this study, validity of the research instruments started at the design stage. According to Leedy and Ormrod (2001) and Silverman (2005) content and construct validity is supposed to be established by referring the instruments for professional judgment to check whether it measures what it claims to measure. Thus, the researcher sought the advice of her supervisors and other experts from the Department of Extra Mural Studies- Kitale office, University of Nairobi to validate the instruments. Their corrections and suggestions were used to produce the final copy of the questionnaire.

3.5.3 Reliability of the instruments

The reliability of an instrument is the degree of consistency with which a research instrument measures whatever it is intended to measure and yields consistent results. It

refers to the extent to which findings can be replicated by another researcher (Silverman 2005). To test the internal consistency of the items listed on the instrument used, the Cronbach alpha coefficient was computed. Cronbach's alpha is a statistic coefficient (a value between 0 and 1) that is used to rate the reliability of an instrument such as a questionnaire.

This method randomly splits the data set into two and a score for each participant calculated from each half of the scale. If a scale is very reliable, respondents get same scores on either half of the scale so that, correlation of the two halves is very high. The advantage with using Cronbach's alpha is that the data is split into every possible way and the correlation coefficient for each split computed. The average of these coefficients is the value equivalent to this alpha (Cronbach, 1951).

Thus Cronbach's alpha was used to test reliability of the questionnaires used in the study. A reliability correlation coefficient of +0.76 indicated a high degree of internal consistency among the data collected and hence the questionnaire was then used for data collection of the final study (Kathuri & Pals, 1993).

3.6 Data collection procedure

3.6.1 Questionnaire:

Data collection refers to gathering of information to serve or prove some facts. The chairlady of each sampled group was approached to provide preliminary information which guided the pace of filling the questionnaires by all the concerned respondents. Two research assistants were recruited and trained on the use of instruments in order to assist the researcher in collection of data in the sampled retail enterprises. The training covered background of the study, purpose and objectives of the study. The research assistants were persons who possessed at least form four level of education and have a thorough knowledge of Saboti Constituency. They were briefed on the critical information that the questionnaires sought to gather, and to evaluate items and instructions in the questionnaires to identify any ambiguities or biases. The researcher periodically and continuously liaised with the research assistant for possible guidance in case of need. The respondents were given approximately thirty minutes to fill the questionnaires.

3.6.2 Interviews

Interviews were conducted by the researcher. All the respondents who took part in the interview were visited to explain the purpose of the study, and book appropriate dates for a one-on-one interview. This created an opportunity to establish rapport with them.

3.7 Data analysis techniques

Quantitative and qualitative data were generated using questionnaires and interview schedules. Both descriptive and inferential statistics were used in the analysis. Data collected was analysed through measures of frequencies and percentages. It was then be presented using tables, charts and graphs.

Interviews with the WEF Regional credit coordinator and the field officer were auto taped and transcribed. A qualitative thematic strategy of data analysis was then employed. Inferences were made objectively and systematically by searching for emerging themes. The information was summarized under common themes and presented in the form of narratives. The analysis utilised the SPSS program version 17.

3.8 Ethical Consideration

Before the administration of the questionnaire, the researcher sought to be granted permission to conduct the study. Thus, after clearance from the School of Continuing and Distance Education, the researcher applied for a permit from the National Council of Science and Technology (NCST). The permit as requirement by the NCST for all research projects was used to seek permission from the participants. Informed consent was sought from all respondents before data collection (Bogdan and Biklen, 1998). The researcher also ensured confidentiality of the data and individual names of SME officials was not revealed as data was aggregated during analysis and reporting.

3.10 Operationalization of variables

Independent variable				
Objective	Measurement Category	Variable	Scale of Measurement	Analysis Technique
Examine the influence of training on initiation of women owned retail enterprises.	1.Once at start up	1.No. Of trainings 2.Frequency of Trainings	Ordinal	Frequency distribution and percentages
Examine the influence of legislations on initiation of women owned retail enterprises.	Consistent	1.Taxes 2.By laws 3.Licensing and permits 4.Registration 5.Access to Credit	Ordinal	Frequency distribution and percentages
Assess the influence of loan size on initiation of women owned retail enterprises.	Frequently	1.50,000 2.100,000 3.200,000 4.500,000 5.Over 1M	Ordinal	Frequency distribution and percentages
Establish the level of education on initiation of women owned retail enterprises.	Consistent	1.Class eight 2. Form four 3. University	Ratio	Frequency distribution and percentages

Moderating variables

Objective	Measurement Category	Variable	Scale of Measurement	Analysis Technique
Culture	Sometimes	Level of acceptance by men	Nominal	Frequency distribution and percentages

Dependent variable

Objective	Measurement Category	Variable	Scale of Measurement	Analysis Technique
Survival period	Always	Over three years	Ordinal	Frequency distribution and percentages
Growth	Occasionally	Job creation Expansion and income generation	Interval	Frequency distribution and percentages

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

The data obtained through the questionnaire was first checked for completeness. The 286 filled questionnaire were coded and all the data and analyzed through the SPSS version 17 to generate results. Visual aids in form of frequency tables, bar graphs and pie charts were used to present the results. The study data was analyzed under four key categories which consequently constituted the objectives and variables for the study; these categories were the influence of training, legislation, loan size and level of education on initiation of women owned retail enterprises.

4.2 Response rate

All the 286 questionnaires issued in the study were fully filled and collected. This provided a 100% response rate. This was ensured through issuing and waiting for averagely thirty minutes for the respondent to fill the questionnaire. The questionnaires were collected immediately they were completed.

4.3 Demographic Information

This section provides the background of the study findings and hence looks at the main commercial banks used in WEF in Saboti constituency; gender of the entrepreneurs; age of the entrepreneurs; marital status of the entrepreneurs; family size of the entrepreneurs and the physical location of the women owned enterprise. The data is presented in tables, graphs and charts.

4.3.1 The main commercial banks used in WEF in Saboti constituency

The researcher sought to establish the commercial banks WEF use to disburse funds to women enterprises. Data was collected, analyzed and presented in tables. Thus, members of the women owned enterprises in Saboti constituency were asked to state the commercial banks in which they received their business initiation credit from WEF. The

results were as summarized in Table 3.

Table 3: Commercial banks which act as channels through which the WEF is given to the clients in Saboti Constituency

Commercial Banks	Frequency	Percentage
Kenya Women Finance Trust (KWFT)	144	50.35
Kenya Rural Enterprise Programme (K-rep)	79	27.62
Family Bank	34	11.89
Small and Microfinance Enterprise Programme (SMEP)	16	5.59
Cooperative Bank of Kenya	13	4.55
Total	286	100.00

According to Table 3 most of the women owned enterprises received their business initiation credit facilities from the following commercial Banks; Kenya Women Finance Trust (KWFT) (50.35%), Kenya Rural Enterprise Programme (K-rep) (27.62%), Family Bank (11.89%), Small and Microfinance Enterprise Programme (SMEP) (5.59%) and Cooperative Bank of Kenya (4.55%). The role of these banks was to act as channels through which the WEF is given to the clients.

4.3.2 Gender of the entrepreneurs

The respondents were asked to state their gender and the results are as summarized in Table 4.

Table 4: Gender of the entrepreneurs

Gender	Division	Frequency	Percentage
Female	Central	183	63.98
	Saboti	32	11.19
	Kinyoro	29	10.14
Male	Central	29	10.14
	Saboti	7	2.45
	Kinyoro	6	2.1
Total		286	100.00

The findings in Table 4 show that majority of the respondents came from Central division and were female (63.98%). Table 4 also reveals that a total of 85.31% of the respondents were female while only 14.69% were male. This was supported by all the three field officers in charge of Saboti constituency who said that above 85% of the membership in the women owned enterprises were women. This implies that a majority of the WEF funded enterprises are majorly initiated by women. It shows that the fund is serving its intended purpose of uplifting the lives of women in the society.

4.3.3 Age of the entrepreneurs

Since age is one of the requirements for accessing WEF, as it is stated in its terms and conditions that one must be above 18 years, the researcher sought to determine the age of those who were operating business that were initiated by WEF. The researcher therefore analyzed age factor as a determinant to the accessibility of the WEF. In the questionnaire the researcher asked the respondents to indicate the age bracket in which they fall. The results were as summarized in table 5.

Table 5: Age of entrepreneurs

Age	Female	Male	Total	Percentages
18-25	12	2	14	4.90
26- 34	63	4	67	23.43
35-44	122	8	130	45.45
45-55	36	17	53	18.53
Above 55	11	11	22	7.69
Totals	244	42	286	100.00

The study showed that 45.45% of the respondents were between 35-44 years. The study also shows that though the majority of the women respondents were between 26 and 55 years (221 out of 244), majority of the men were above 45 years (28 out of 42). The findings on age is important because it shows that all the entrepreneurs were adults i.e. they were above the minimum age (18 years) which qualifies a person to access WEF. This implies that women mostly preferred to incorporate in their self-help groups men who are

slightly advanced in age in order to either tap their wisdom during enterprise initiation or as a source of security. It also implies that age was not a barrier in access to the fund during enterprise initiation in Saboti constituency.

4.3.4 Respondents' marital status

The researcher asked the respondents to indicate whether they were single, married, separated or widowed during the initiation of their enterprise. The results are as summarized in Table 6.

Table 6: The respondents' marital status

Gender	Frequency	Percentages
Single	34	11.89
Married	229	80.07
Separated	7	2.45
Widowed	16	5.59
Total	286	100.00

Table 6 shows that 80.07% of the respondents were married by the time they initiated their respective enterprises. However 11.89% of them reported that they were living single lives as heads of their households. Only 2.45% and 5.59% respectively observed that they were either separated or widowed. This implies that the self-help groups initiated through use of WEF play a crucial role in running of families in Saboti constituency.

4.3.5 Family size

To determine the family size of the respondents the researcher asked them to state the number of children in their household at the time they initiated their enterprises. The results are as summarised in Table 7.

Table 7: Respondents family size

No of children	Frequency	Percentages
Less than 3	66	23.08
Between 3 and 5	84	29.37
More than 5	136	47.55
Total	286	100.00

The majority of the respondents had families consisting of more than five children (47.55%). Table 7 also shows that 29.37% had between 3 and 5 children while only 23.08% had less than 3 children. This implies that more responsibilities particularly for women who have to combine both productive as well as the reproductive work did drive them into starting the businesses as a group.

4.3.6 Physical location of the women owned enterprises

To determine the physical location of the women owned enterprises, the researcher asked the respondents to state whether their enterprises were located in urban, semi-urban or rural areas during their initial stage. The results are as summarized in Table 8.

Table 8: Physical location of the women owned enterprises

Enterprise location	Frequency	Percentages
Urban	173	60.49
Semi-urban	92	32.17
Rural	21	7.34
Total	286	100.00

According to Table 8 most of the women owned enterprises were initiated in Urban (60.49%) and Semi-urban (32.17%) areas. Only a few (7.34%) responded that they initiated their enterprises in rural areas. This finding was also supported by one of the field officers in charge of Saboti constituency who had the following to say:

“...though WEF is meant to support all the women in the constituency irrespective of their location, in Saboti constituency majority of the women in the rural areas do not apply for the loans to initiate businesses despite us providing them with enough information of its existence.”

The regional credit coordinator had also the following to say:

“...women who apply for WEF have a belief that their enterprises can only flourish if they are initiated in an urban setup. This has denied the rural women a chance to see the influence of WEF on the lives of women who use it to initiate businesses.”

This implies that though WEF has not assisted a good number of women in the rural areas of Saboti Constituency. It has not done much in uplifting the living standards of the women in rural areas who are the majority. It also implies that women in urban areas can cater for the basic needs of their families than those in rural areas because they are better off economically.

These findings corroborate with those of researchers working in Sub-Saharan Africa, South Asia and Latin America who have consistently found that families benefit when women are in a stronger position (Quisumbing, 2003). When women have more influence in their families' economic decisions, their children are better fed (Smith et al., 2003) and their families allocate more of their income to food (Doss, 2006; Thomas, 1997, and; Hoddinott and Haddad, 1995), to health (Thomas, 1997), to education (Doss, 2006; Quisumbing and Maluccio, 2000, and; Thomas, 1997) and to children's clothing (Bobonis, 2009 and Quisumbing and Maluccio, 2000).

4.4 The influence of WEF training on initiation of women owned enterprises

In determining the influence of WEF training on initiation of women owned retail enterprises, the researcher had to analyse data collected on WEF technical/ entrepreneurial trainings, reasons why the beneficiaries never attended business initiation trainings and the influence these trainings have on initiation of women owned enterprises. This is summarized in the following sub-sections.

4.4.1: WEF technical/ entrepreneurial training related to enterprise initiation

This research analyzed technical/ entrepreneurial training related to enterprise initiation attended by the self-help group members in Saboti constituency. The results were presented in Table 9.

Table 9: Whether entrepreneurs have attended any WEF technical/ entrepreneurial training related to enterprise initiation

Response	Division	Frequency	Percentage
Yes	Central	107	37.41
	Saboti	13	4.56
	Kinyoro	19	6.64
No	Central	103	36.01
	Saboti	28	9.79
	Kinyoro	16	5.59
Total		286	100

According to Table 9 majority (51.39%) of participants had not attended WEF technical/ entrepreneurial training related to their businesses initiation, while 48.61% indicated that they have attended a technical training organized by WEF in line with their business operations. This finding was supported by one of the field officers who observed that:

“...before we give the funds we train the officials of the enterprise that has secured the loan and the focus of the training is majorly on the management of the fund during initiation of the business and there after.”

This implied that most women owned enterprises in Saboti constituency were being operated by owners who had no technical/ entrepreneurial knowledge on enterprise initiation. However, administrative problems have been cited as a major cause of failure for small businesses.

A study by Kazooba (2006) revealed that poor record keeping and a lack of basic business management experience and skills were major contributors of business disintegration. The result of this research was in line with (Kuratko,1988) argument that identified inexperience in the field of business, particularly a lack of technical knowledge, plus inadequate managerial skills, lack of planning, and lack of market research for women SMEs. These are the key elements of in enterprise initiation trainings organized by WEF.

4.4.2: Reasons why members of the women owned enterprises had not attended any WEF technical training on enterprise initiation

The study also sought to establish why some women entrepreneurs had not attended the technical/ entrepreneurial training related to their business initiation. The data was collected in this regard, analyzed and presented as shown in Table 10.

Table 10: Reasons why some women entrepreneurs had not attended the technical/ entrepreneurial training related to their business initiation

Reason	Frequency	Percentage
There were no training opportunities	39	13.64
Trained only women group officials	123	43.01
Lacked finance to meet cost of training	44	15.38
Time constrain	68	23.78
Lack of awareness of the WEF trainings	12	4.19
Totals	286	100.00

The results as shown in Table 10 indicated that; 13.64% of respondents stated that there were no training opportunities in the constituency. The study also established that enterprise initiation training offered by WEF targeted only group officials hence leaving out members within the enterprise that could benefit more from such training. Thus a majority (43.01%) of the respondents observed that WEF trained only women group officials, while 15.38% lacked the finances to meet the training cost which was considered very expensive. A very small group of the respondents (4.19%) stated that there was no awareness of the WEF enterprise initiation trainings within the constituencies. This implies that nonattendance of enterprise initiation trainings led to lack of technical knowledge, inadequate managerial skills, lack of planning and lack of market research in the women owned enterprises hence poor uptake of women enterprise funds for business initiation.

The findings were similar to a study carried out by Woldie (2008), on perceptions of business challenges facing Malaysian SMEs, which indicated that factors related to human capital were observed to be the greatest challenge facing the business initiation. The factors were indicated by dominance of unskilled workforce in the industry and lack

of motivation among the workforce, there was also lack of managerial and marketing skills as well as low labour productivity. In a study carried out by Woldie (2008) on perceptions of business challenges facing Malaysian SMEs, findings indicated that factors related to human capital were observed to be the greatest challenge facing the businesses. The factors were indicated by dominance of unskilled workforce in the industry and lack of motivation among the workforce, there was also lack of managerial and marketing skills as well as labour productivity.

4.4.3: Influence of WEF trainings on initiation of women owned enterprises

To determine the influence of WEF trainings on initiation of women owned retail enterprises, the researcher asked the respondents to state whether training(s) had an influence on the initiation of their business or not. The results are as summarized in Table 11.

Table 11: Response on whether WEF trainings had an influence on initiation of women owned enterprises

Response	Division	Frequency	Percentage
Yes	Central	112	39.16
	Saboti	22	7.69
	Kinyoro	13	4.55
No	Central	55	19.23
	Saboti	9	3.15
	Kinyoro	11	3.85
Don't know	Central	45	15.73
	Saboti	8	2.79
	Kinyoro	11	3.85
Total		286	100

According to Table 11 majority (51.40%) of respondents observed that the trainings organized by WEF had a positive impact on initiation of their businesses. Majority of those who observed that WEF training had a positive impact on initiation of

their businesses came from Central division (39.16%). Only 26.23% observed that the trainings had no influence on initiation of their businesses.

The researcher further asked the respondents to state the type of influence these trainings had on their business. The results are as summarized in Table 12.

Table 12: The type of influence WEF trainings had on women owned enterprises

Influence of WEF trainings	Frequency	Percentage
Initiation	114	18.01
Growth	156	24.65
Customer retention	32	5.06
Marketing	107	16.90
Survival	156	24.64
Planning	68	10.74
Total	633	100.00

NB: The total exceeds the sample size due multiple responses

The results as shown in Table 12 indicate that 18.01% of respondents felt that WEF trainings had an influence on initiation of the women owned enterprises in the constituency. Majority (24.65%) of the respondents observed that WEF trainings had an influence on the growth of the women owned enterprises in the constituency. A very small group of the respondents (5.06%) WEF trainings influenced customer retention among the women owned enterprises in the constituency. This implies that WEF trainings are critical to enterprise initiation and survival.

4.5 The influence of WEF loan size on initiation of women owned enterprises

Credit terms which include cost of loan/interest rates, amount of loan disbursed, repayment schedule, collateral, and credit period have been viewed by researchers as vital in influencing the size of the loan one receives for enterprise initiation.

4.5.1 Loan sizes

The loan sizes in most cases affect the nature of business to women initiate. Small loan size is often advanced by the micro finance institutions as a way of minimizing risks. However, when the clients are not given adequate funds to cater for their business initiation needs, they tend to resort to multiple borrowing. This in turn affects their repayment and increases the risks of the loan. To determine the amount of loan provided by WEF to women owned enterprises, the researcher asked the respondents to state the amount of loan provided to them on initiation of the business. The results are as summarized in Table 13.

Table 13: Amount of loan provided by WEF to women owned enterprises at their enterprise initiation stage.

Amount (Kshs)	Division	Frequency	Percentage
Kshs Less than10,000	Central	16	5.59
	Saboti	3	1.05
	Kinyoro	4	1.40
Kshs 10,000- 20,000	Central	56	19.58
	Saboti	9	3.15
	Kinyoro	8	2.80
Kshs 20,000-30,000	Central	38	13.29
	Saboti	6	2.10
	Kinyoro	5	1.75
Kshs 30,000-40,000	Central	91	31.82
	Saboti	18	6.29
	Kinyoro	15	5.24
Kshs 40,000-50,000	Central	11	3.84
	Saboti	3	1.05
	Kinyoro	3	1.05
Total		286	100.00

Majority (43.35%) of the respondents observed that they got between Kshs 30,000

and Kshs 40,000 which was encouraging since such an amount could provide the enterprise with a strong base on initiation. Though there were some disparities in the awarding of the loans in the three divisions. The majority of the women owned enterprises in Central (31.82%) Saboti (6.29%) and Kinyoro (5.24%) were getting between Kshs 30,000 - 40,000. Some of the members observed that the loan was enough for enterprise initiation; others indicated that it was not. This is in line with the findings by George (2008) who indicated that sometimes the loans issued by MFIs are too small to make an impact on women's business initiation.

4.5.2 Loan repayment period

To determine the perception of the respondents as to whether the loan repayment period given by WEF at enterprise initiation was adequate or not, the researcher asked them to state whether the repayment period was adequate or not. The responses are summarized in Table 14.

Table 14: Whether the loan repayment period given by WEF at enterprise initiation was adequate or not

Response	Frequency	Percentage
Adequate	208	72.73
Not adequate	78	27.27
Total	286	100

Table 14 shows that the respondents believed that the loan period given by WEF enterprise initiation was adequate (72.73%) for their business to repay. Only a few (27.27%) felt that the loan period was too small to have repaid it. This concurs with Woolcock (2002), who argued that a long loan period may make the client to be extravagant and end up failing to pay back the loan. Jakobson (2003) also indicated that the loan period should always depend on the amount of loan advanced to the intending borrower. Clients taking small loans should not be given very long repayment period. From the research findings since the majority of the clients were dealing in small businesses and taking small loans, they need a short loan period for regular recapitalization.

4.5.3 Loan collateral

Collateral play a major role in loan acquisition in Kenya. The researcher thus asked the respondents to state whether collaterals influenced the WEF loan they received at enterprise initiation. The results are as summarized in Table 15.

Table 15: Whether collaterals influenced the WEF loan received by the women owned enterprises

Response	Division	Frequency	Percentage
Yes	Central	105	36.71
	Saboti	17	5.94
	Kinyoro	14	4.90
No	Central	46	16.08
	Saboti	9	3.15
	Kinyoro	11	3.84
Don't know	Central	61	21.33
	Saboti	13	4.55
	Kinyoro	10	3.50
Total		286	100.00

Majority (47.55%) and especially those from Central division (36.71%) observed that lack of collateral by women entrepreneurs limit some to access loans to initiate businesses. This was supported by an interview on field officers who observed that very few members in the society can stand as guarantors to the members intending to borrow funds from WEF to initiate enterprise. The regional WEF coordinator observed that members use social collateral where they do not have to be with physical properties in order to access loans from WEF. In this case a percentage is deducted from their loan on the disbursement day and retained by WEF to act as security. In addition, a client has to be with guarantors from the clients who are already accessing loan services. This concurs with Woolcock, (2002) and Atieno (2009), who indicated that MFIs do not insist on physical collateral, the group guarantee loan act as collateral for group borrowers. Findings by Wenner (2006), were true when he indicated that if physical collateral were a requirement for borrowing, most MFI clientele would be unable to participate

4.5.4 Loan repayment schedule

In the formal banking structure the loan repayment schedule is embodied in the contract before a client is advanced with a loan. This shows at the enterprise initiation stage the frequency when the clients are expected to make their regular repayment to the lending institution. Respondents were asked whether the repayment schedule set by WEF was conducive to women owned retail enterprises. The results are as indicated in Table 16.

Table 16: Responses on whether the repayment schedule set by WEF at the enterprise initiation stage was conducive to women owned enterprises

Response	Frequency	Percentage
Yes	179	62.59%
No	164	37.41%
Total	286	100

The findings as shown in Table 16 indicate that the loan repayment schedule is not conducive (62.59%) to the women owned enterprises. They have always had to pay back the first loan installment just three month after disbursement. This has forced some of them to use part of the loan to meet the first loan installment which greatly undercapitalizes the businesses for the women entrepreneurs. This concurs with the findings by Snodgrass and Sebstad,(2002) who indicated that the inflexible and non-negotiable repayment schedules of MFIs implies little assistance in coping with stress events and financial shocks suffered by members.

4.5.5 Interest rates and other charges attached on loans used in enterprise initiation

To determine whether the loan size accessed by the women owned enterprises had an influence on the interest rates charged, the researcher asked the respondents to whether it was true or not that loan size influenced the interest rates charged by WEF in Saboti constituency.

Table 17: The loan size accessed by the women owned enterprises had an influence on the interest rates charged

Response	Frequency	Percentage
Yes	218	76.22
No	18	6.30
Don't know	50	17.48
Total	286	100

Table 17 shows that most (76.22%) of the respondents felt that interest rates affect the nature of the transactions such as the size of the loan. In an attempt to identify borrowers with high probability of repayment, financial institutions tend to set interest rates that an individual is willing to pay as a screening devise. Respondents were also interviewed on the interest rates and other charges incurred while servicing loans and they indicated that the costs were moderate. The majority indicated that the interest rate and other charges such as insurance charges, membership renewal fees, pass books and local council recommendation letter fee are not high thus affordable.

However this was based on comparison with other sources of financing such as the individual money lenders but the real interest rate was high that is over 30% per annum. This concurs with Nissanke and Aryeety (2004); Bhuyan (2006), who indicated that MFIs maintain a wider interest rate charged to their customers. This is further confirmed by Lehmann et al (2004) who revealed that MFIs charge higher interest rates where their sustainability comes from the poor paying high interest rates. Stevenson & St-Onge (2005) also observes that even where microfinance institutions have come in to address the issue of access to credit, their focus has largely been poverty reduction, rather than enterprise development and growth. Their loan sizes have therefore tended to be too small to support growth.

4.6 The influence of WEF legislation on initiation of women owned enterprises

The Department of Gender and Social Services plays a crucial role in influencing the accessibility to WEF since it is the parent department in which the fund is placed. The department came up with a number of terms and conditions of accessing the fund for business initiation. Thus, to qualify for the WEF the eligibility criteria is as follows: age bracket of 18 years and above; female Kenyan; intention of investing in income generating activities; the group must be fully registered and have been in existence for at least 3 months; the fund is a loan and therefore must be repaid; the group must be having an operating bank account; the group must be recommended by the local gender and social development Officer or the Secretary to the Constituency Women Enterprise Fund Committee; at least 70% of the members of the group must be women and leadership must exclusively be women; the applicants of the fund must submit an application or write an alternative and lastly the application must be subjected to rigorous financial viability assessment by the Constituency Women Enterprise Fund Committee.

Thus, for the researcher to answer objective three she had to list all the WEF conditions and asked the respondents to state which had the highest negative influence on the startup of their business. The results are summarized in Table 18.

Table 18: Influence of WEF conditions on loan accessibility

WEF Legislation	Frequency	Percentage
Age bracket of 18 years and above	14	4.90
Female Kenyan	2	0.70
Intention of investing in income generating activities	18	6.29
The group must be fully registered and have been in existence for at least 3 months	39	13.64
The fund is a loan and therefore must be repaid;	25	8.74
The group must be having an operating bank account	38	13.29
The group must be recommended by the local gender and social development Officer or the Secretary to the Constituency Committee Women Enterprise Fund	26	9.09
At least 70% of the members of the group must be women and leadership must exclusively be women	21	7.34
The applicants of the fund must submit an application or write an alternative	24	8.39
The application must be subjected to rigorous financial viability assessment by the Constituency Women Enterprise Fund Committee	79	27.62
Total	286	100.00

According to Table 18, the condition that all applications must be subjected to rigorous financial viability assessment by the Constituency WEF Committee is the one that negatively influences loan accessibility among the women owned enterprises (27.62%) at initiation stage. These findings were also supported by all the three field officers in charge of Saboti constituency and the WEF Regional credit coordinator who observed that a number of business proposals are rejected because they do not meet the WEF requirements when subjected to rigorous financial viability assessment by the Constituency Women Enterprise Fund Committee. They further unanimously observed that some groups are not be fully registered during application for funding, while others have not been in existence for at least 3 months. This implies that some of the WEF conditions happen to influence

which group receives the WEF and which one does not.

These findings corroborates with some of the findings of Stevenson and St-Onge (2005). A study by Stevenson and St-Onge (2005) on women enterprises in Kenya identified, specific factors that limit their growth and development are largely around financing. These include: (i) Women are very often unable to meet loan conditions, specifically collateral requirements. This is primarily due to cultural barriers that restrict women from owning fixed assets such as land and buildings; (ii) Many financial institutions lack confidence in enterprises owned by women; (iii) Women are perceived to be risk adverse in approaching banks to finance their small enterprises. Small loans are costly for financial institutions to put on the books and administer; (iv) Women are seen to lack management skills, and some women have relatively low levels of education and technical skills; (v) Women often lack the ability to approach a financial institution and to develop a proposal for financing (business plans); and (vi) Women do not have the same opportunities for full-time waged employment, and therefore have more limited capacity for savings accumulation than men.

4.7 The influence of level of education on initiation of women owned enterprises

During the study, the levels of education of the respondents at enterprise initiation stage were explored. This aided the researcher to understand the role played by education in the borrowing of the loan, loan size and more so whether they are able to interpret the government legislations governing WEF. The findings are summarized in the following sub-sections.

Table 19: Level of education of entrepreneurs

Level of education	Division	Female	Male	Total	Percentage
Did not go to school	Central	0	-	0	0.00
	Saboti	1	-	1	0.35
	Kinyoro	2	-	2	0.70
Primary	Central	3	0	3	1.05
	Saboti	7	1	8	2.80
	Kinyoro	12	2	14	4.89
Secondary	Central	86	2	88	30.76
	Saboti	9	3	12	4.20
	Kinyoro	7	1	8	2.80
College	Central	55	11	66	23.07
	Saboti	11	0	11	3.85
	Kinyoro	7	2	9	3.15
University	Central	39	16	55	19.23
	Saboti	4	3	7	2.45
	Kinyoro	1	1	2	0.70
Total		244	42	286	100.00

Table 19 shows that out of the 286 entrepreneurs of the women owned enterprises, only 1.05%, 30.76%, 23.07, and 19.23% of those who had accessed the credit services had only primary, secondary, college and university education respectively at enterprise initiation stage in Central division. Majority of the entrepreneurs (4.20%) in Saboti division observed that they had secondary level of education. Of those who had university education, Central division had the highest number (19.23%) followed by Saboti division (2.45%). Majority of the men had either college (13 out of 42) or tertiary (20 out of 42) level of education. All the men who had access to the credit had secondary, college or tertiary education. Despite this there were three male respondents who had primary level education. Three out of 244 women who received WEF had never gone to school. That is why they were assisted by the research assistants to fill the questionnaire. This implies that

most of the male had a strategic function in the self-help groups. The findings also imply that the entrepreneurs of the women owned enterprises in the study area were of mixed academic qualifications. However, it should be noted that the majority had a minimum of primary level qualification. Primary level is considered a level that will accord the students the basic foundation for mastery of a given skill.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This final chapter summarizes the main findings of this present project by taking into account its objectives, research questions, and analytical approach. By so doing, it underlines the contribution of this research to existing knowledge and identifies relevant areas for future research.

5.2 Summary of the study

The following sections provide a summary of the study findings based on the study objectives.

5.2.1 Background Information

Most of the women owned enterprises received their credit facilities from Kenya Women Finance Trust (KWFT) (50.35%), Kenya Rural Enterprise Programme (K-rep) (27.62%), and Family Bank (11.89%). The role of these banks was to act as channels through which the WEF is given to the clients. Most of the members who access WEF loans are female (85.31% while only 14.69% were male. This implied that a majority of the WEF funded enterprises are majorly owned by women. The study also showed that 45.45% of the respondents were between 35-44 years, with the majority of the women being between 26 and 55 years (221 out of 244) and men above 45 years (28 out of 42). The findings on age is important because it shows that all the entrepreneurs were adults i.e. they were above the minimum age (18 years) which qualifies a person to access WEF.

Many of the WEF beneficiaries are married. However 11.89% of them reported that they were living single lives as heads of their households. This implied that the self-help groups were initiated through use of WEF play a crucial role in running of families in Saboti constituency. The study also established that most of the members of women owned enterprises had families consisting of more than five children (47.55%) this implied more responsibilities particularly for women who have to combine both productive as well as the reproductive work. Most of the women owned enterprises were

situated in Urban (60.49%) and Semi-urban (32.17%) areas. Only a few (7.34%) responded that they had set their enterprises in rural areas. This implied that WEF has not assisted a good number of women in the rural areas of Saboti Constituency.

5.2.2 The influence of WEF training on initiation of women owned enterprises

Majority (51.39%) of participants had not attended WEF technical/ entrepreneurial training related to enterprise initiation while 48.61% indicated that they have attended a technical training organized by WEF in line with their business initiation. This implied that most women owned enterprises in Saboti constituency were being operated by owners who had no technical/ entrepreneurial knowledge acquired from WEF trainings. The study also established that some training available targeted only group officials hence leaving out other members that could benefit more from such training for enterprise initiation. Thus a majority (43.01%) of the respondents observed that WEF trained only women group officials, while 15.38% lacked the finances to meet the training cost which was considered very expensive. This implies that nonattendance of technical trainings led to lack of technical knowledge, inadequate managerial skills, lack of planning and lack of market research in the women owned enterprises hence poor uptake of women enterprise funds for business initiation. Majority (51.40%) of respondents also observed that the trainings organized by WEF had a positive impact on their enterprise initiation. Only 27.27% observed that the trainings had no influence on their enterprise initiation. Some respondents (18.01%) felt that WEF trainings had an influence on initiation of the women owned retail enterprises in the constituency. Majority (24.65%) of the respondents observed that WEF trainings had an influence on the initiation of the women owned retail enterprises in the constituency.

5.2.3 The influence of WEF loan size on initiation of women owned enterprises

The study established that majority (43.36%) of the respondents got between Kshs 30,000 and Kshs 40,000 as a loan from WEF for enterprise initiation which was encouraging since the maximum loan was Kshs 50,000. The respondents believed that the

loan period given by WEF was adequate (72.73%) for their business to repay after initiation. Only a few (27.27%) felt that the loan period was too small to have repaid it. Lack of collateral by women entrepreneurs limit some to access loans. A few members can stand as guarantors to the members intending to borrow funds from WEF. Members use social collateral where they do not have to be with physical properties in order to access loans from WEF. The findings indicated that the loan repayment schedule is not conducive (62.59%) to the women owned enterprises. They have always had to pay back the first loan installment just three month after disbursement. Most of the respondents (76.22%) felt that interest rates affect the nature of the transactions such as the size of the loan. In an attempt to identify borrowers with high probability of repayment, financial institutions tend to set interest rates that an individual is willing to pay as a screening devise.

5.2.4 The influence of WEF legislation on initiation of women owned enterprises

The condition that all applications must be subjected to rigorous financial viability assessment by the Constituency WEF Committee is one of those that negatively influences loan accessibility among the women owned enterprises (27.62%). These findings were also supported by all the three field officers in charge of Saboti constituency and the WEF Regional credit coordinator who observed that a number of business proposals are rejected because they do not meet the WEF requirements when subjected to rigorous financial viability assessment by the Constituency Women Enterprise Fund Committee.

5.2.5 The influence of WEF level of education on initiation of women owned enterprises

Only 8.74% of those who had accessed the credit services for enterprise initiation had only primary education. Majority of the entrepreneurs observed that they had secondary (37.76%), college (29.37%) or tertiary (23.08%) education level of education. Majority of the men had either college (13 out of 42) or tertiary (20 out of 42) level of education. All the men who had access to the credit had secondary, college or tertiary education. Despite this there were three male respondents who had primary level education. Three out of 244 women who received WEF had never gone to school.

5.3 Conclusions

5.3.1 The influence of WEF training on initiation of women owned enterprises

Majority of participants had not attended technical/ entrepreneurial training related to their businesses which implied that most women owned enterprises in Saboti constituency were being operated by owners who had no technical/ entrepreneurial knowledge concerning their businesses. The study also established that some WEF training available targeted only group officials hence leaving out other members that could benefit more from such training. Despite this, majority of those who trained observed that the trainings organized by WEF had a positive impact on their businesses. They believed that WEF trainings had an influence on the growth of the women owned enterprises in the constituency. Thus nonattendance of technical trainings led to lack of technical knowledge, inadequate managerial skills, lack of planning and lack of market research in the women owned enterprises hence poor uptake of women enterprise funds for business development.

5.3.2 The influence of WEF loan size on initiation of women owned enterprises

Majority of the women owned enterprises got between Kshs 30000 and Kshs 40000 as a loan from WEF to initiate the business. The members observed that the loan size given was too little to sustain the businesses. Some members also believed that period given to repay this cash was adequate for their business; many believed it was too little for business growth.

5.3.3 The influence of WEF legislation on initiation of women owned enterprises

Despite there being other WEF conditions for the members to fulfil in order to acquire a loan; the condition that all applications must be subjected to rigorous financial viability assessment by the Constituency WEF Committee is a major factor as to why women owned enterprises find it hard to access WEF for retail enterprise initiation. This implied that some of the WEF conditions happen to influence which group receives the

WEF and which one does not.

5.3.4 The influence of level of education on initiation of women owned enterprises

Majority of the women entrepreneurs observed that they had secondary or college level of education while all the men who had access to the credit had secondary, college or tertiary education. Apart from three male respondents who had primary level education, all the men who had access to the credit for retail enterprise initiation had secondary, college or tertiary education. Three out of 244 women who received WEF had never gone to school.

5.4 Recommendations

Drawing from the findings, this section presents some of the key policy recommendations that, when implemented, would enhance the quality, service delivery and sustainability of WEF.

5.4.1 The influence of WEF training on initiation of women owned enterprises

Enhanced and standardized Training: Training to borrowers of WEF should be standardized with room for customization to unique borrower needs. This will enhance efficiency and effectiveness in retail enterprise initiation.

5.4.2 The influence of WEF loan size on initiation of women owned enterprises

Increase in amounts of Loans: Loan allocation ceilings should be significantly increased. In most instances, the amounts of funds allocated to borrowers fall far below the actual financial needs for retail enterprise initiation.

Individual Loans: WEF funding should be remodeled towards more individual lending. It should change the practice of “group lending system” since members in a group cannot have the same thinking level, attitude and commitment during the retail enterprise initiation stage as there are personal differences. Hence institutes should allow

individual lending systems. This will give prospective borrowers the freedom of investment choice. As opposed to group interests, individual borrowing will initiate more business.

5.4.3 The influence of WEF legislation on initiation of women owned enterprises

WEF should simplify the loan application process: To the poor rural groups, the application process used is long, tedious and costly and hence do not access loans for initiation of retail enterprises easily . This means that the poor, who need the funding most but cannot afford the many trips groups have to make to different offices in the registration process, end up being excluded from access to the fund. Making the application simple and restricting application to less rigorous requirements can significantly improve access to the loans by eliminating the cost-disincentive associated with visiting many offices in the pre-application stages.

5.4.4 The influence of level of education on initiation of women owned enterprises

The women of Saboti constituency should be equipped with entrepreneurial skills; this can be through conducting workshops to teach these women how to initiate retail enterprises in a proper state at all times. This will help them to change their attitudes towards business loans and financing institutions and have positive attitude. The researcher therefore recommends entrepreneurial skills equipping programs to ensure that women are educated so that they can be equipped with business operation skills to manage, control and run their businesses properly. The research recommends practical based technical skills equipping workshops for women entrepreneurs in the district. This will address challenges likely to be encountered by more than a third of population with primary school certification as the highest level of education.

5.5 Suggestions for Further Research

Further research on WEF accessibility and the performance of women owned enterprises in Kenya should be based on aspects such as:

- a. The econometric view on WEF and the performance of women owned enterprises in Kenya,
- b. Other factors that affect the performance of women owned retail enterprises in Kenya other than WEF training; loan size; legislation and level of education should be investigated through further research.

5.6 Contributions to the body of knowledge

These research findings contribute to both theory and practice. In terms of the theoretical value, the findings would contribute to the knowledge about funds released by the government through institutions to assist special groups such as women and youth, and the role these funds play in retail enterprise initiation among these groups in both rural and urban areas.

In terms of their practical value, the findings would help to bridge the gaps in women unemployment in Kenya and the data gathered can act as a source of reference. The government and other private practitioners could use the findings of this study to seal some loopholes within the WEF fund.

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APPENDIX: LETTER OF TRANSMITAL

University of Nairobi,
Po Box 3167,
Kitale-Kenya

Dear Respondent,

RE:INTRODUCTORY LETTER FOR DATA COLLECTION.

My name is Lynnette N. Wanjala. I am a student at the University of Nairobi undertaking a degree in Masters of Arts in Project Planning and Management. I am undertaking a research project entitled: **Influence of women enterprise fund on the initiation of women owned retail enterprises in sabotu constituency-Kenya.** You have been selected to participate in this study to obtain your perceptions and views regarding various aspects of the women owned retail enterprises. There are no good or wrong answers but your honest participation in answering the questions will assist in establishing the influence of women enterprise fund on the initiation of women owned retail enterprises in sabotu constituency. The information provided will be treated confidentially.

Thank you in advance.

Signature..... date.....

Lynnette N. Wanjala,
MA student.
University of Nairobi.

APPENDIX: QUESTIONNAIRE

**UNIVERSITY OF NAIROBI
DEPARTMENT OF EXTRA-MURAL STUDIES
SHG QUESTIONNAIRE**

INTRODUCTION AND CONSENT

Good morning/afternoon/evening sir/madam. My name is Lynnette Wanjala. I am a postgraduate student at University of Nairobi carrying out research on the influence of women enterprise fund on initiation of women owned retail enterprises. Your Self Help Group (SHG) was randomly sampled to participate in the study and I visit you today to seek your consent to collect data concerning training, loan size, legislation processes and members level of education. These data is for academic purposes only. Summary statistics will be used and no names of respondents will be made known. I have the necessary research permits and letters of introduction from relevant offices and now seek permission to collect data from a sample of the members of the SHG. The members will be guided in filling out the questionnaires. The responses from the members will be held with utmost confidentiality and will only be available to me. Their responses will not cause any disadvantage to them, you or your SHG. If you accept to participate in this research, you will be doing so professionally and voluntarily and there will not be any monetary returns. Any benefits of the research will be policy oriented intended to improve the WEF management processes. Members will be free to ask questions as we proceed. They may also refuse to respond to questions they do not feel comfortable answering. Kindly indicate with a \surd in the brackets where appropriate. This interview will take about 30 minutes

SECTION 1: BACKGROUND INFORMATION

- 1.1 Questionnaire ID/ No ()
- 1.2 Start time () ()
- 1.3 Date of interview(dd/mm/yyyy) () () ()
- 1.4 Name of the SHG
- 1.5 Division 1=Central () 2= Saboti () 3= Kinyoro ()
- 1.6 Gender: Female () Male ()
- 1.7 Marital status: Single () Married () Separated () Widowed ()
- 1.8 Family size: Less than 3 () between 3 and 5 () More than 5 ()
- 1.9 What is your age?
 - 1=18-25 () 3=35-44 () 5=Above55 ()
 - 2=26- 34 () 4=45-55 ()

1.20. Which commercial bank does your enterprise use to receive the initial WEF?

- Kenya Women Finance Trust (KWFT) ()
- Kenya Rural Enterprise Programme (K-rep) ()
- Family Bank, ()
- Small and Microfinance Enterprise Programme (SMEP) ()
- Cooperative Bank of Kenya ()

1.21. What is the physical location of the enterprise? ()

- 1=Urban
- 2=Semi-urban
- 3=Rural

1.22. Are you comfortable where you are located? Yes () No ()

1.23 What type of enterprise are you running?

- 1= Grocery ()
- 2= Mutumba ()
- 3= Kiosk ()
- 4= Farming ()
- 5= Service (shoeshine/barbershop/eatery/salon etc. ()

SECTION II : Training

1. a) Did you attend a WEF organized technical/ entrepreneurial training before initiating the retail enterprise?

- 1=Yes ()
- 2=No ()

b) If yes which one? ()

- 1=Technical skill training ()

- 2= Entrepreneurial training e.g (management, book keeping, sales & marketing, etc) ()

c) How many times were you trained by WEF concerning the initiation of the retail enterprise 1= Once () 2=Twice () 3=Thrice ()

- 4= Always ()
- 5=Never ()

d) If you never attended a WEF technical/ entrepreneurial training related to retail enterprise, what could have been the reasons why you never attended any?

Reason

- There were no training opportunities ()

- Trained only women group officials ()

- Lacked finance to meet cost of training ()

- Time constrain ()

- Lack of awareness of the WEF trainings ()

Any other

f) In your own opinion do you think WEF trainings have an influence on initiation of women owned retail enterprises? 1=Yes () 2=No ()

If yes, in which areas?

1= Initiation () 2= Growth () 3= Customer retention ()
 4= Marketing () 5= Survival () 6=Planning ()

SECTION III: Loan size

1. How much loan did your group receive from WEF for initiating the current enterprise

Kshs Less than10.000 ()
 Kshs 10,000- 20,000 ()
 Kshs 20,000-30,000 ()
 Kshs 30,000-40,000 ()
 Kshs 40,000-50,000 ()
 Any other

2. Is the loan repayment period given by WEF adequate or not
 Adequate () Not adequate ()

3. Do collaterals influence the WEF loan received by the women owned enterprises
 1=Yes () 2=No ()

4. Do the repayment schedule set by WEF conducive to your enterprise(s) ?
 1=Yes () 2=No ()

If No give a reason

5. Is the loan size accessed by the your enterprise(s) had an influence on the interest rates charged? 1=Yes () 2=No ()

6. (a) How long has your business been operating since initiation?

1= Less than 1 year () 2= 2 - 3 years () 3= 4- 7 years ()
 4= 8-10 years () 5= over 10 years ()

7. (a) Have you had any other business prior to the current one?

1= Yes () 2= No ()

(b) For how long did you run the previous enterprise?

1=Less than 3 years () 2=3 - 5 years ()
 3=Over 5 years () 4=Still running it()

8. What is the type or kind of assets (e.g stock, debtors etc) did your business have at initiation and their value?

Assets.....

Amount Kshs.....

9. What kind of liabilities (e.g creditors, loans etc) did your business have at initiation and the amount?

Liability.....

Amount Ksh.....

10. How much do you get per day?

1= Below 100 () 2= 200-500 ()

3=600-1000 () 4=Over 1000 ()

(b) What factors do you think contribute to this income?

1= Training () 2= Legislations ()

3= Loan size () 4=Level of education ()

4=Others

(c) Do you think you can improve on this income? Yes () No ()

(d) If yes explain how

.....

SECTION IV Legislations

1. Is your business registered?

1=Yes () 2=No ()

2. Do you pay for the premises?

1=Yes () 2=No ()

If yes how much? Per day..... Per year.....

3. Do you have a permit for the business?

1=Yes () 2=No ()

If no, why?

4. What nature of collateral did you use for the acquisition of the loan?

1=Group guarantees () 2=Household items ()

3=Fixed assets eg land () 4=Insurance cover ()

5. Which of the following WEF legislations (conditions) had an influence on your loan acquisition during the initiation of retail enterprise?

WEF Legislation

Age bracket of 18 years and above	()
Female Kenyan	()
Intention of investing in income generating activities	()
The group must be fully registered and have been in existence for at least 3 months	()
The fund is a loan and therefore must be repaid;	()
The group must be having an operating bank account	()
The group must be recommended by the local gender and social development Officer or the Secretary to the Constituency Committee Women Enterprise Fund	()
At least 70% of the members of the group must be women and leadership must exclusively be women	()
The applicants of the fund must submit an application or write an alternative	()
The application must be subjected to rigorous financial viability assessment by the Constituency Women Enterprise Fund Committee	()

6. Has WEF had an input in marketing your products?

1=Yes () 2=No ()

If yes how?

7. Are there any rules set by the WEF or MCT (Municipal council of TransNzoia) that govern how you run your business?

1=Yes () 2=No ()

If yes, which ones?.....

8. Do these rules affect you?

1=Yes () 2=No ()

9. Does your business experience any challenges? Yes () No ()

b. If yes. What would you say are the main challenges that your business faces?
If no, why?

.....

c. How have you handled the challenges you have mentioned above?

.....

SECTION V Level of education

1. When did you start your business months ago
2. What propelled you to start the business as a group
 - a) Unemployment () An opportunity arose ()
 - b) Had business knowledge () Any other
3. Were you doing any business before this?
1=Yes () 2=No ()
4. Did your education have any influence to starting your business
1=Yes () 2=No ()
5. What is your highest level of education?
1= Never went to school () 2=Primary level () 3=Secondary level ()
4=University level () 5= College level ()
6. Has this level been a barrier in accessing the loan
1=Yes () 2=No ()
7. Do you think this has contributed to the initiation of this business?
1=Yes () 2=No ()

SECTION VI: COMMENTS, INTERVIEW RATING AND WIND UP

- a. Rate the interview
1=Very bad () 2=Bad () 3=Average ()
4=Good () 5=Very good ()
- b. Record end time ()()
- c. Any comment

THANK YOU FOR RESPONDING TO THIS QUESTIONNAIRE.

APPENDIX: INTERVIEW SCHEDULE

Interview schedule for key informants.

PART 1: Personal details

- 1 .Name: Gender: Female () Male ()
2. Organization/Dept: Position:
3. What is your age?.....
- 1=18-25 () 2=26- 34 () 3=35-44 ()
- 4=45-55 () 5=Above55 ()
4. What is your religion?.....
- 1=Protestant () 2=Catholic () 3=Muslim ()
- 4=Hindu () 5=Others (Specify) ()
5. What kinds of business do you finance?
-
6. How much (loan) do you frequently disburse through CWES(Constituency Women Enterprise Scheme?
- Kshs Less than10.000 () Kshs 10,000- 20,000 ()
- Kshs 20,000-30,000 () Kshs 30,000-40,000 ()
- Kshs 40,000-50,000 ()
7. What is your target in relation to this? Amount.....
8. Do you consider the level of education when issuing the loans?
- 1=Yes () 2=No ()
- If yes what level
-
9. What are the collaterals attached?
- i.
 - ii.
 - iii.
 - iv.
 - v.
 - vi.
 - vii.

10. What is your role in this initiative as a manager/boss?

.....

11. What are the expectations of the government in relation to MDG 1 and 3 per the vision 2030? Comment on the level of achievement.

.....

12. What challenges does your organization experience?

.....

13. What measures have you put in place to overcome these challenges?

.....

14. Have you put in place any rules that govern these business?

1=Yes () 2=No ()

If yes which ones?

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

APPENDIX : MAP OF SABOTI CONSTITUENCY AND ITS ENVIRONS

