

**SMALL SCALE WOMEN ENTREPRENEURIAL ABILITY AND  
SOCIAL ECONOMIC DEVELOPMENT IN MPUMUDDE SUB  
COUNTY LYANTONDDE DISTRICT.**

**BY**

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## DECLARATION

I, **AMPAIRE MELLONE**, declare that this research project is my original work  
and has not been presented for any award in any institution whatsoever.

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### APPROVAL

This research project has been submitted with my knowledge as the University supervisor

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May God richly bless you.



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This research project is dedicated to my parents' .Mr. Moses Katumwesigye and Mary Katumwesigye also most paramount of all special thanks goes to my brothers and sisters and the whole William Rwakanyenyezi family who were supporting me in my academics in one way or another. They have all been inspirational in my life and they gave me the courage and determination to come this far.

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## ABBREVIATIONS

ASALs	-----	Arid and Semi-arid Lands
EDF	-----	Electricity Development Funds
ILO	-----	International Labour Organization
NGO	-----	Non-governmental Organization
SMEs	-----	Small-scale and micro enterprises
SSE	-----	Small-scale enterprises
UNICEF	-----	United Nation International Children's Fund
UNIFEM	-----	United Nations Development Fund for Women

## ABSTRACT

The study sought to find out the factors affecting women in small-scale enterprises in Mpumudde Sub county Lyantonde district. The study was carried out in Mpumudde Sub county Lyantonde district. The variables under investigations were accessibility to credit facility, availability of infrastructure, the level of education and availability of family support.

The main respondents for the study were women in small-scale enterprises. Sixty five respondents formed the sample size of the study. Three micro-finance officers were interviewed to give supportive information.

The study utilized sample survey design. The respondents for the study were drawn through stratified sampling, simple random sampling and purposive sampling. The data collected were analyzed using simple frequency distribution tables, percentages, graphs and pie charts. Descriptive analysis was also given to explain the information.

The findings of the study indicated the following:

The amount of loan given to women by micro-finance institutions were generally small and therefore could not help them start viable business enterprises. Also, the micro-finance institutions were taking long time in approval of the loan for the women. It was also found that lack of electricity led to the inability of the small-scale enterprises to store perishable items. Inadequate water supply led to unhygienic business environment while poor road network increased the cost of transportation. Most of the women entrepreneurs in Mpumudde Sub county Lyantonde district were illiterates. 33.7% left school at primary level. This in turn affected their record keeping skills which led to the mismanagements of the business enterprises.

## CHAPTER ONE

### 1.1 BACKGROUND INFORMATION

Women being the backbone of rural economies in developing countries and specifically in Africa, play a significant role to ensure their families' well-being. This is seen in terms of providing food, shelter, health and education for their children.

Being the majority (about 55%) of the rural population in Uganda, their roles are crucial in bringing about change in their communities. Most of the rural women provide for their families through subsistence farming and other agricultural activities supplemented by petty trade or micro-enterprises. Agriculture, which is practiced mainly for home use, takes forms such as small-scale horticulture for the market place among others. A few women keep livestock as part of the family assets as well as savings.

Majority of these women are engaged in these activities out of necessity given that they have limited choices outside their traditional roles. Most of them have hardly gone beyond primary education and have very limited or no training. As regards marital status, over 80% are married and have families. A number of them have absentee husbands who often work far a way from their homes while the rests are either single mothers, separated or widows.

Because of the many challenges facing rural women in providing for their families, most of them are now engaged in income generating activities in form of small-scale enterprises.

Many challenges face rural women entrepreneurs. Some of these include competition from well-established male-dominated enterprises, lack of accurate information, lack of social support, lack of enough financial resources for expansion, risk-taking propensity, domestic commitment, and stereotyping among others.

Market competition and information related factors are said to be the major challenges. Competition is seen in the form of the size of the market share in the rural setting. Most of these markets are not expanding and new competitors such as mini-super markets with wide variety of products for those who were engaged in selling household products are emerging. Lack of accurate information on the new markets and market segments and the ever-increasing demands by client for variety pose challenges to the rural women entrepreneurs. This coupled with lack of knowledge on



business management, inadequate resources and support mechanisms from spouses are adverse limitations.

Other challenges affecting the success of rural micro-enterprises includes: need for effective communication to negotiate or bargain favourably, managements of debtors, proper record keeping and issues to do with domestic matters such as balancing a woman's role in the home and the enterprise expectations. The experiences the women entrepreneurs have in running their businesses include such problems as lack of enough capital, difficulties in transportation and marketing, the perishability of some commodities and competing demands related to household chores.

Rural women entrepreneurs also encounter difficulties in licensing procedures and other such constraints. Most women who venture into businesses in the rural areas and need financing, lack the needed collateral to enable them secure bank loans. Responsibility of women entrepreneurs for dependents has limited opportunities to make savings or undertake business expansions and diversification. Entrepreneurship always involves some level of risk taking. For women in the rural areas, gender stereotyped perceptions of self, lack of confidence and assertiveness appears to be major barriers. The fear to risk is a big hindrance.

Also facing women entrepreneurs in rural areas is the responsibility of providing for the extended family members and relatives. Most small-scale enterprises financial resources are not usually isolated from personal finances and hence family obligations are met from resources earned in business. Their demands tend to drain the savings and income made by the business since such finances would have otherwise been used in the enterprise for expansion and growth. Although some relatives do assist in providing services in the enterprise or in the family, the financial obligation in supporting them usually exceeds the services they provide.

Many rural women are unaware of specific support mechanisms including sources of funding for their income generating activities. In the absence of coordinated efforts among key stakeholders including the government, these entrepreneurs will continue to suffer making a living at survivalist level only. This is coupled with the reluctance of the formal public institutions to help women in small-scale enterprises.

To fight poverty in Kenya and the continent at large, the pivotal place of women in society specifically in rural areas need to be accepted and supported. They need

capacity building and training in functional areas such as finance, literacy skills, marketing, production and managerial skills. A mind set shift among their spouses and the men in general should be encouraged so that they can give full support besides embracing the changing roles of women in the homes.

## **1.2 STATEMENT OF THE PROBLEM**

Over the last couple of years, it has been recognised that small-scale enterprises have been the major force in job creation, innovation and economic development in Uganda. A significant proportion of them are women-owned or operated and women do not only form majority of the work force in certain sectors of the economy but their business activities have also influenced in one way or another the structures of all our economies. Self employment and women entrepreneurship has also been growing in Uganda as a means for women to survive themselves and often time to help support their families (Gordon 2002). Hence, it can be seen that women entrepreneurship is a growing phenomena and has a significant economic impact in all economies of the world.

However, women-owned enterprises have their own fair share of challenges and constraints that need to be addressed and specific needs to be identified to help them perform better. This research therefore seeks to examine the factors affecting women entrepreneurs in Mpumudde Sub county Lyantonde district..

Small-scale women enterprises have been faced by a number of factors that have undermined the development of these sectors. Lack of educational facilities and inappropriate form of organization has limited most of the women enterprises. Lack of technical and technological innovation and expertise, poor tools, limited awareness and lack of adequate institutional support especially in Mpumudde Sub county Lyantonde district.have limited the growth of women enterprises. These problems have been further compounded by unconducive environment and poor infrastructure for enterprise growth.

Underdevelopment of small- scale business enterprises in developing countries is attributed to such constraints as lack of access to credit facilities and poor business planning by the women entrepreneurs. Small-scale enterprise by virtue of their size cannot afford to service the required business incentives such as loans. Little or non-formal education and training of women entrepreneurs is also a major set back to small-scale enterprises in Mpumudde Sub county Lyantonde district..

Generally, statistics indicate a gradual fall in performance of women-owned enterprises. This trend of fall in their performance has been attributed to various factors such as inaccessibility to credit facilities, poor infrastructure and low level of education among others. The financial institutions have proved insensitive to the needs of small-scale enterprises in Mpumudde Sub county Lyantonde district. They consider small-scale enterprises as highly risky and therefore tighten up their lending terms. Majority of women entrepreneurs therefore, cannot access the credit required to expand their businesses. This is partly due to unawareness of the existing credit facilities in the area.

A number of major findings have emerged from a study by Brudin (1992) on informal businesses. Despite physical access to formal financial institutions, substantial part of women population are still excluded from the lending institutions for other reasons such as lack of collaterals. These limits women's full access to several formal sources of business finances. Since majority of women in Mpumudde Sub county Lyantonde district do not own properties, they are more disadvantaged in accessing loans from banks. Traditional customs also leaves out women in inheritance arrangements so that most women entrepreneurs do not own properties of their own and hence cannot produce the needed collaterals to secure a loan.

Infrastructural facilities are other main factor affecting small-scale women entrepreneurs in Mpumudde Sub county Lyantonde district.. Because of poor infrastructure network, majority of the women entrepreneurs in small-scale enterprises are not able to reach the limited available markets. Further there is poor telephone services, which are available in major towns, but accessing it in rural area is difficult. Lack of social amenities like water and electricity has also affected women's income generating activities especially where the use of machines that require electricity and water are involved.

For women enterprise to succeed, education is a critical factor. Majority of women in small-scale enterprises in Mpumudde Sub county Lyantonde district lack basic literacy. The major drawbacks to education especially of girls in such areas are cultural traditions and poor learning facilities.

### **1.3 OBJECTIVES OF THE STUDY**

- i. To find out how accessibility to credit facilities affects the participation of women in small-scale enterprises in Mpumudde Sub county Lyantonde district.
- ii. To find out the effects of infrastructure on women participation in small-scale enterprises in Mpumudde Sub county Lyantonde district.
- iii. To examine the effects of the level of education on women participation in small-scale enterprises in Mpumudde Sub county Lyantonde district..
- iv. To find out how availability of social support mechanism affect women participation in small-scale enterprises in Mpumudde Sub county Lyantonde district.

### **1.4 RESEARCH QUESTIONS**

- Do small-scale women entrepreneurs have access to credit facilities?
- How does infrastructure affect women participation in small scale business in Mpumudde Sub county Lyantonde district.?
- How does the level of education affect business management by small scale women entrepreneurs?
- How does family support affect performance of women entrepreneurs?

### **1.4 STUDY HYPOTHESES**

- i. Women entrepreneurs with high level of formal education and greater work experience are more likely to succeed in business enterprises than those women entrepreneurs with low level of formal education and less experience.
- ii. Women-owned enterprises in Mpumudde Sub county Lyantonde district.take long periods of time to grow in size since they lack credit facilities to expand their businesses
- iii. Women-owned enterprises in Mpumudde Sub county Lyantonde district.are constrained largely by poor infrastructure in rural areas.
- iv. Women entrepreneurs with supportive spouses are in a better position to undertake viable business ventures than those with poor social support.

## 1.5 JUSTIFICATION OF THE STUDY

The sector of small- scale enterprises and in Mpumudde Sub county Lyantonde district are very large and important. There are more than 900,000 micro and small-scale enterprises in Uganda and the employment rate in this sector has been growing steadily, majority of the beneficiaries being women. These sectors are mostly found in rural areas. Most of small-scale and micro enterprises are found in rural areas and in small towns with a population of less than ten thousands inhabitants, majority being women.

Economic liberalization and Structural Adjustment Programs (SAPs) have negatively affected the poor people and especially the rural women. Women being the majority population in the world engage themselves in small-scale and micro enterprises in large numbers compared to their men counterparts. It is therefore, necessary to investigate the constraints that are facing or affecting their business enterprise. This is because, majority of the business enterprise in Arid and Semi-arid areas (ASALs) are women-owned.

Changes in land tenure systems in Arid and Semi-arid areas (ASALs) has had a great impact on the nomadic pastoralists lifestyles causing many to settle permanently in manyattas or small villages. This has resulted in the reduction of animals being kept. Subsequently, incomes have declined steadily making women engage themselves in small-scale and micro enterprises so as to supplement the little income they receive from livestock products. Livestock keeping is vulnerable to vagaries in weather condition, which is prevalent in Arid and Semi-arid areas (ASALs). Therefore, there is need to carry out a study on the constraints that hinders small-scale and micro enterprise sectors managed by women in Arid and Semi-arid areas (ASALs) to promote this sector in order to supplement the family incomes and act as a cushion when livestock losses occur.

The study will also benefit the government as the small-scale sector generally contributes to economic growth and development of the entire nation by creating employment opportunities. In fact, majority of Ugandans rely on this sector for their livelihood and especially for women in Arid and Semi-arid areas (ASALs).

## 1.6 SCOPE AND LIMITATION

The study will be carried out in Mpumudde Sub county Lyantonde and specifically in Central location. This is because of the researcher's limited resources and lack of enough time to carry out the study in larger area and for a longer period. Hence, to save both time and resources, the researcher opted for Mpumudde Sub county Lyantonde.

The study will examine the constraints facing women entrepreneurs that are engaged in small-scale and micro businesses such as selling second-hand clothes, milk bars, fruits and vegetable vendors, cereals and grain traders, butchery and catering and hotel business. In addition, small-scale business ventures that are excluded from this study includes: Carpentry, car wash, stone mason, shoe shining and motor vehicles repair. This is because there are very few numbers of women dealing with these kinds of ventures and those few are scattered and very far from each other hence consuming a lot of time and resources.

The women entrepreneurs in the study come from different ethnic backgrounds such Kalyamenve, Nyakayaga, Kanyeganyegye, in Mpumudde Sub county Lyantonde others. The study examines further the constraints faced by these women entrepreneurs, the day-to-day challenges they face and the entrepreneurial ventures they established over the past couples of years.

## **1.7 DEFINATIONS OF TERMS AND CONCEPTS**

### **i. ENTERPRISE**

This is a unit or an organization formed for the purpose of conducting or carrying out any form of economic activity. The basic purpose of its existence is to make profit for the owner after payment of other factors of production for example land, labour, rent and salaries. Examples of enterprise include sole proprietorship and partnership.

In relation to this study, an enterprise is a business activity developed and managed by individuals rather than the state.

### **ii. ENTREPRENUER**

This is the person who starts and manages his/her own business (owner-manager).

He/she has strong commitment to develop his/her vision into business activity.

The study adopts this definition.

### **iii. CREDIT FACILITY**

According to Oxford dictionary, facility means equipment, buildings or services that are provided for a purpose. Credit on the other hand means granting permission to delay payment for goods and services until a certain period.

Credit facility according to this study therefore, means loan services provided for a purpose by micro finance institutions to women entrepreneurs.

### **iv. INFRASTRUCTURE**

The definition of infrastructure mainly focuses on economic infrastructure, which includes long life engineering structures, equipments, facilities, and services that are used in economic production and household use. Development economist therefore, sees infrastructure as an umbrella term for many activities referred to as social overhead capital. Examples include: public utilities such as power, telecommunication, piped water supply, sanitation and sewage disposal system, solid waste collection and disposal, piped gas supply among others.

Public works such as roads, major dams, canals for irrigation and drainage.

Other transport sector such as ports, waterways, airport, urban and inter-urban railways.

## **1.8 OPERATIONALIZATION OF VARIABLES**

### **i. INACCESSIBILITY TO CREDIT FACILITY**

Inaccessibility to credit facility can be measured or quantified using the number of existing financial institution that give loan to women entrepreneurs for example banks, co-operative societies and other micro finance institutions. Where these facilities are not existing means women entrepreneurs cannot access credit facilities.

### **ii. POOR INFRASTRUCTURE**

The study mainly focuses on economic infrastructure which includes facilities such as road networks, water supply, electricity, and telecommunication services that would have positive impact on business operations.

Poor infrastructure hereby refers to when the community as a whole cannot access these services. In other words, poor infrastructure is viewed in terms of poor roads, poor water supply, and lack of electricity and telecommunication services in the area of study.

### **iii. LOW LEVEL OF EDUCATION**

The study categorizes education into two levels: low and high level. Low level of education consists of pre-primary and primary education while high levels consist of secondary and tertiary education.

The indicators of low level of education are few numbers of schools, colleges, universities; low ability to read and write; low general knowledge and its application in daily life situation. Low level of education means having less than enough skills (Horny 1974; 470)



## CHAPTER TWO

### 2.1 LITERATURE REVIEW

The literature on constraints facing women participation in entrepreneurship is very sparse. Even where it exists, a proper gender analysis of these constraints is missing.

To shed more light on constraints facing women entrepreneurship, a review of literature on constraints to entrepreneurship in general is necessary. A review of the literature on entrepreneurship reveals two types of theories that attempts to explain entrepreneurial development and constraints. The first theory focuses on entrepreneurship as an environmentally determined phenomenon. That is entrepreneurship is influenced by social, legal, economic and political factors. The second theory has its focus on the individual personality and therefore emphasises the importance of individual's entrepreneurial traits to the formation of the business.

Perhaps Morris and Lewis (1991) model provides the best insight to the understanding of environmental factors of entrepreneurship. They contend that the entrepreneurial traits are strongly influenced by political and economic systems (the infrastructure), rapid and threatening change (environmental turbulence) and one's family, school and work environment (life experience). Subsequently, according to Morris and Lewis, at national level policy makers can have an effect by redesigning the infrastructure and facilitating innovation and change. At company level, management can create organizational environment which tolerate and support creativeness, autonomous and risk-taking behaviours, while at the level of individual, the educational system has immense potential as a vehicle for helping develop characteristics associated with entrepreneurship. Education encourages individual initiative, conceptual thinking, conflicting ideas and structured problem solving. According to Morris and Lewis, these factors act to determine the level of entrepreneurship in different countries. Thus, a country with conducive environment, policies and educational system is expected to have a high level or amount of entrepreneurship. Other proponents of the environmental theory of entrepreneurship include mainly those who emphasize the importance of conducive economic and legal environments. Studies by Papanek (1971), Gasse (1990), Harris (1971) and House et al (1993) are examples.

On the other hand, proponents of the trait theory of entrepreneurship contend that certain attitudinal and behavioural factors differentiate entrepreneurs from non-entrepreneurs as well as successful entrepreneurs from the unsuccessful ones.

Essentially, this approach emphasizes the importance of the individual entrepreneur to the formation of a business. Amplifying on this aspect, Palmer (1971) postulates that in areas with scarce capital and resources while suffering from a scarcity of entrepreneurs, a lag in economic development is expected.

A lot of literature on the trait approach has been built on McClelland's work. According to the literature, a successful entrepreneur is one who sees an opportunity by understanding the marketing environment- the current and future needs, wants and varying habits of the consumer- and takes advantage of this opportunity by executing a business activity. Proponents of the trait theory generally agree that the entrepreneur is not motivated by the money but rather by high needs especially his or her need to achieve. It is this type of motivation that makes one a better entrepreneur (McClelland 1969). Other entrepreneurial characteristics include: innovation, risk-taking, self confidence, proactiveness, people and future orientation (El Namaki 1985; Gibb 1990; Kao 1999; Knight 1921; Mancuso 1974; McClelland 1961, 1962, 1969, 1971; Miller 1983; Palmer 1971; Patel 1986; Hornaday and Abound 1971). In their analysis, Hornaday and Abound (1971) revealed other personality traits such as support, independence and leadership.

Nevertheless, proponents of both environmental and trait theories have come to one common conclusion namely, that entrepreneurship is not a biological trait. More precisely, entrepreneurs can be developed and that even the much-advocated entrepreneurial traits can be learnt. For example, proponents of the trait approach contend that characteristics of the entrepreneurs are related to certain sociological facts in the entrepreneur's childhood and then moulded by personal experiences in later adult life. Entrepreneurial competences may therefore, be developed by training and education (Gibb 1990; Romjin 1989). Romjin's (1989) review of similar literature distinguished three approaches:

- a) The psychological and sociological theories of entrepreneurial supply, notably those of McClelland and Hagen (1962) have individual personality as their common focus of study. Entrepreneurial behaviour is seen as resulting from attitudes which in turn are affected by the social environment (parental guidance, religion, belonging to marginal groups among others)
- b) The economic approach (exemplified by Papanek 1991 and Harris 1971) emphasises the importance of the economic environment, which is either

conducive or repressive to entrepreneurial activities. In this view, entrepreneurial activities respond to a change in “demand” for entrepreneurs.

- c) The functionalist approach as propounded by Kilby (1971) maintains that “it is the quality of entrepreneurship that is vital” rather than the supply and demand issues that are the concern of the first two approaches mentioned above. Kilby’s analysis of empirical studies on the subject concludes that it is the “managerial skills that are in short supply in developing countries”

## **2.2 GENDER DIFFERENCES IN ENTREPRENEURSHIP PARTICIPATION.**

Most of the studies reviewed above have taken gender differences in entrepreneurship participation for granted. They have tended to analyse constraints to entrepreneurship in very general terms without focusing their attention on the barriers to female entrepreneurship. To the extent that women's participation in entrepreneurship remains at low levels, a special research program focusing on the aspect is important. Few recent studies, nevertheless, do exist. This recent work reflects a strong association between gender and ability to start business (El Namaki 1990; ILO 1995; Mathews and Moser 1995). A review of the few studies that have focused on barriers to female entrepreneurship reveals a similar type of analysis as reported in the above literature. In particular, the three types of approaches summarised in Romjin's (1989) paper have come out very clearly.

The trait approach (psychological and behavioural) has received a great deal of attention in the literature on women entrepreneurship. The hypothesis that requisite traits, that is, innovativeness, self-confidence, proactiveness, risk taking, independence, future orientation and demands of the entrepreneurial function, could assume a slightly different dimension when the entrepreneur is female has been discussed in a number of studies (El Namaki et al 1986; El Namaki 1990; Hartman 1970; Henning and Jardin 1977; Hisrich and Brush 1984; Lipman and Blumen 1980; Schreier 1975; Stevenson 1984). The whole issue is that there exist a female based set of entrepreneurial traits that appear to be non-congruent with the acceptable (generic) entrepreneurial traits (El Namaki 1990). If possessions of these entrepreneurial traits are used to explain entrepreneurship development because they distinguish between entrepreneurs and non-entrepreneurs and/or successful entrepreneurs from unsuccessful ones, according to proponents of the trait approach, then implicitly, the non-possession of these traits by women would appear to explain their low or non-participation in entrepreneurship.

Results of the above studies, nevertheless, have revealed interesting and mixed findings. There are those who agree that there is a significant difference between male and female entrepreneurs in possession of "acceptable" entrepreneurial traits. They therefore, contend that low self-confidence, low achievement motivation, low future orientation, passive orientation towards risks and too much people orientation are big problems for women entrepreneurs (El Namaki 1990; Henning and Jardin 1977; Hisrich and Brush 1984; Lipman and Blumen 1980). Writing on risk taking, Henning

and Jardin for example, report some differences between women and men, “women view risk as negative: it is loss, danger, ruin and hurt; men see risk as negative and positive, as loss or gain, danger or opportunity.” According to Henning and Jardin, women and men also differ in their perspectives on the consequences of risk taking. “For women, taking a risk means jeopardizing the here and now, it means endangering all they have achieved so far.” Men on the other hand, “see risk as affecting the future, as risking future gain and career advancement.” This means that women do not perceive risk that exist in future and as a result, “a woman may avoid risky actions that endangers the present without having an eye for its potential benefits in the future” (El Namaki et al. 1986: 11)

Another contribution to the debate on gender differences of entrepreneurial traits has been made by El Namaki (1990). He wrote, “Femininity expressed in low masculinity indices embody values and attitudes that seem on the face of it non-congruent with the generally accepted generic entrepreneurial traits and requisites.” To support his statement, El Namaki gives examples of norms that embody “sympathy for the unfortunate, inter-dependence, levelling and service ideals”, which according to him do contrast, sometimes strongly with other generic entrepreneurial characteristics such as “ self confidence, money as a measure, competing against self imposed standards, individuality and future orientation.” According to El Namaki however, other norms such as people orientation and intuition are two other values central to any entrepreneurial effort which do congrue with generic entrepreneurial characteristics referred to above.

Hisrich and Brush (1984) also present a scale of some of the personality characteristics of the female entrepreneur vis-a-vis a set of entrepreneurial traits. Women have been reported to be too “people-oriented” (Lipman and Blumen, 1980). According to Lipman and Blumen this “may impede women in organisational situations which require competence and task-orientation unalloyed with personal popularity.” Writing on achievement motivation, Stein and Baily (1973) propose that women are motivated to achieve but their achievement efforts are directed towards areas related to the traditional feminine role. Therefore, women would define success and failure in terms of traditional female values such as successful marriage, a close relationship to friends and the likes (El Namaki, 1986). In the literature, fears of success and sex role inappropriateness have also been used as explanation for the low achievement scores of women. The negative consequences of success vis-a-vis loss of

femininity and social rejection are used as probable explanations for this fear among the women. Hence, the hypothesis that “success is risky for a woman if she experiences this in a position that is higher than what is usually found suitable for women.” (El Namaki et al 1986).

On the other hand, some studies have observed no significant differences between female and male entrepreneurs in possession of “acceptable” entrepreneurial traits. They contend that women entrepreneurs rate high in self-confidence, achievement motivation, future-orientation and risk-taking (El Namaki et al 1986; Hartman 1970; Schreier 1975; Schwarz 1976; Stevenson 1984). Schwartz and Stevenson, for example, found that a greater percentage of women entrepreneurs (62% in Stevenson study) were motivated by pull factors i.e. the need to achieve, desire to be independent and desire to utilize a talent or skills. According to El Namaki et al (1986), women entrepreneurs also appear to be primarily motivated by achievement needs just as their male counterparts. With regard to risk-taking, Schreier observed that female entrepreneurs seem to differ little from their male counterparts. According to him, both men and women are moderate risk takers.

The environmental approach to the analysis of barriers facing women entrepreneurs has also received a great deal of attention. A review of the literature in this direction reveals that women’s entrepreneurial behaviour is a function of some environmental factors. Of great magnitude are cultural and traditional values and prejudices. According to El Namaki et al (1986); El Namaki (1990); Stevenson (1984); and Rutashobya (1993), women’s early socialization has significantly affected their level of self-confidence, achievement motivation and even their ability to take risks. The women entrepreneurs in Stevenson’s study stated that they were brought up by their parents or significant others to believe that men are better and more important than them and that the ultimate role in life for women is to be a wife and mother. This phenomenon has been widely documented elsewhere. Additionally, El Namaki (1990) observed that full participation of women in business is constrained by their multiple roles and heavy opportunity cost of their entrepreneurial roles. He cites a British study of a sample of 58 female entrepreneurs which revealed that “less than half of the surveyed entrepreneurs were married or had the equivalent of stable marriage relationships.” There was also a strong indication that participation in business placed far greater strains on the personal relationships with spouses.

The issue of ethnicity and its influence on entrepreneurship participation in Africa has also been documented though not so widely. The hypothesis that exposure to business seems to vary from one ethnic group to another has been supported by House et al (1993) and Macharia (1988). These findings appear to support studies on role models and family background of entrepreneurs which suggest a strong relationship between the presence of role models and the emergence of entrepreneurs (Cooper 1986; Mathews and Moser 1995; Shapero and Sokol 1982; Timmon 1986.)

Legal barriers and lack of women access to resources have been particularly reported in the literatures relevant to developing countries (El Namaki 1985, 1990; El Namaki and Gerristen 1987; House et al 1993; Van Der Wees and Romjin 1987; Wahome 1987; Yunis 1983). Women's lower levels of education and their lack of independence and access to capital in developing countries have been widely documented. Sex stereotyping in vocational training have also been reported (McCormick 1988). Apprenticeship programs (pertinent skills development strategy) and on-the-job training appear more common for male than female employees (House et al 1993). In the literature, a strong association between education, capital and business performance has frequently been reported.

Finally, women's lack of proper management skills, poor management of working capital, lack of business information (Kilby's functional approach), lack of networks and competitive pressures have been reported to constrain women's survival in business (El Namaki 1990). Perhaps, among the most documented problems facing female-owned small-scale business is the poor management of working capital. El Namaki (1990), for example, corroborates the point that women's small businesses "starts with under capitalisation, continue with bad management of working capital (especially inventories and receivables) and culminate into delayed search for solutions including essential capital input". He attributes this to cultural variables especially when a firm is family owned and run and business tasks are divided amongst the members.

## **2.3 BARRIERS TO WOMEN PARTICIPATION IN ENTREPRENEURSHIP.**

An analysis of the literature relevant to less developed countries is crucial in our current study. Key issues facing new and growing women-owned enterprises in Latin America include: Access to capital, access to information and access to networks. In Korea, women business owners experience financial problems and the effort to balance work and family as their most difficult tasks. Indonesia women entrepreneurs on the other hand have difficulties in exporting their products overseas and in increasing the volume of their production both of which are of importance for their competition in the global market (Gordon 2000). Lee Gosselin and Grisse (1990) as cited in Maysami et al (1990) found that in general, the most common start-up problems seem to be lack of capital. Also of importance was lack of confidence in female business owners' abilities on the part of banks, suppliers and clients alike, as well as family issues.

Additional problems such as marketing and labour difficulties and disagreements with associates may arise after the start-up phase. In an earlier study, Stoner, Hartman and Arora (1990) as cited in Maysami et al (1999) found out that the work-home conflict—the tension caused by the dual responsibilities of managing a business and maintaining a family - to be the main stumbling block for women entrepreneurs. In a study by Barwa (2003) on women entrepreneurs in Vietnam, the author found that women face additional handicaps due to the prevailing social and cultural gender-based inequalities and biases. For instance, the barriers that women entrepreneurs face in accessing credit from formal institutions is magnified in view of their limited access to formal education, ownership of property and social mobility. Other aspects of unequal access to opportunities and markets include business experiences, limited knowledge of marketing strategies, weak business associations, lack of networking facilities and poor access to education and training programs.

In a study by Karim (2001) on women entrepreneurs in Bangladesh, financial problems were the most common problems faced by their women entrepreneurs. Inadequate financing was ranked first particularly so in rural areas and among small economic units (fewer than five workers), more so with those located in the household and unregistered sectors. Competition, obtaining quality raw materials and balancing time between the enterprise and the family were ranked as a major start-up problem.



Studies focusing on entrepreneurship in Africa business are few. Examples are studies by Harris (1969, 1971), House et al (1993), Kilby (1971), Morris (1968), Nafzinger (1971), Beveridge and Oberschall (1979), Kennedy (1988), Marsden (1990) and Rugumamu (1992) among others. A review of these studies reveals an emphasis on the importance of both the quantity and quality aspects of entrepreneurship. They particularly stress the importance of a conducive environment and the quality of management to entrepreneurship development. A study by Richardson, Howarth and Finnegan (2004) on women entrepreneurs in Africa reveals that many women entrepreneurs in Africa lack abilities, skills and expertise in certain business matters. Many of the issues mentioned appear to relate to women's relative lack of exposure to the world of business. In addition to this lack of exposure, women's business networks are poorly developed as social assets. This in turn impacts on a range of factors that adversely affect the women entrepreneurs at all levels. It is grounded on women's gendered experiences of education and work and due to the demands of their reproductive and household roles, their lack of key dedicated time to be able to explore and nurture their own resources. Their access to essential abilities, skills and experience for business has also been adversely affected by various constraints on their mobility often due to their dual (household) and triple (community) roles and responsibilities. In a more general way, society's views are largely negative about women entrepreneurs who associate and network with others in business. Women entrepreneurs in Africa also face constraints and barriers in obtaining money to start and grow their business. Women's inexperience of negotiating with banks and their lack of financial confidence to argue for what they are entitled to are some of problems they face in obtaining loans.

Rwanda, a post-conflict state, women entrepreneurs' immediate needs of sustaining the family mounts tremendously when the supply of goods and services ceases and traditional community help schemes collapse due to the restricted mobility and security. It was necessary to restore women's self-help initiatives and increase their business potential especially in small-scale food processing. Women entrepreneurs in Morocco faced lack of operational and managerial skills resulting in low productivity and competitiveness. Cultural constraints are additional obstacles that inhibit the efficient conduct of business for women. Inefficient production mechanism and lack of managerial skills resulted in a loss of productivity and income for women entrepreneurs. Hookimsing and Essoo (2003) identified four main obstacles faced by

women entrepreneurs in Mauritius; the hassle of getting permits, lack of market, inability to raise capital and not being taken seriously as their male counterparts.

In Uganda (UNIDO Document 2003), women entrepreneurs in rural areas suffer from lack of training and advisory services that would allow them upgrade their managerial and technical skills and solve immediate production problems thus improving productivity and increase profitability. In Uganda, where more than 70% of enterprises employ less than 20 people, micro and small-scale enterprises play an important role in the economic and social life of the majority of citizens. However, the growth and competitiveness of these sectors are hampered by a lack of managerial and technical skills, weak infrastructure, difficulties in accessing loans and complicated company registration processes.

Constraint to women's entry and effective performance in business identified in literatures relevant to Tanzania include: lack of access to capital especially institutional capital, raw material problems, lack of skills and technology, lack of markets and low profitability (Kimbi 1989; Malambugi 1991; Mbise 1992; Mbughuni 1994; Mbughuni and Mwangunga 1989; Meghji and Vivji 1987; Omari 1991; Rutashobya 1991). Kimbi (1989:79), for example, found out that non-availability of capital and credit facilities were a major factor limiting women's effective participation in business in Dar es Salaam, Tanzania. She attributed this to the many bureaucratic procedures and complexities which women entrepreneurs cannot afford to undergo. This view is also shared by Malambugi (1991), Mbise (1992), Meghji and Vivji (1987) and Rutashobya (1991). Coupled with time constraints, women's opportunities in businesses are greatly restricted (Mbughuni 1994). Other constraining factors such as the legal system, the lack of equal access to education (sex stereotyping in post primary education and training) have also been reported in Tanzania (Mbughuni 1994).

In Kenya, women entrepreneurs see the establishment of a productive business as a means to improve their status in society as well as their family's standard of living and to serve their community by creating employment opportunities. However, due to lack of technical skills, confidence, strong individual involvement and the willingness to take risks, women are often unable to establish and sustain successful businesses.

In their papers on urban self-employment in Kenya, House et al (1993) identified resources, market and legal variables as factors that hinder women entry into self-employment. Other studies have cited management as the main obstacle. The need for

an opportunity (Reveridge and Oberschall 1979) and a conducive policy, social, legal and economic environment has also been suggested (Hariss 1969, 1971; House et al 1993; Morris 1968; Rugumamu 1992).

According to the government document “Poverty Eradication Commission Nairobi July, 2003”, poor roads, lack of transport and insecurity particularly in Arid and Semi-arid areas (ASALs) has discouraged extensive appraisal and monitoring of development activities. Projects in Turkana, Ijara, Wajir and West Pokot districts were not properly appraised resulting the District Poverty Eradication Committees being unable to identify some deserving groups. The vastness of some districts and the remoteness of some women groups particularly in Kajiado, Garissa and Tharaka districts have hampered the undertaking of effective monitoring of projects and small enterprise activities.

Women entrepreneurs still lack education and managerial skills to diversify and upgrade their production. Women are mostly found in substantial numbers in dressmaking trade, in agricultural production, sale of food and retailing of second hand clothes. This could be probably due to lack of education and innovative training methods that could ineffectively communicate to illiterate women in small-scale and micro enterprises. A study carried out in Marsabit confirmed lower national levels of women education compared to men. As several studies have shown, women entrepreneurs have a disadvantage due to high illiteracy level than their male counterparts. For the women in enterprise, this creates difficulties in loan application procedures and even in communication when requesting for a loan.

It is however, noted that studies on female entrepreneurs in Isiolo districts are very scarce. Subsequently, a comprehensive analysis and empirical evidence of the critical factors that restricts women’s entry into business and those that adversely affect their performance are missing. This study therefore, intends to fill this gap.

## CHAPTER THREE

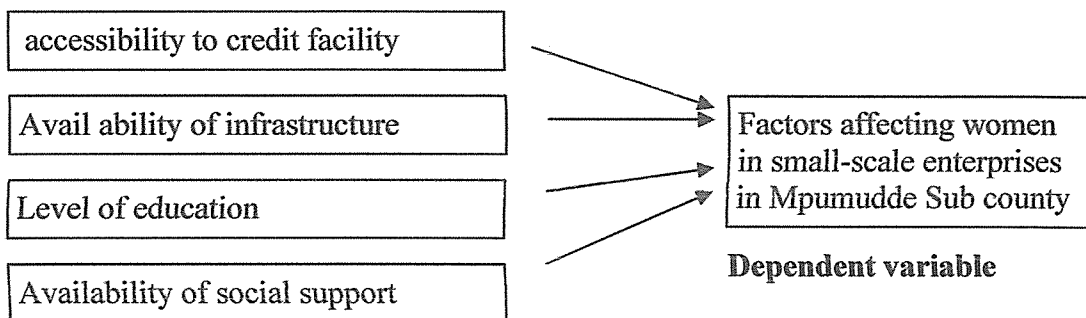
### 3.1 RESEARCH DESIGN

This section entails a description of the research design adopted by the researcher. The researcher selected sample survey design, which suits the topic of study. The survey design was preferred because it covers a wide range of studies. The design also provides adequate information, it is less time consuming, cost effective and simple to use.

Interview schedules and questionnaires were used to obtain the required information from various respondents and were personally administered by the researcher.

The diagram below shows the relationship between the independent variables and the dependent variable. The independent variables are inaccessibility to credit facilities, poor infrastructure, low level of education and lack of social support. The dependent variable is constraint faced by women entrepreneurs in small-scale and micro enterprises in Arid and Semi-arid areas (ASALs).

#### THE RESEARCH MODEL



**Independent variables**

### 3.3 SAMPLING PROCEDURE

This section shows how the researcher arrived at the sample size of the study. The study utilized various sampling techniques such as stratified sampling, simple random sampling and purposive sampling.

To achieve the objective of this study, the researcher identified a population of hundred and thirty-three small-scale women entrepreneurs. Out of this population, sixty-five were conveniently chosen as sample for the study.

The researcher divided the population into sub-groups or strata according to the type of business enterprises in which they were engaged in. The stratum with the highest variance was given higher chance of selection. Some of the common businesses in the area include second hand clothes, kiosks, butchery, cereals and grain, fruits and vegetable vendors, catering and hotel services and milk bars among others.

Using simple random sampling, the researcher got a sample of all the categories of the businesses. Each trader got a fair chance of selection from the sample. Out of forty milk dealers, twenty were selected. Among the thirty-three respondents dealing with second hand clothes, sixteen were selected. Out of eleven dealing with fruits and vegetables, five were chosen. Out of the thirteen selling grains and cereals, six were considered. Among the twenty dealing in butchery business, ten were selected and out of sixteen dealing with catering and hotel services, eight were picked.

To obtain the twenty milk dealers out of the forty sampled milk dealers, the researcher got forty small pieces of papers of the same sizes, colours and textures. Twenty of these small papers were marked 'Yes' and the rest 'No'. Each piece of paper was wrapped well, put into a container and thoroughly mixed. Each respondent was asked to pick only one paper and the researcher choose those respondents who picked the 'Yes' marked papers for the study. This process was repeated for all the other categories of the women entrepreneurs and as a result, sixty-five respondents were sampled from the population of hundred and thirty-three respondents.

Through purposive sampling, the researcher interviewed three micro-finance officers working in the area.

### **3.4 METHODS OF DATA COLLECTION**

The study primarily relied on the survey method. In the survey method, questionnaires with both structured and open-ended questions were personally administered to the chosen sample of the women entrepreneurs by the researcher. The researcher also employed interview schedules that were used to gather information from micro-finance officers.

The questions were especially formulated to capture information on the personal profiles of the respondents, the type of business enterprise they are engaged in, the size of their business, sources of capitals for the business, performance measured in terms of gross sale turnover, targets and goals of the entrepreneurs, obstacles and

challenges facing the business, use of business incomes among wide range of other issues.

### **3.5 METHODS OF DATA ANALYSIS**

The analysis was done in accordance with the research objectives and variable of the study. The variables under study were accessibility to credit facility, availability of infrastructure, the level of education and availability of social support. The researcher employed various tools to analyse the data collected including but not limited to frequency distribution tables, simple bar graphs, pie charts and percentages.

These tools were used to show particular frequency of respondents preferring a particular alternative and to give the face values on why the respondents engaged in small-scale and micro enterprises and the various constraints they had encountered.

Descriptive qualitative analysis was also adopted. The information was then filtered, interpreted, focused to meet the objectives of the study and then compared and contrasted with previous studies undertaken by the government and other stakeholders in trying to boost women owned small-scale and micro enterprises. Based on the findings of this study, recommendations were made for way forward in terms of policy measures to be adopted in order to solve the constraints faced by women entrepreneurs in Uganda and where possible in other African countries.

## CHAPTER FOUR

### 4.1 DATA ANALYSIS AND INTERPRETATION

After the researcher has collected the data from the field, the next stage was analysis and interpretation of the data. The analysis was done in accordance with the research objectives and variable of the study. The variables under study were inaccessibility to credit facility, poor infrastructure, low level of education and lack of social support. The researcher employed various tools to analyse the data collected including but not limited to frequency distribution tables, simple bar graphs, pie charts and percentages. A descriptive analysis has also been given to enable easy understanding of the information given by various respondents

### 4.2 BACKGROUND INFORMATION

To investigate the ages of women, the results were presented in table 4.1

TABLE 4.1 AGES OF THE RESPONDENTS

Age- range	frequency	Percentage
18- 23	10	15.4%
24- 29	13	20%
30- 35	8	12.3%
36- 41	15	23%
42- 47	12	18.5%
48- 53	5	7.7%
53 and above	2	3.1%
Total	65	100%

The ages were necessary to ascertain the age distribution among the respondents and to ascertain which age level was mostly involved in small-scale and micro enterprises. Respondents between the ages 36- 41 (23%) were mostly involved in the small-scale and micro enterprises to earn a living.

To determine the marital statuses of the respondents, the analysis were indicated in table 4.2

TABLE 4.2 MARITAL STATUSES

Marital status	Frequency	Percentages
Married	27	41.5%
Divorced	11	16.9%
Single	9	13.9%
widowed	18	27.7%
Total	65	100%

This was intended to ascertain the marital status of the respondents and determine how it affected the economic conditions of women entrepreneurs. Majority (41.5%) of the respondents were married while only 13.9% were single.

To determine the number of children for those who were married, the result were as illustrated in table 4.3

TABLE 4.3 NUMBERS OF CHILDREN

Number of children	Frequency	Percentage
0-2	3	11.11%
3-5	7	25.93%
6-8	12	44.44%
9-11	5	18.52%
Total	27	100%

Most of the respondents who were married and stayed with their couples had between 6-8 children, which represent 44.44% of the married respondents. It was explained by the women interviewed that whatever little that their small-scale and micro enterprises make in form of profit goes to supplement the family bill and pay school fees amongst other needs.



To investigate the number of years in business by the respondents, table 4.4 shows the findings

**TABLE 4.4 NUMBERS OF YEARS IN BUSINESS**

Numbers of years in business	Frequency	Percentage
0-2	23	35.4%
2-4	16	24.6%
4-6	12	18.5%
6-8	9	13.8%
8 and beyond	5	7.7%
Total	65	100%

From the above findings, it can be deduced that large numbers of women get involved in small-scale and micro enterprises in the first two years (35.4%) while in the subsequent years their numbers decrease.

#### **4.3 ACCESSIBILITY TO CREDIT FACILITIES**

The first variable of the study was inaccessibility to credit facilities. This variable was intended to determine whether women traders had access to loans that they may use to expand their enterprises. Several questions were administered to measure the variable. In determining whether the respondents were aware of the existing micro-finance institutions in the area, the responses were as follows: 78.3% said they were aware while 21.7% said they were not aware of these institutions.

To investigate those who had acquired loan and those who had not acquired the result were as follows: 24 respondents (36.9%) said they had acquired while 41 respondents (63.1%) said they had not acquired.

Also 78.3% of the respondents said they had learnt about the micro-finance institutions giving out loans through the department of social services while the rest said they had learnt from other sources. It was realized that although majority of respondents knew about the existence of credit organizations within the area, they had not being able to acquire loans. This was attributed to high interest rates charged on loans by these institutions and lack of collaterals among women business owners.

To determine the factors affecting access to and utilization of loan, the respondents gave different reasons in support of why they did not access loans. The findings were indicated in table 4.5 below.

#### 4.5 FACTORS AFFECTING ACCESS TO AND UTILIZATION OF LOANS

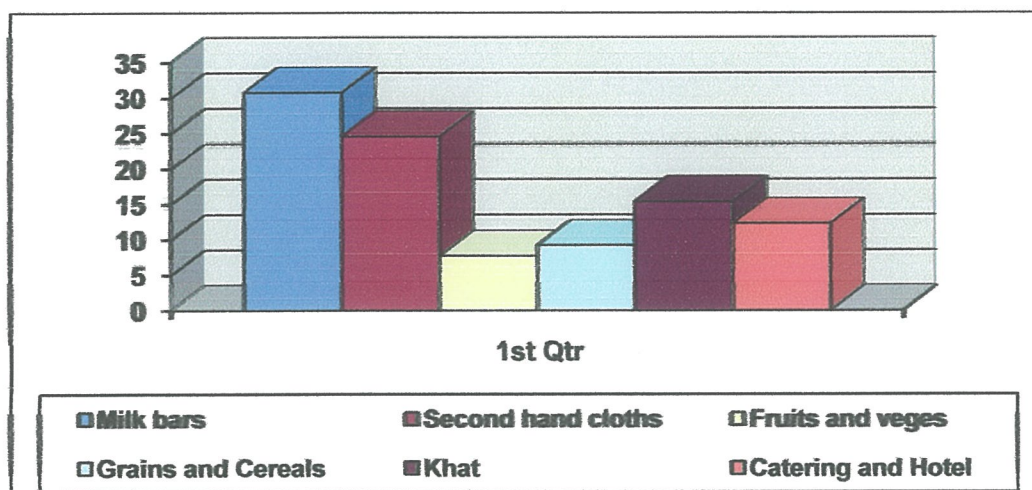
Reasons	Number of respondents	Percentage
Lack of collaterals	16	39.0%
Few/non-profit business	10	24.4%
Lack of information on its availability	3	7.3%
High interest rates of loans	8	19.5%
Lack of business management skills that led to collapse of the business	4	9.8%
Total	41	100%

From the above findings, it was realized that majority of the respondents who had not acquired loan (39.0%) lacked collateral to access the loan while also quite a good number (24.4%) identified non-profitable business that could not service a loan.

Other reasons included high interest rates on loans, lack of business management skills which resulted in fewer sales thus low income and conflict situation which increased rate of insecurity posed by banditry and tribal animosity that made some of the financial institutions to shift to other safer place.

To determine the type of business enterprises the respondents owned, the findings were illustrated in the figure below.

FIGURE1. A BAR GRAPH SHOWING THE TYPES OF BUSINESS ENTERPRISE RESPONDENTS OWNED



According to the findings from the above figure, majority of the respondents interviewed were found to be selling milk. They were followed by those selling second hand clothes and those engaged in butchery business. These findings confirm that the major economic activity carried out in the area is livestock keeping.

To determine the sources of the starting capital for the business, table 4.6 shows the findings.

TABLE 4.6 SOURCES OF STARTING CAPITAL

Sources of capital	Frequency	Percentage
Own saving	16	24.6%
Loans and grants	26	40%
Borrowings from friends and relatives	9	13.9%
Others	14	21.5%
Total	65	100%

From the findings in table 4.6 above, it was realized that majority of the respondents (60%) started their business with other capital other than loans and grants. Only 40% started their business with loans and grants. 24.6% of the respondents started their business with their own saving while 13.9% borrowed from friends and relatives.

The respondents were asked what amount of money they have used in starting their enterprise. The findings were as shown in table 4.7

TABLE 4.7 AMOUNT OF STARTING CAPITAL

Amounts of starting capital	Frequency	Percentage
Less than 10,000	25	38.5%
10,000-20,000	16	24.6%
20,000-30,000	15	23.1%
30,000 & above	9	13.8%
Total	65	100%

From the findings in table 4.7 above, it can be deduced that majority of the respondents (38.5%) started their business with less than Ush 10,000 while 24.6% of the respondents started their businesses with more than Ush 10,000 but less than Ush 20,000. 23.1% started their business with more than 20,000 but less than 30,000. Only 13.8% started their businesses with more than Ush 30,000. The amount of starting capital of different businesses varied with the available resources to start different type of business enterprises.

To investigate those who got loan, the amount they got were shown in table 4.8 below.

Table 4.8 AMOUNT OF LOAN

Amounts	Frequency	Percentages
Less than 10,000	12	50%
10,000- 20,000	6	25%
20,000-30,000	3	12.5%
30,000 & above	3	12.5%
Total	24	100%

From the findings in the above table, majority of the respondents (50%) got less than Ush 10,000 while only 12.5% of the respondents got a loan of Ush 30,000 and above. It was realized that those who started their enterprise with more than Ush 10,000 got loan from micro-finance institutions. Those who started with less than Ush 10,000 were using their own savings and borrowings from relatives and friends. The findings were in line with a study carried out by UNIFEM.

In development economics literature, credit is regarded as a crucial pre-requisite for economic development. Hence access to credit as far as producers are concerned is an important factor since it provides an external source of finance to the business. Gurley and Shaw (1960), stated that enterprises need ample credit to bridge the gap between income receipts and expenditure or to enable obtain assets that are more costly than their income or saving can afford at that particular point in time.

To determine whether the loan given to the respondents was enough, the responses were as follows; 8 respondents (33.3%) said yes while 16 respondents (66.7%) replied no.

When asked how their financial problems could be overcome, those respondents who felt the amount of loan they got was not enough suggested micro-finance institutions should increase the amount of loans they offer while the rest suggested quick loan approval.

From the findings, 33.3% suggested that additional amount of loan would help while 66.7% suggested their financial constraints could not be addressed without assistance from loan granting institutions. This includes issues of smaller loan to women generally and long time before approval of the loan.

To investigate the requirements of acquiring loan, the findings were as presented in table 4.9

TABLE 4.9 REQUIREMENTS FOR ACQUIRING LOANS

Requirements	Frequency	Percentage
Registered group	8	33.3%
Guarantors	9	37.5%
Husband ID card	5	20.9%
others	2	8.3%
Total	24	100%

From the table above, 33.3% of the respondents who acquired loan were required to be in registered women groups, 37.5% were required to have guarantors and 20.9% were required to produce their husbands ID cards. This question attracted multiple responses. As verified by micro-finance officers, 72% of the women entrepreneurs did not qualify for any loan due to lack of security while 28% did not inform even their husbands about the issue of the loan.

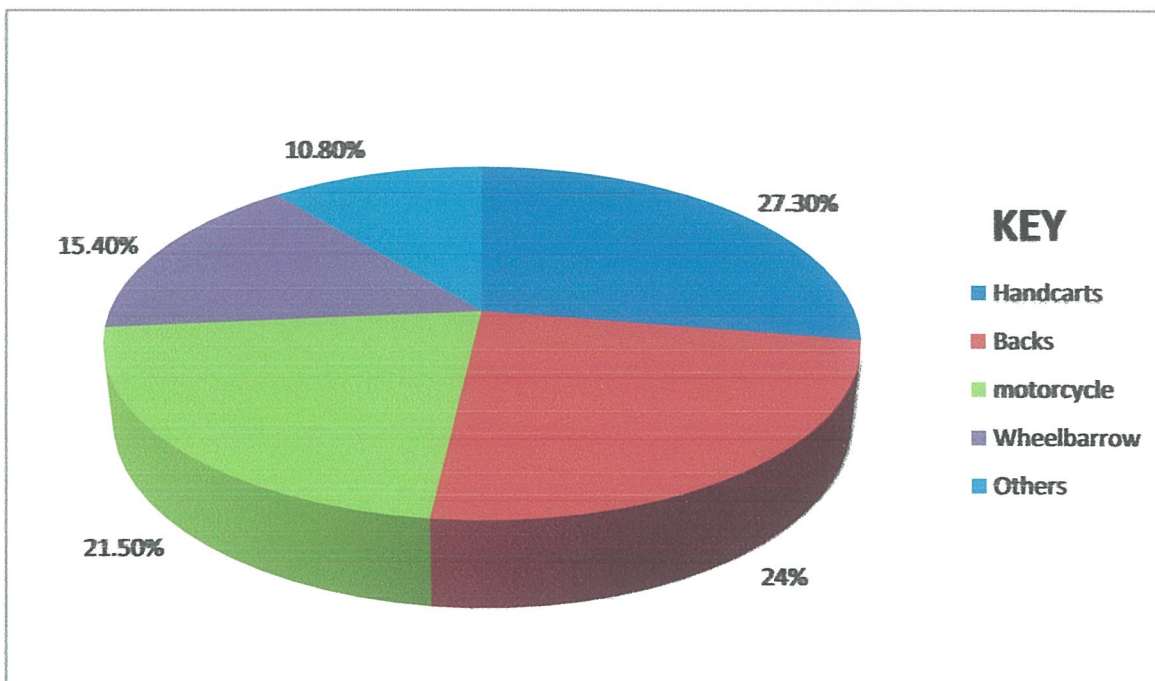
#### 4.4 EFFECTS OF POOR INFRASTRUCTURE

The second variable was poor infrastructure. The researcher wanted to find out how poor infrastructure affected the operations of small-scale and micro enterprises. The indicators were utilities like roads, water supply, business premises and electricity. Several questions were administered to measure this variable.

To determine whether the roads were in good conditions, 53 respondents (81.5%) said it was poor while 12 respondents representing 18.5% said it was fair. None of the respondents said it was good.

To investigate the means of transport respondents used in delivering goods to their premises, the results were as shown in the figure below:

FIGURE 2: A PIE CHART SHOWING THE MEANS OF TRANSPORT USED BY THE RESPONDENTS



According to the findings from the above figure, 27.3% of the respondents used hand carts, 21.5% used motorcycle, 24.0% used their back, 15.4% used wheelbarrows and the rest used other means. The respondents explained that the conditions of the roads hindered their transportation of goods and increased the transport cost.

For accessibility of piped water to the business premises, 30 respondents representing 46.2% said they had piped water in their business premise while 35 (53.8%) said they do not have piped water in their premises.



To determine the sources of water for the respondents, the findings are shown in table 4.10 below:

TABLE 4.10 SOURCES OF WATER FOR THOSE WITHOUT PIPED WATER

Sources	Frequency	Percentage
Carry from home	14	40%
Borrow from neighbouring premises	7	20%
Bought from vendors	12	34.3%
Others	2	5.7%
Total	35	100%

From the above table, the findings showed that majority of the respondents (40%) carried water from their homes while quite a large number (34.3%) bought water from vendors. This was explained to have increased the expenses and lowered their profit margin. The respondents explained that carrying water from home is tedious and time wasting.

To investigate the time respondents spent in fetching water for home and enterprise use, the responses were recorded in table 4.11

TABLE 4.11 HOURS USED IN FETCHING WATER

Hours	Frequency	Percentage
0-2	6	17.1%
2-4	8	22.9%
4-6	9	25.7%
6-8	12	34.3%
Total	35	100%

From this finding it was realized that most respondents spent long hours in fetching water for home and enterprise use. This time could have been utilized for enterprise activities. The researcher had observed the respondents closed their enterprises earlier to fetch water for home and enterprise use.

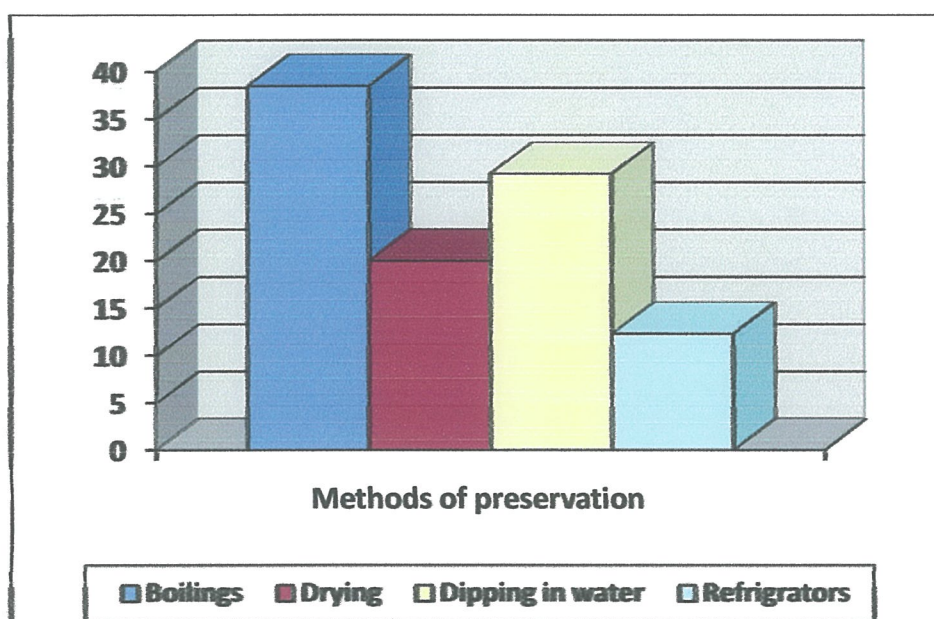
The Daily Nation on 30<sup>th</sup> September 2008, reported that women in remote areas walk about 45 kilometres looking for water. A woman covered 44 kilometres with her child strapped on her back only to find the borehole broken.

Enterprises such as hotels and milk bars require high standard of hygiene. 50% of respondents who said they had no access to tap water could not meet the standard hygiene due to inadequate amount of water.

To investigate the accessibility of electricity, the responses were as follows: 46 respondents (70.8%) said they had no access to electricity while 19 respondents (29.2%) said they had access to electricity.

The respondents were asked how they preserved their food items and the finding recorded in figure below

FIGURE 3: A BAR GRAPH SHOWING METHODS OF FOOD PRESERVATION BY THE RESPONDENTS

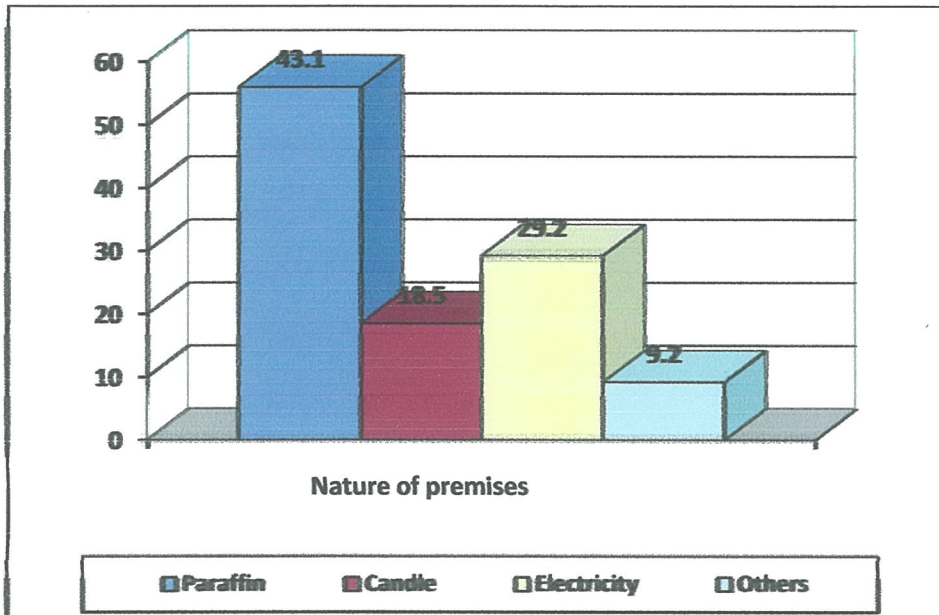


From the above figure, the finding show 38.5% used boiling as a method of preserving the perishable items. A large number (29.2%) used dipping in water as a preservation method. Only 12.3% used refrigerators to preserve food items.



To determine what the respondents used in lighting their enterprise during the night, the responses were recorded in the figure below.

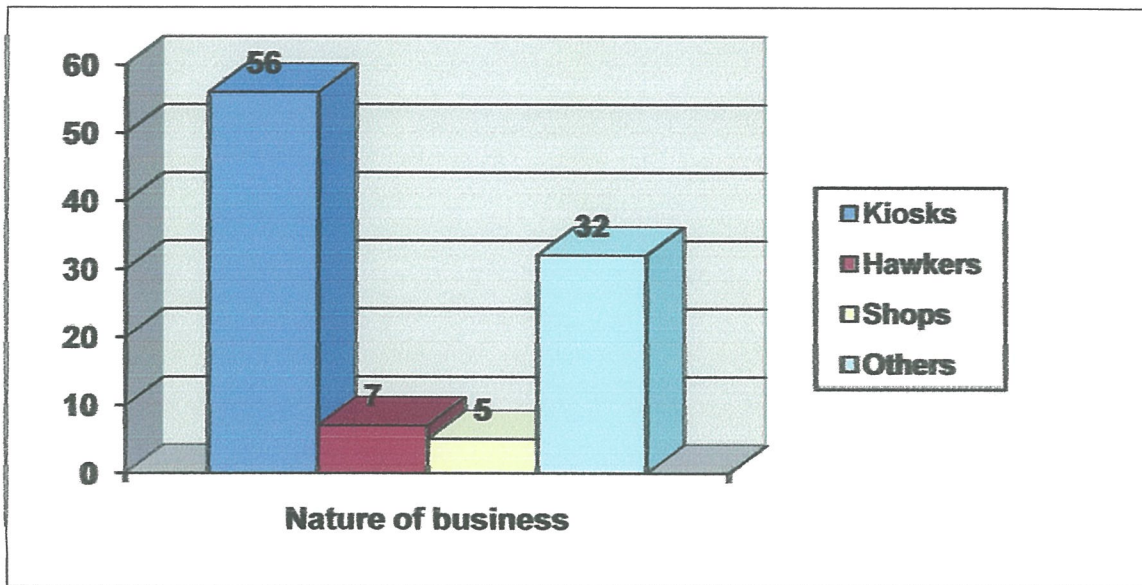
FIGURE 4: A BAR GRAPH SHOWING SOURCES OF LIGHT FOR THE RESPONDENTS



Findings from the above figure indicate that majority of the respondents (43.1%) used paraffin lamps, 29.2% used electricity and 18.5% used candles. For those with electricity supply, it has boosted their small-scale and micro enterprises especially in terms of preservation of perishable goods and provision of security at night.

To determine the nature of business premises women entrepreneurs owned, the findings were recorded in figure 5 as shown below.

FIGURE 5: A BAR GRAPH SHOWING THE NATURE OF BUSINESS PREMISE

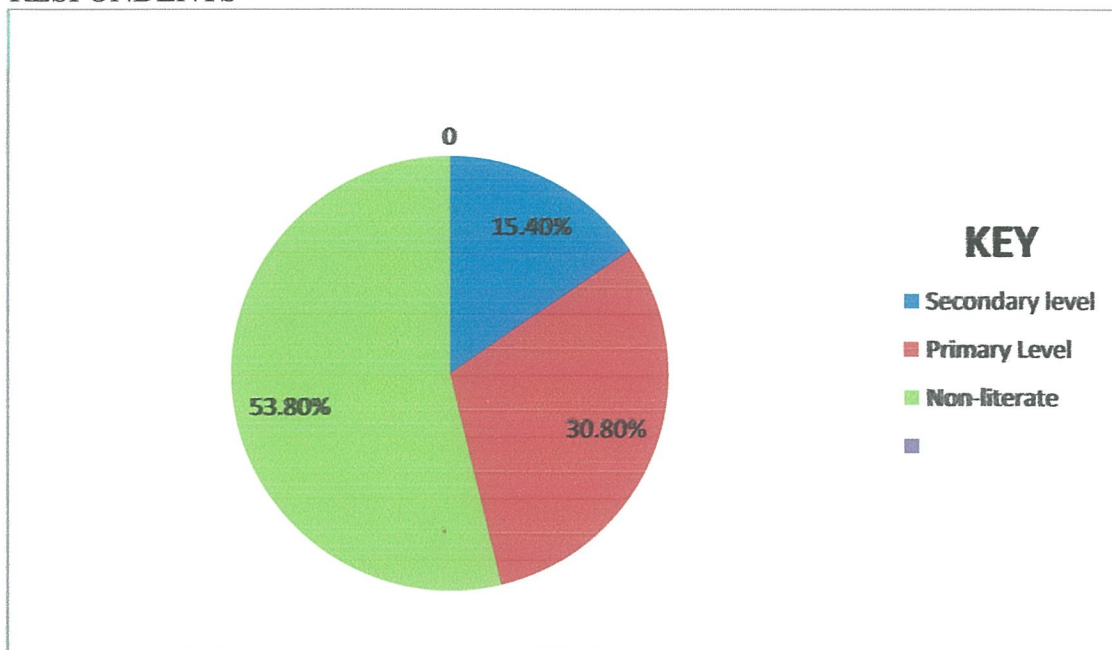


From the findings in figure 1, 56% had kiosks, 32% had other types of business premises, 7% were hawkers and 5% had shops. Majority (56%) had kiosks made of temporal shelters. Their premises had no certainty of tomorrow due to demolition from the council askaris. This was because the nature of business premises put up did not met the requirement of the public health standard.

#### 4.5 LEVEL OF EDUCATION

To determine the level of education of the respondents, the findings were recorded in figure below:

FIGURE 6: A PIE CHART SHOWING LEVEL OF EDUCATION OF THE RESPONDENTS

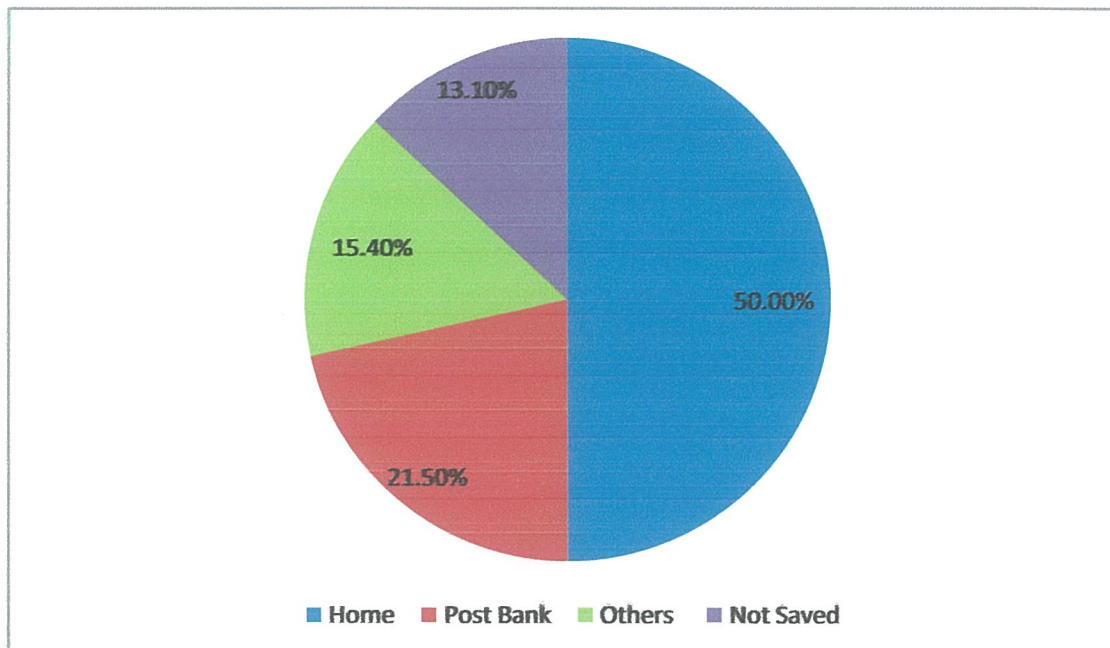


From the findings in the above figure, 35 respondents (53.8%) were illiterates, 20 respondents (30.8%) had attained formal learning up to primary level, 10 respondents (15.4%) had attained formal learning up secondary level and none of the respondents had attained tertiary level.

From the findings, it was determined that large population of women in small-scale and micro enterprises had no basic literacy while a large number (30.8%) left school at primary level. Those who had primary and secondary education level are assumed to produce better services and managed their enterprises well as they were able to keep records of their activities. Majority did not keep records and they used simple observations such as comparing past with the present stock.

To find out where women entrepreneurs saved their money, the findings were recorded in the figure below.

FIGURE 7: APIE CHART SHOWING PLACES WHERE WOMEN ENTREPRENEURS SAVED THEIR MONEY



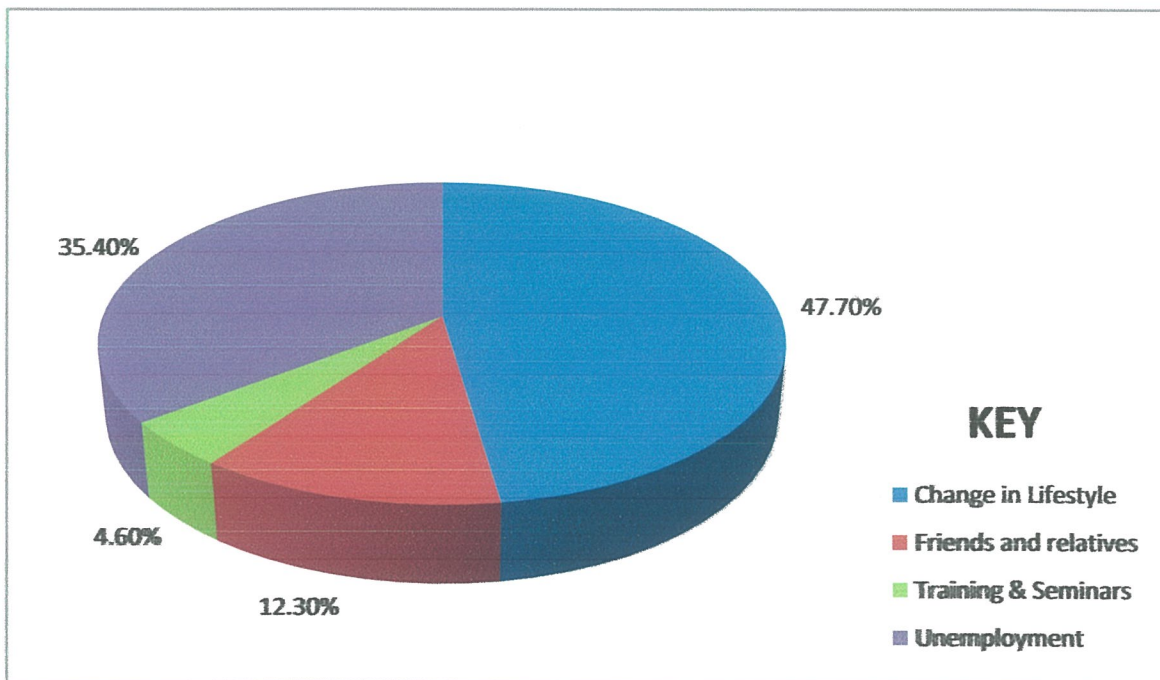
From the findings in the above figure, majority of the respondents (50.0%) saved their money at home while only 21.5% saved at post bank. Majority saved their money at home because of illiteracy and therefore could not fill in any form required by the banking institutions. Micro-finance officers interviewed by the researcher revealed that the major problem faced by their institutions was illiteracy of their clients. This finding agree with those of a study carried out in Turkana district which recorded 99% of female managed households did not know about the existence of credit facilities due to high illiteracy level.

To investigate the respondents who were trained in business skills, the result were as follows: 44 respondents (67.7%) were not trained in any entrepreneurial skills while only 21 respondents (32.3%) were trained. Those who were trained in entrepreneurial activities were able to participate well and manage their enterprises.



To investigate what motivated the respondents to engage in small-scale and micro enterprises, the findings were recorded in the figure 8 below.

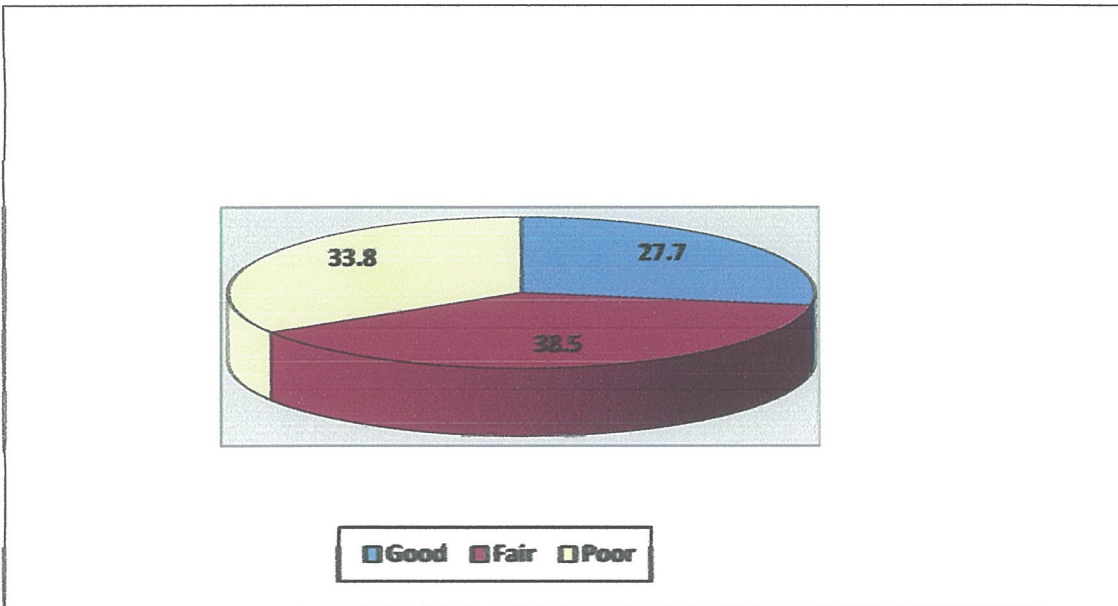
**FIGURE 8: A PIE CHART SHOWING SOURCES OF MOTIVATIONS TO SMALL-SCALE WOMEN ENTREPRENEURS.**



From the findings in figure 8 above, most respondents (47.7%) had been motivated by change in lifestyles, 35.5% of the respondents indulged into small-scale and micro businesses due to unemployment while a few (4.6%) got their motivation from trainings and seminars. This was an indication that women in small-scale and micro enterprises engage themselves in business due to other reasons besides their educational level.

To investigate how the women enterprises were doing, the results were recorded in figure below.

FIGURE 9: A PIE CHART SHOWING THE STATUS OF THE ENTERPRISE



From the above figure, 18 respondents (27.7%) said it was doing well, 25 respondents (38.5%) said it was fair while 22 respondents (33.8%) said it was doing poor. It appeared as if those who were trained and had a certain level of education had well-established enterprises than those who were non-literates and untrained.

#### 4.5 LACK OF SOCIAL SUPPORT

When the researcher asked how the society constrained their business enterprises, one respondent said, "We are isolated socially; we lack previous work experience, and access to enterprise information and marketing facilities which men entrepreneurs acquire. The excessive demand on our times as wives, mothers and 'managers' of the home front due to our chores, make it nearly impossible to successfully operate an enterprise. It is only by God's grace that we manage to survive. This is besides our position in the family and the structure of power relations. One, who ventures out there to follow the entrepreneurial spirit, does so at the expense of her family."

## CHAPTER FIVE

### 5.1 SUMMARY AND CONCLUSION

The study investigated constraints facing women entrepreneurs in small-scale and micro enterprises in Mpumudde Sub county Lyantonde district.

The variables of the study were inaccessibility to credit facilities, poor infrastructure, low level of education and lack of social support.

Chapter one comprises background information, problem statement, hypotheses, assumptions, scope and limitations and justification of the study among others. This information is important for providing the introduction to the problem under study. It also provides definition of terms and variables, the objectives and justifications of the study.

Chapter two involves review of related literature materials and throws more light on the problem under study. Various theories have been used to explain the variables of the study for example environment trait theory.

Survey design was used in collecting the data for the study. Various sampling techniques were employed to obtain information and the researcher sampled sixty five respondents out of a population of hundred and thirty three women entrepreneurs.

The researcher used frequency distribution tables, percentages, pie charts and bar graphs to present and analyse the findings. The researcher selected the site of the study conveniently considering time and resources available.

The following conclusions were drawn from the findings:

Few women entrepreneurs got loans ranging from 30,000 and above while large number of the women (50%) got less than sh 10,000. Majority of the respondents suggested that the loan given was not enough. This indicated that women are generally given smaller amounts of loan by micro-finance institutions.

On the ways of overcoming the financial constraints facing these women entrepreneurs, majority suggested that additional amount of loans from micro-finance institutions would help. 45% of the respondents suggested that their constraints could not be addressed without assistance from micro-finance institutions. These includes issues of small amounts of loans to women generally and taking long before approval of the loan.

To investigate whether poor infrastructure was a constraint to small-scale and micro enterprises, the results showed increased cost of transportation, inability to store perishable goods and spending more hours in fetching water for the enterprise and home among other difficulties.

Findings the study showed that majority of the respondents were non-literates while 33.3% left school at primary level. Those who attended school up to primary level were keeping records of their activities. The non-literates were the majority and they could not keep records of their activities and therefore compared the past stock with the present.

Socially, women entrepreneurs were considered inferior to their male counterparts and hence segregated in terms of entrepreneurial development.

### **5.3 RECOMMENDATIONS**

- i. There is need for micro-finance institutions to increase the amount of loan they offer to women entrepreneurs as it had been found out by the study that the amount given was not enough to establish viable enterprise.
- ii. The government actors should provide and maintain the basic infrastructure at reasonable cost to consumers especially to communities in Arid and Semi-arid areas.
- iii. The Ministry of Education, Science and Technology together with NGOs should organise capacity building on enterprises especially for women.
- iv. Women should be given support by the society in general and their spouses in particular in respect of finances, motivational encouragement, advice and actual involvement in the running of the enterprises.



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**APPENDIX 1**  
**INTERVIEW SCHEDULE FOR WOMEN ENTREPRENEURS**

1. Personal information

- i. Age -----
- ii. Marital status -----
- iii. Number of children -----
- iv. Type of business owned -----
- v. Number of years in business -----

2. (a) Are you aware of any financial institutions such as banks in this area?

Yes ☐ No ☐

(b) If yes, have you ever acquired any loan from these institutions?

Yes ☐ No ☐

(c) If yes, how much did you acquired?

Less than 10 000 ☐

10 000- 20 000 ☐

20 000- 30 000 ☐

30 000 and above ☐

3. What factors affected you in terms of access and utilization of loans?

- i. Lack of collateral ☐
- ii. Few or non profitable business ☐
- iii. Lack of adequate information on its availability ☐
- iv. Lack of business management skills that accelerated the collapse of the business ☐
- v. Others (specify) -----

4. What type of business enterprise do you own?

- i. Retail ☐
- ii. Hotel ☐
- iii. Cereals and grains ☐
- iv. Clothes selling ☐
- v. Butcheries ☐
- vi. Milk bars ☐

vii. Others (specify) -----

5. Where did you source the starting capital?

i. Personal saving ☐

ii. Loans and grants ☐

iii. Borrowing from friends and relatives ☐

iv. Others (specify) -----

6. Do you get enough loans?

Yes ☐ No ☐

7. How can your financial difficulties be solved? -----  
-----

8. What do you require to get a loan?

i. Be a member of a registered women group ☐

ii. Have a guarantor ☐

iii. Husband Identity card ☐

iv. Others (specify)-----

9. (a) Are the conditions of roads in this area hindering the operations of your business?

Yes ☐ No ☐

(b) If yes, how does it affect your business? -----  
-----

10. What means of transport do you use to deliver goods into your business premise?

i. Carry on the back ☐

ii. Hand cart ☐

iii. Motorcycle ☐

iv. Wheelbarrow ☐

v. Car/pick-up ☐

vi. Others (specify)-----  
-----

11. (a) Do you have tap water in your business premise?

Yes ☐ No ☐

(b) If no, where do you source water?

- i. Carry from home ☐
- ii. Borrow from neighbouring premises ☐
- iii. Buying from vendors ☐
- iv. Others (specify) -----

(c) How does lack of water affect the operations of your business enterprise?

(d) How long do you take fetching water for your business premise?

- i. 1- 2 hours ☐
- ii. 2- 3 hours ☐
- iii. 3- 4 hours ☐
- iv. 4- 5 hours ☐
- v. Others (specify)-----

12. (a) Do you have electricity at your business premise or at your home area?

Yes ☐ No ☐

(b) If yes, how does it help you? -----  
-----

(c) If no, how do you preserve items like milk, meat etc

- i. Boiling ☐
- ii. Drying ☐
- iii. Dipping in water ☐
- iv. Others (specify) -----  
-----

13. What do you use to light your business premise at night?

- i. Paraffin lamp ☐
- ii. Candle ☐
- iii. Torch ☐
- iv. Electricity ☐
- v. Others (specify) -----  
-----

14. What is the nature of your business premise?

- i. Kiosk ☐
- ii. Shop ☐
- iii. Open air ☐
- iv. Hawking ☐
- v. Market stall ☐
- vi. Others (specify) -----  
-----

15. What is the level of your education?

- i. Non-literate ☐
- ii. Primary level ☐
- iii. Secondary level ☐
- iv. College level ☐
- v. University level ☐

16. Do you keep records of your business activities?

Yes ☐ No ☐

17. (a) Do you save your business income?

Yes ☐ No ☐

(b) If yes, where do you save?

- i. At home ☐
- ii. At post bank ☐
- iii. Others (specify) -----  
-----

18. (a) Do you have training in any business skills?

Yes ☐ No ☐

(b) If yes, where did you get the training?

- i. Business institutions ☐
- ii. Seminars by NGOs ☐
- iii. College training ☐
- iv. Others (specify) -----  
-----

19. What motivated you to participate in this business enterprise?

- i. Trainings and seminars ☐
- ii. Friends and relatives ☐
- iii. Change in lifestyle ☐
- iv. Unemployment ☐
- v. Others (specify) -----  
-----

20. How is your business doing?

- i. Excellent ☐
- ii. Good ☐
- iii. Fair ☐
- iv. Poor ☐

21. (a) Do you get support from family members and relatives in running the business?

Yes ☐ No ☐

(b) If yes, how do they support you? -----

(c) What about your husband, does he give you any form of support?

Yes ☐ No ☐

(d) If yes, state type of support. -----  
-----

7) How do you give out the loans?

- i. Individual ☐
- ii. Groups ☐
- iii. Organizations ☐
- iv. Others(specify) -----

8) What are the minimum and maximum amounts of loans you give out?

- i. less than 10,000 ☐
- ii. 10,000- 20,000 ☐
- iii. 20,000- 30,000 ☐
- iv. 30,000 and above ☐

9) How do the loanees repay back their loans? -----  
-----

10) What is the rate of interest charged on your loans?

- i. 2% ☐
- ii. 5% ☐
- iii. 10% ☐
- iv. Others (specify) -----

11) How do you deal with defaulters?

- i. Guarantors paying on their behalf ☐
- ii. Taking away their assets ☐
- iii. Taking them to a court of law ☐
- iv. Not giving them more loans ☐
- v. Others (specify) -----

12) What challenges do you experience in giving out loans? -----  
-----