

**WOMEN ENTREPRENEURS IN SMALL-SCALE ENTERPRISES AND
MICROFINANCE INSTITUTIONS: ACASE STUDY OF WAJIR
DISTRICT, NORTH EASTERN PROVINCE OF KENYA.**

BY

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REG NO: BEC/14504/71/DF

**A RESEARCH REPORT SUBMITTED IN PARTIAL FULFILMENT
OF THE REQUIREMENTS OF BACHELOR OF ARTS IN
ECONOMICS OF KAMPALA
INTERNATIONAL
UNIVERSITY.**

MAY 2010

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DECLARATION

I, Mohamed Abdullahi Abayle declare that this research project is my original work and has not been presented for any award in any institution whatsoever.

SIGNATURE: -----

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DATE 04/06/2010-----

APPROVAL

This research report has been under my supervision and its' ready for examination as the university supervisor.

SIGNATURE -----

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DATE: 04/06/2010

ACKNOWLEDGEMENT

All praise is due to Allah the sustainer and the creator of the universe and May peace and blessing be on our beloved prophet Muhammad (SAW). I am also greatly indebted to the people and the institutions which include ALDEF Kenya, Wajir County Council and Kampala International University that made the writing of this project successful. Special thank goes to my project supervisor, Madam Nakawungu Faridah for her invaluable time, guidance, continuous assistance and encouragement throughout the writing of this project. Also special thanks go to Mr. Abdow Kerow without whom his help the writing of this report would not have been possible.

DEDICATION

This research project is dedicated to my mum Fatuma who has long gone to the desired and the final place of human life, my dad Abdullahi, my beloved sister Abdia, my brothers Ragow, Hassey, Issa, Mudu and my long friends Saadia, Baryare, Mohamed Dakane, Abdullahi Omar, Farhiya, Yussuf, Alii, Moabsa, Abdifatah Sadik just to mention but a few. They have all been inspirational in my life and 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 examined women entrepreneurs in small-scale enterprises and their relationship with microfinance institutions in Arid and Semi-arid areas (ASALs) of Kenya. The study was carried out in Central division, Wajir district in North Eastern Province. The objectives of the study were, to find out the roles of micro finance institutions in empowering women enterprises, to examine the constraints faced by women enterprises and to find out the ways forward to overcome these constraints.

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 included; the amount of loan given to women by micro-finance institutions were generally small and therefore could not help them start viable business enterprises. Most of the women entrepreneurs in Wajir central division 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.

In respect to the above findings these were some of the conclusions drawn, few women got loans ranging from Ksh 30,000 and above while large number of the women (50%) got less than Ksh 10,000 and socially women entrepreneurs were considered inferior to their male counterparts and hence segregated in terms of entrepreneurial development.

The following were some of the recommendations of the study; the micro-finance institutions should increase the amount of loan offered to women entrepreneurs in order for women to establish a viable business enterprise. The approval of the loan should not take long time as this would delay the activities of the business enterprises. The government actors should provide and maintain the basic infrastructure at reasonable cost to consumers.

CHAPTER ONE

1.0 INTRODUCTION

This chapter covered the background of the study, statement of the problem, objectives, research questions, justification of the study, scope of the study, limitations of the study and definitions of terms and variables.

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 Kenya, 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 various forms such as keeping garden and small-scale horticulture for the market place among others. A few women keep livestock as part of the family assets as well as savings (Chitere O. and Mutiso R. 1991).

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 micro-enterprises (Chitere O. and Mutiso R. 1991).

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 (Chitere O. and Mutiso R. 1991).

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 (Chitere O. and Mutiso R. 1991).

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 (Chitere O. and Mutiso R. 1991).

Also facing women entrepreneurs in rural areas is the responsibility of providing for the extended family members and relatives. Most small-scale and micro-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 (Chitere O. and Mutiso R. 1991).

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 'eking' 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 (Chitere O. and Mutiso R. 1991).

1.2 STATEMENT OF THE PROBLEM

Over the last three decades of years, it has been recognised that small scale enterprises have been the major force in job creation, innovation and economic development in Kenya. It may be good to emphasize that out of these small-scale enterprises, a good proportion of them are women oriented 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 less developed economies 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 face various challenges and constraints like, 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 Arid and Semi-arid areas (ASALs) have limited the growth of women enterprises. These problems have been further compounded by unconducive environment, inaccessibility to credit facilities and poor infrastructure for enterprise growth that need to be addressed and specific needs that need to be identified to help them perform at par, if not better than their male counterparts. This research therefore undertook to examine the constraints facing women entrepreneurs and their relationship with microfinance institutions in Arid and Semi-arid areas (ASALs) in Kenya.

1.3 OBJECTIVES OF THE STUDY

- i. To find out the roles of microfinance institutions in empowering women enterprises.
- ii. To examine the constraints facing women enterprises.
- iii. To find out the ways forward to overcome these constraints.

1.4 RESEARCH QUESTIONS

- i. What are roles of microfinance institutions in empowering women enterprises?
- ii. What are the constraints facing women enterprises?
- iii. What are the ways forward to overcome these constraints?

1.5 JUSTIFICATION OF THE STUDY

The sector of small- scale enterprises and the jua kali sector in Kenya are very large and important. There are more than 900,000 small- scale enterprises in Kenya 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 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 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 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 relationship between small-scale enterprise sectors managed by women and the role of microfinance institutions 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 Kenyans rely on this sector for their livelihood and especially for women in Arid and Semi-arid areas (ASALs).

1.6 SCOPE OF THE STUDY

The study was carried out in Wajir district and specifically in Central division. 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 Wajir district Central division.

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

The women entrepreneurs in the study came from different ethnic backgrounds such as Somali, Meru and Kikuyu among 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 LIMITATION OF THE STUDY

- i. The research required a good period of time so as to get the quality and maximum data or information but the period of study was short due to the academic requirements and the area of study was vast.
- ii. 75% of the respondents were illiterates this gave tough task to the researcher in the sense that there was need to translate the questionnaire since it is written in English and also guiding the respondents where necessary.
- iii. The research was costly enough these included transportation costs to the field, purchasing of materials, printing, binding and other miscellenious costs in the process of the research as tabulated in appendix 4

1.8 DEFINATION OF TERMS AND VARIABLES

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.

v. EDUCATION

Horny(1974) defined education as systemic training instructions received in school or college which enables one to acquire knowledge, skills and ability to develop in character and mental powers.

This definition has been adopted in this study with slight modification to include functional literacy classes.

vi. INFORMAL SECTOR

These are small business that operates in temporary structures from no structures at all. They rely on indigenous resources and technology. The study adopts this definition.

vii. MICRO FINANCE INSTITUTIONS

According to ask.com, micro finance institutions is a term commonly used to define financial institutions dedicated to assisting small enterprises, the poor, and households who have no access to the more institutionalized financial system, in mobilizing savings, and obtaining access to financial services.

viii. CONSTRAINTS

According to Oxford Learners Dictionary, constraint is defined as something that limits or restricts something else.

According to this study, constraint is defined as hindrance to achieving something or limiting the participation of an individual.

CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION

This chapter reviewed the literature by different researchers and scholars on women entrepreneurs and their relationship with micro finance institutions. The aim was to analyze the existing literature on the subject in order to reveal the roles played by micro finance institutions in empowering women enterprises, the constraints faced by women entrepreneurs and the ways forward to overcome these constraints.

2.1 ROLES OF MICROFINANCE IN EMPOWERING WOMEN ENTREPRISES

In most developing countries, women are the mainstay of African economies. The benefits of promoting women's economic empowerment thus spread beyond the individual woman to her children, family, community and the nation subsequently. Empowerment refers to increased well being, community development, self sufficiency and expansion of individual choice. Empowering women economically boosts both gender equality and wealth of the nations. This entails enabling the women to have the capacity to control income and other key economic resources like land and animals Ochieng F O (2001).

In traditional Africa, women were involved in the economy since they were defacto managers of income generating activities on farms as husbands were involved on non-farm business. Then came the colonial economy which created title deeds, making men the sole owners of land, thereby rendering women economically weak. The colonial regime also uprooted men from villages to work in urban areas and plantations like rubber plantations in Congo, Cocoa plantations in Ghana and Coffee plantations in Kenya, amongst others. Women consequently were overburdened with running homes, making them economically unstable.

Other reasons why Women in Africa are not empowered are poverty and negative cultural practices. Accessing credit is the major constraint on women's ability to earn income. The Microfinance sector is now taking the African women back to their role of being involved in the economy as they were in dire need of other income generating activities to supplement their small farms which barely fed them. It is estimated that women comprise 74% of the 19.3 million

of the world's poorest people now being served by microfinance institutions David D & Mark (1996).

MFIs is a term commonly used to define financial institutions dedicated to assisting small enterprises, the poor, and households who have no access to the more institutionalized financial system, in mobilizing savings, and obtaining access to financial services. Through microfinance, women have been able to run small businesses which constitute a significant share of economic activity in developed and transitioning economies.

To meet the unsatisfied demand for financial services to women, a variety of MFIs have emerged over time in Africa. Some of these institutions concentrate only on providing credit, others are engaged in providing both deposit and credit facilities, and some are involved only in deposit collection. They range from nongovernmental organizations, savings and credit cooperatives, commercial banks and regulated specialized providers.

In Africa MFIs have recorded notable gains and the sector has transformed from an insignificant player in the national psyche to a recognized sector with potential to equitably offer financial services to the active poor women in viable micro-enterprises, empower enterprising women through financial access and skills and drastically reduce poverty.

Access to savings and credit facilities strengthens women in economic decisions. It also improves their skills, knowledge and support networks as well as enhancing their status in the community. Increasing women's access to microfinance has led to social and political empowerment. Poverty alleviation and women empowerment are seen as two sides of the same coin and it is the only way to bring wider changes in gender inequality. Evidence of Women empowered economically through micro finance are Pankop Women Farmers Forum in Mpumalanga, South Africa, Jamii Bora Housing Project in Kaputei, Kenya amongst others.

Women have proven to be excellent clients notably in paying back loans in a time and they are key drivers to development, investing in women has proven effective way to increase individual family expenditure on health, education, improved nutrition and food security.

2.2 CONSTRAINTS FACED BY WOMEN ENTREPRENEURS

The literature on constraints facing women participation in entrepreneurship and its relationship with microfinance institutions 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”

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, 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, Isiolo and West Pokot districts were not properly appraised resulting to 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 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 Wajir 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.

2.3 WAYS FORWARD TO OVERCOME CONSTRAINTS FACED BY WOMEN ENTREPRENEURS

A possible set of three inter-linked and inter-dependent clusters of recommendations can be aimed at "pushing" a larger number of women entrepreneurs towards growth opportunities, unlocking their potential as creators of wealth and jobs, and providing a more conducive legal and regulatory framework, Eigen J (1992). These recommendations can also ensure the proper positioning of "pull mechanisms" to enable the growth-oriented women entrepreneurs to expand and grow in terms of investments, markets and profits.

Prioritizing and Pushing at the micro-level: There are a large and seemingly ever-increasing number of women entrepreneurs operating in micro-enterprises and in the informal economy. They can be facilitated to grow into sustainable, formally registered & large enterprises with the help of following actions:-

- Conducting gender analysis for all entrepreneurial support programs
- Gathering data on women and men entrepreneurs
- Applying "target group segmentation" to women entrepreneurs
- Using targeted approaches for priority categories in order to provide additional "push" to women entrepreneurs to the next level of growth
- Promoting mobilization and organization of representative associations

- Examining differential impacts of governmental policies, programs and actions
- Promoting development of demand-led supports for women entrepreneurs
- Promoting more flexible and innovative financial products by banks

Unlocking and Unfettering Institutional Framework: Policies, laws and overall regulatory environment are frequently seen as barriers and disincentives to expansion and growth. However, they need to be promoted in such a way that women entrepreneurs see the advantages of and benefits that come with compliance.

- Reviewing impact of existing and new instruments on women entrepreneurs
- Identifying those instruments that act as barriers to expansion and growth
- Modifying or dismantling these instruments
- Taking account of the social and cultural contexts affecting policy implementation and redress inequalities and abnormalities
- Making use of IT and associations so as to minimize the administrative burdens on women entrepreneurs
- Holding regular consultations with key factors like women entrepreneurs, women entrepreneurs' associations, financial institutions, etc, to review progress and identify new bottlenecks.

Projecting and Pulling to Grow and Support the Winners: The first two sets of recommendations are aimed at trying to “push” more women entrepreneurs into growth situations as well as ensuring that laws & regulations do not stand in their way. The third possible recommendation relates to facilitating and “pulling” the women entrepreneurs into situations where they can actively pursue growth strategies.

- Providing incentives for expansion and growth after removing barriers and disincentives
- Encouraging and rewarding dynamic representative associations of women entrepreneurs
- Promoting strong links and synergies with existing major economic players
- Profiling the economic and social contributors among women entrepreneurs to the national economy
- Promoting and rewarding programs that serve women entrepreneurs
- Making full use of data gathered to inform new policies, programs and supportive actions

- Ensuring synergies between (a) women related ministry (b) economic ministry (c) welfare & social development ministry in the government.

With relevant education, work experience, improving economic conditions and financial opportunities, more women around the world are creating and sustaining successful business ventures. This will not only have an impact on the economies of the countries in which women own their businesses but also will change the status of women.

CHAPTER THREE

METHODOLOGY

3.0 INTRODUCTION

This chapter described and presented the methodology which was used in the study, these includes, research design, sampling methods, methodology and data collection methods which includes questionnaires, interviews, observation and methods of data analysis.

3.1 RESEARCH DESIGN

The study employed a descriptive explanatory research design to investigate the women entrepreneurs in small scale business and their relationships with micro finance institutions. Both qualitative and quantitative techniques were used to collect and analyze data variables therein. Through this the researcher solicited general information on the subject matter from women entrepreneurs and the micro finance officers.

3.2 POPULATION OF THE STUDY

The population of study consisted of women operating their local small scale enterprises and microfinance officers. Wajir district population is 320,000 with 63,000 under five years and a population growth rate of 9.5% as per 1999 census. Almost 80% of the population of Wajir were nomadic pastoralists of the Somali ethnic group. They maintained herds of camels, cattle, sheep and goats and their livelihood activities revolve around sale of livestock and livestock products, purchase of grain and other commodities. And there are about 10000 people dealing in small scale business.

3.3 SAMPLING PROCEDURE

The researcher used simple random sampling technique. Respondents were identified depending on their willingness and availability during the study exercise. The various women entrepreneurs in central division formed samples where respondents will be selected randomly.

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 and the result totalling to sixty five respondents.

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 INSTRUMENTS

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.

Much as questionnaires and interviews were used, it is was also possible to gather the information without asking questions, this was done by observing people in their natural working environment and recording their activities, it also captured important non-verbal information such as gestures and reactions from the various respondents. Here the researcher had two roles, he acted as a non participant observer or the researcher collected data in the role of a pure researcher without trying to become an integral part of the organization. The other role as a participant observer, the researcher became part of the working team and in the process observing their behaviour.

Sources of data

Primary source

This was obtained through the use of self administered questionnaires, interviews and observation.

Secondary source

Textbooks, periodic reports, publications, magazines, published and unpublished documents, agency reports, internet sources and other related documents on women entrepreneurs in small scale enterprises and microfinance institutions was used to assist the researcher to obtain the required data to throw more light on the area of study.

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 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.

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 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 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 Kenya and where possible in other African countries.

CHAPTER FOUR

PRESENTATION, INTERPRETATION AND ANALYSIS OF THE FINDINGS

4.0 INTRODUCTION

After the researcher has collected the data from the field, the next stage was presentation, interpretation and analysis of the findings. 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

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 enterprises. Respondents between ages 18-23 (15.4%) were seen not involved much in small-scale business because they are most of them unmarried so they feel shy and also they face cultural rigidities. Respondents between the ages

24-29 (20%) are better reason being they are mostly married and have less commitments interms of family activities like caring for children and respondents aged between 30-35 (12.3%) the level of involvement has reduced due to the fact that most of them at these ages are either expectant or lactating so it become difficult for them to run other activities effectively small-scale business being one. Respondents between ages 36- 41 (23%) were mostly involved in the small-scale enterprises to earn a living and this because women at these ages become more responsible and settled. Respondents between ages 42-47 (18.5%), the involvement levels declines abit due to the fact that women ate these ages become mother-inlaws and the culture gives them some control over them in public places and lastly respondents aged 53 and above (3.1%) are constrained by their age bracket.

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, 16.9% divorced, 13.9% remaining single and 27.7% widowed. When reasons were sought from some respondents as to why this pattern exists they said that women who are married get substantial support from their husbands whether on financial matters or any other supportive measures to run their business.

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%

Respondents who were married and beared 0-2 children were 11.11% of the study, 3-5 children 25.93%, 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 and 9-11 children which represent 18.52%. It was explained by the women interviewed that whatever little that their small-scale enterprises make in form of profit goes to supplement the family bill and pay school fees amongst other needs. This analysis was helpful as why some business premises were not progressive and sometimes become victims of collapse, reason being the number of children had high impact on the operation pattern of some the business in the area since profit is channeled to family needs but not the business quest and the more children the more the burden to the business premises.

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 enterprises in the first two years (35.4%) while in the subsequent years their numbers decrease as follows 2-3 years (24.6%), 4-6 years (18.5%), 6-8 years (13.8%) and 8 and beyond years (7.7%), the reasons behind this decrease is that the first years women entrepreneurs have enough capital and they can participate very well in the business phenomenon but at later stage because of the various challenges they drop their activities slowly and they are not well versed with the existence of the microfinance institutions.

4.1 THE ROLE OF MICRO FINANCE INSTITUTIONS

When questions were administered on the role played by micro finance institutions 50% of the respondents said that they play pivotal role in the progress of business activities because in most cases they provide financial support in terms of loans to the women entrepreneurs when they are faced by financial distress. 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.

4.2 CONSTRAINTS FACED BY WOMEN ENTREPRENEURS

i. Inaccessibility 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:

TABLE 4.5 KNOWLEDGE ON THE EXISTENCE OF MICRO FINANCE INSTITUTIONS

Existence of Micro finance Institutions	Frequency	Percentages
Aware	52	80%
Not aware	13	20%
Total	65	100%

80% said they were aware while 20% said they were not aware of these institutions. Also 80% 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. And further 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. To also 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.

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 4.6 below.

4.6 FACTORS AFFECTING ACCESS TO AND UTILIZATION OF LOANS

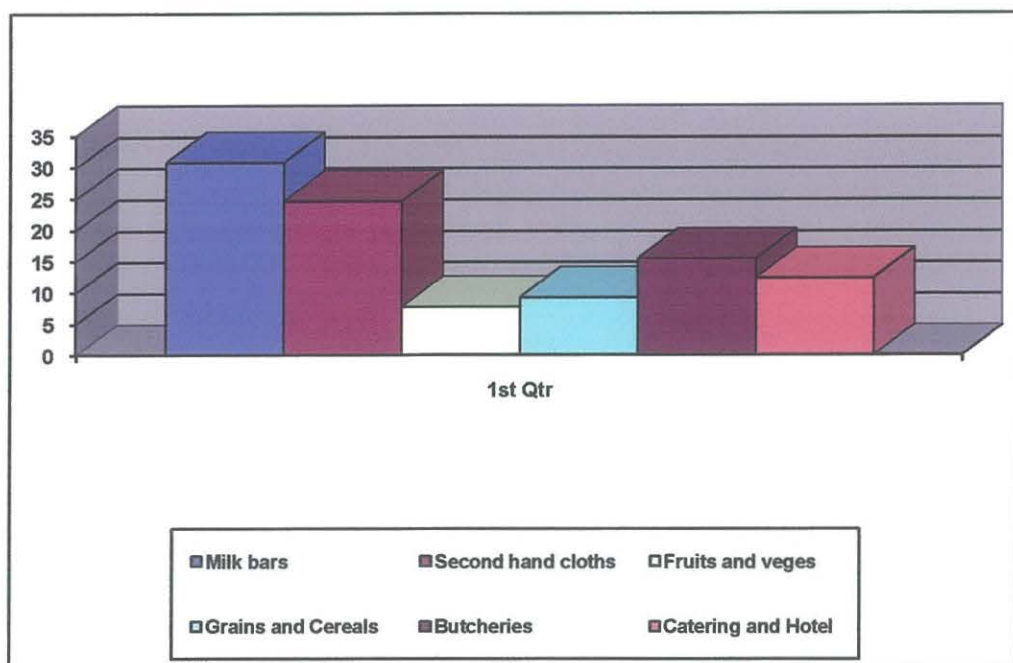
Reasons	Number of respondents	Percentage
Lack of collaterals	16	39.0%
Few/non-profit business	10	24.4%
Lack of information on its availability	3	7.3%
High interest rates of loans	8	19.5%
Lack of business management skills that led to collapse of the business	4	9.8%
Total	41	100%

Reasons affecting access to and utilization of loans were as follows; lack of collaterals (39.0%), few/non-profit business (24.4%), lack of information on its availability (7.3%), high interest rates of loans (19.5%) and lack of business management skills (9.8%). From these 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 4.7 shows the findings.

TABLE 4.7 SOURCES OF STARTING CAPITAL

Sources of capital	Frequency	Percentage
Own saving	16	25.62%
Loans and grants	24	37.92%
Borrowings from friends and relatives	9	14.95%
Others	14	21.51%
Total	65	100%

From the findings in table 4.7 above, it was realized that majority of the respondents (62.08%) started their business with other capital other than loans and grants. Only 37.92% started their

business with loans and grants. 25.62% of the respondents started their business with their own saving while 14.95% borrowed from friends and relatives. Then it can be concluded that microfinance institutions play pivotal role in business activities.

The respondents were asked what amount of money they have used in starting their enterprise. The findings were as shown in table 4.8

TABLE 4.8 AMOUNT OF STARTING CAPITAL

Amounts of starting capital in Kshs.	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 4.8 above, it can be deduced that majority of the respondents (38.5%) started their business with less than Kshs 10,000 while 24.6% of the respondents started their businesses with more than Kshs 10,000 but less than Ksh 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 Kshs 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 4.9 below.

Table 4.9 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 Ksh 10,000 while only 12.5% of the respondents got a loan of Ksh 30,000 and above. It was realized that those who started their enterprise with more than Ksh 10,000 got loan from micro-finance institutions. Those who started with less than Ksh 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.

To investigate the requirements of acquiring loan, the findings were as presented in table 4.10

TABLE 4.10 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.

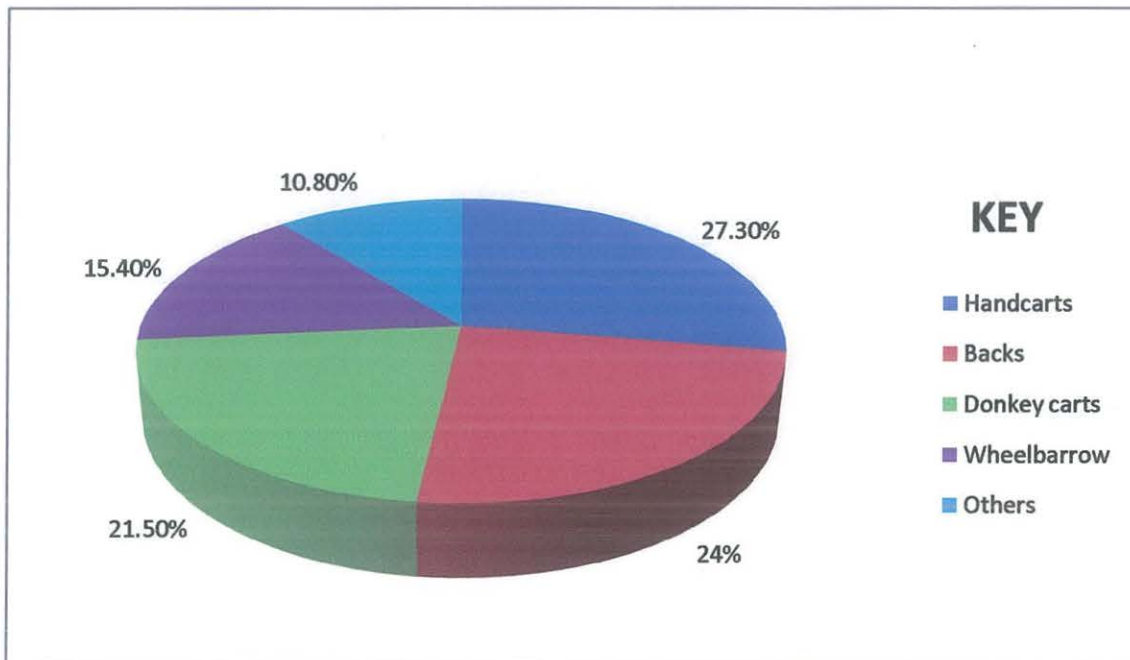
ii. Effect of poor infrastructure

The second variable was poor infrastructure. The researcher wanted to find out how poor infrastructure affected the operations of small-scale 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 donkey carts, 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 4.11 below:

TABLE 4.11 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, (20%) of the respondents borrow from neighbouring premises, while quite a large number (34.3%) bought water from vendors and (5.7%) of the respondents use other ways. 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 4.12

TABLE 4.12 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%

The results were that (17.1%) use 0-2 hours to fetch water, (22.9%) use 2-4 hours, (25.7%) 4-6 hours and the majority (34.3%) spend 6-8 hours in fetching water. 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.

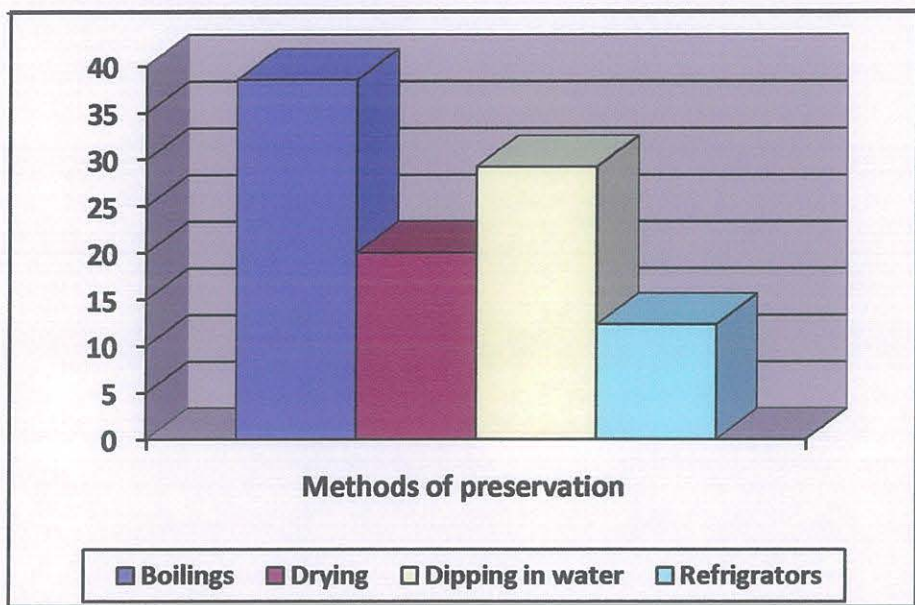
The Daily Nation on 30th September 2008 reported that women in remote areas walk about 45 kilometres looking for water. A woman covered 44 kilometres with her child strapped on her back only to find the borehole broken.

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

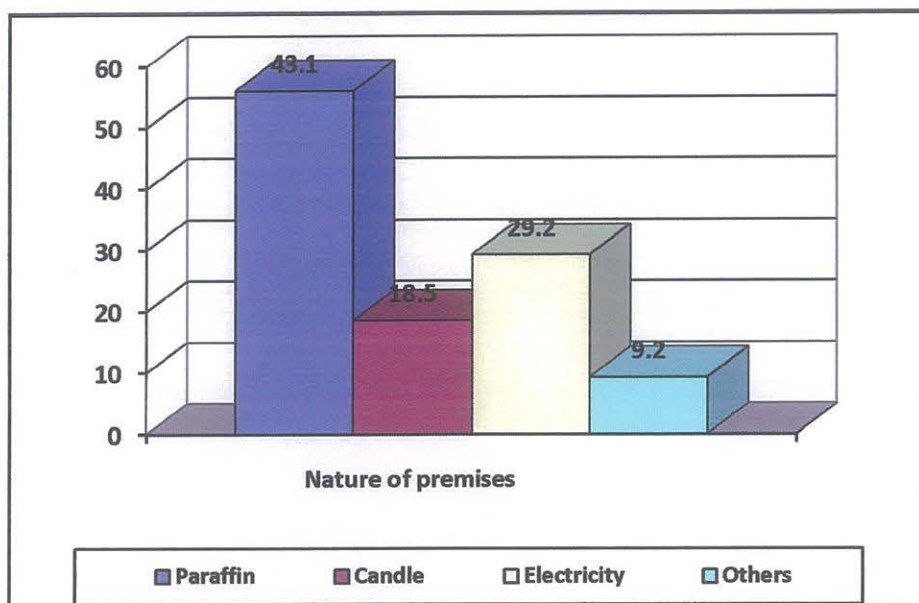
FIGURE 3: A BAR GRAPH SHOWING METHODS OF FOOD PRESERVATION BY THE RESPONDENTS



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

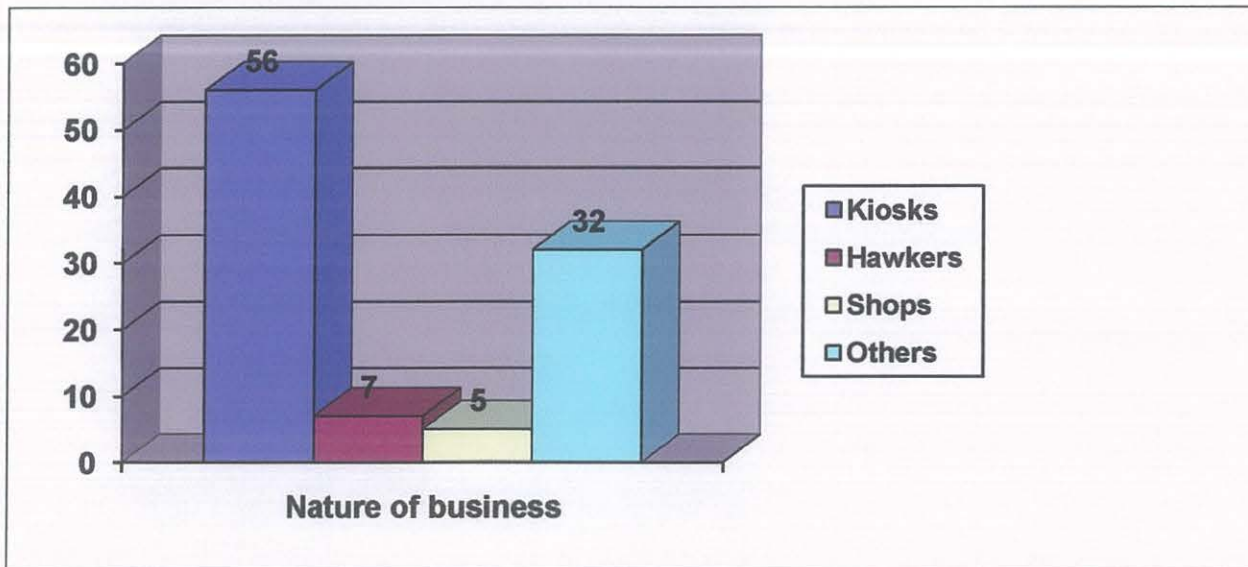


Findings from the above figure indicate that majority of the respondents (43.1%) used paraffin lamps, 29.2% used electricity and 18.5% used candles. For those with electricity supply, it has boosted their small-scale and micro enterprises especially in terms of preservation of perishable goods and provision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

This finding also agrees with a study carried out by UNIFEM in Kajiado district that found that the environment women work in has limited infrastructural support in terms of service supply. More than 50% of the women entrepreneurs in Kajiado lived on an untarmacked road and 62% have not had pipe water in their premises. Only 38% had power supply and 28% had a working telephone services. These factors had seriously limited the growth of the women entrepreneurs in the area.

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

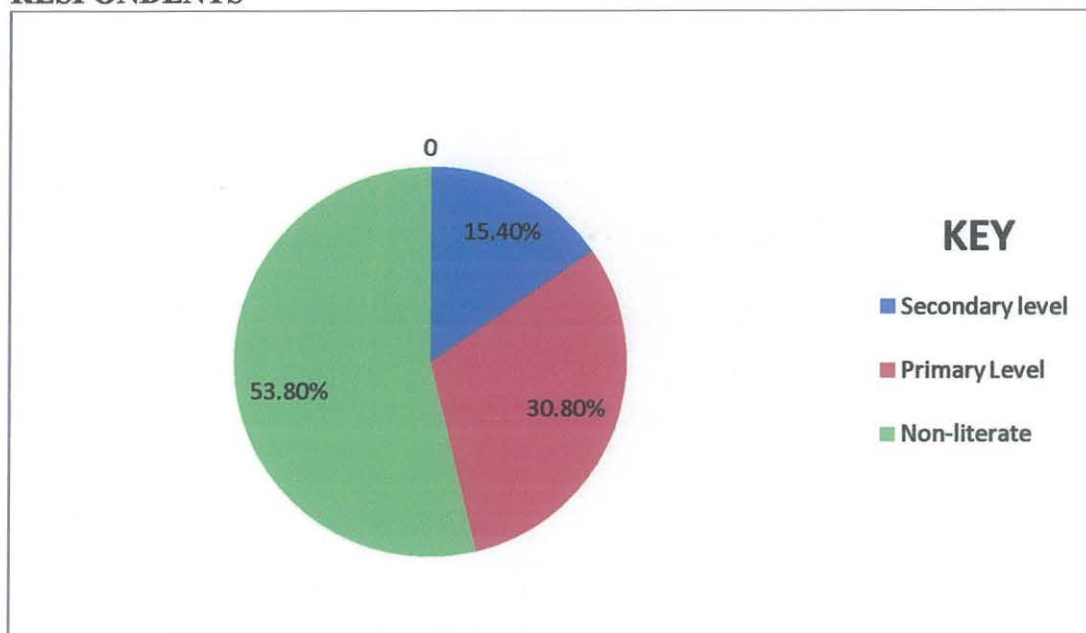


From the findings in figure 1, 56% had kiosks, 32% had other types of business premises, 7% were hawkers and 5% had shops. Majority (56%) had kiosks made of temporal shelters. Their premises had no certainty of tomorrow due to demolition from the council askaris. This was because the nature of business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

iii. Low 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

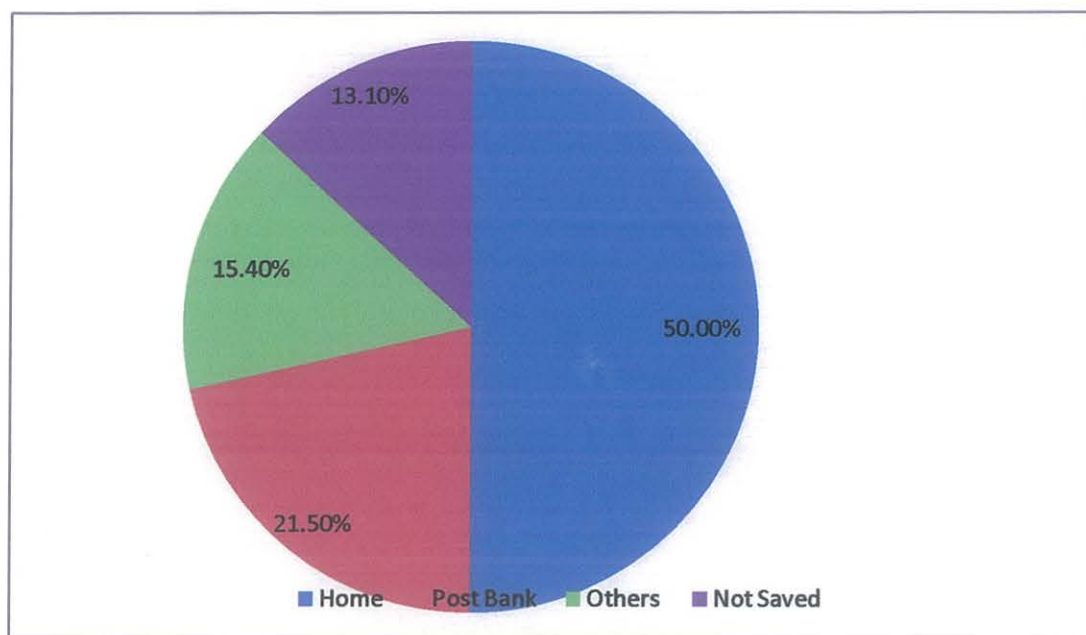


From the findings in the above figure, 35 respondents (53.8%) were illiterates, 20 respondents (30.8%) had attained formal learning up to primary level, 10 respondents (15.4%) had attained formal learning up to secondary level and none of the respondents had attained tertiary level.

From the findings, it was determined that a 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

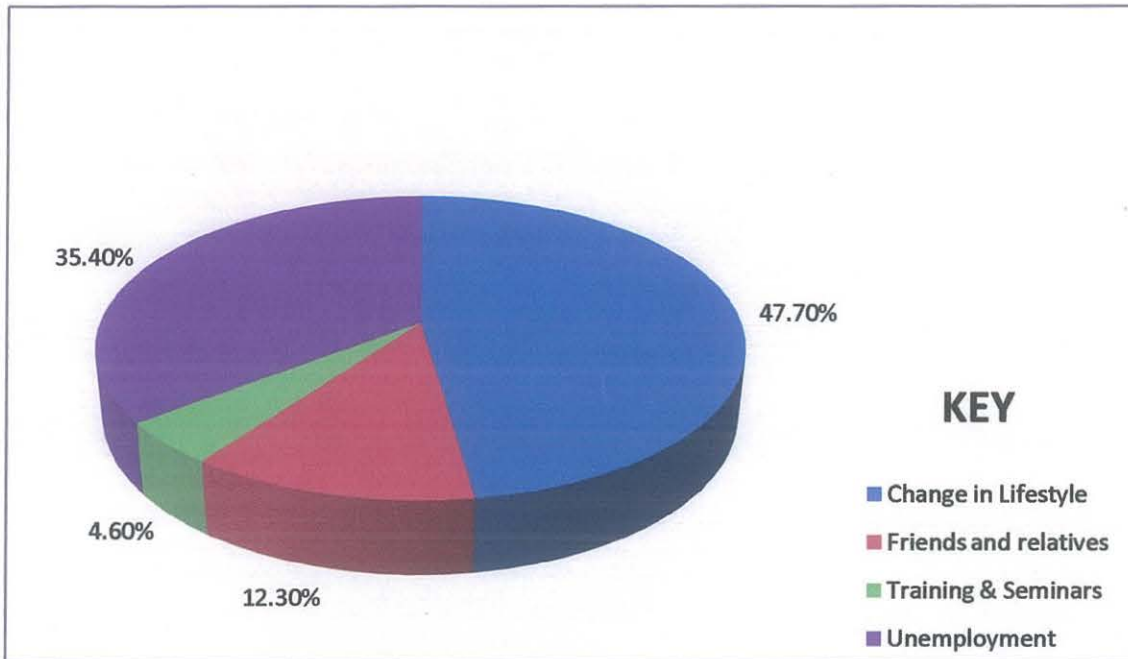


From the findings in the above figure, majority of the respondents (50.0%) saved their money at home while only 21.5% saved at post bank. Majority saved their money at home because of illiteracy and therefore could not fill in any form required by the banking institutions. Micro-finance officers interviewed 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 enterprises, the findings were recorded in the figure 8 below.

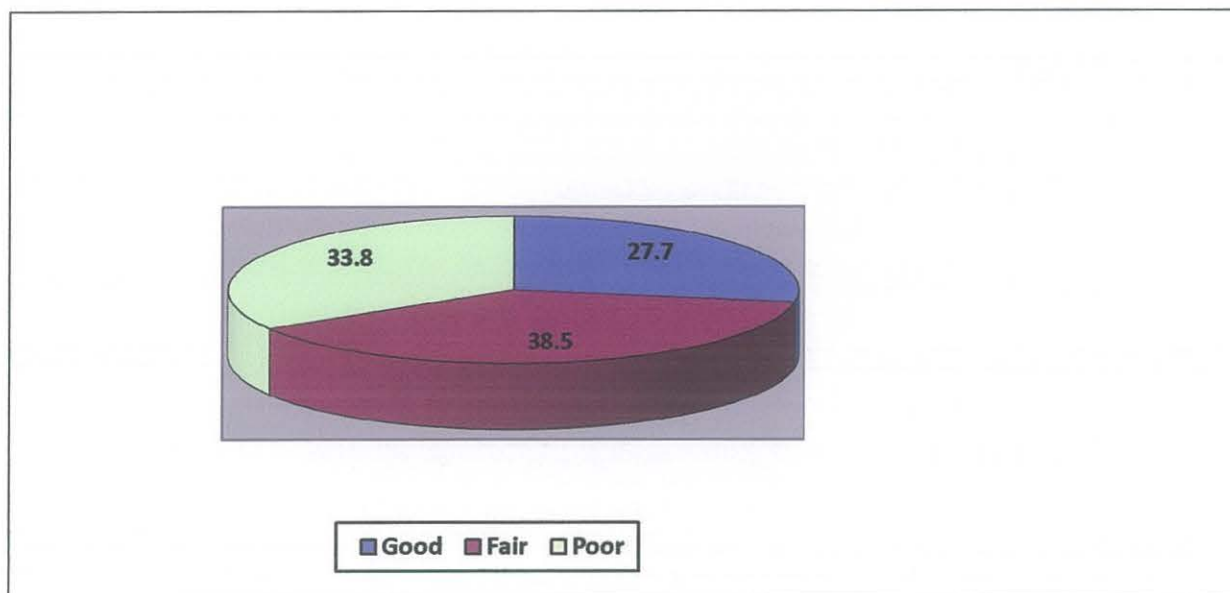
FIGURE 8: A PIE CHART SHOWING SOURCES OF MOTIVATIONS TO SMALL-SCALE WOMEN ENTREPRENEURS.



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 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.

iv. 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."

4.3 WAYS FORWARD TO OVERCOME THESE CONSTRAINTS

The variables under the study were inaccessibility to credit facilities, poor infrastructure, low level of education and lack of social support. When questions on the ways forward to overcome these constraints were asked to the different respondents and the answers were as follows:

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. When questions on solutions to these problems were administered the findings was as follows, 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.

Infrastructure cross-cuts different areas or types which includes; roads, water supply, business premises and electricity. Different questions were administered on the ways forward to overcome these predicaments majority of the respondents said developmental agencies like the government departments concerning on these sectors and other development partners should come into the situation and solve these constraints as early as possible because government revenues is sucked majorly from the private sectors women enterprises inclusive.

The third variable of the study was low level of education, education acts as an important element in the development of any enterprise in terms of managerial parts. When questions were asked on the way forward to overcome this bottleneck most of the respondents felt that capacity building program is vital and the government and other stakeholders should take the initiative of embarking on this program. The last variable that limited women enterprise activities was lack of social support and most of the respondents said that the only way forward is to see that all the society members should take gender equality as the priority.

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATION

5.0 DISCUSSION

The study investigated women entrepreneurs in small-scale enterprises and micro finance institutions in Arid and Semi-arid areas (ASALs). The study was carried out in Central division, Wajir district in North Eastern Province.

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, objectives, research questions, justification, scope, limitation of the study among others. This information is important for providing the introduction to the problem understudy. It also provides definition of terms and variables.

Chapter two involves review of related literature materials and throws more light on the problem understudy. 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 secondary data had the following information on the study of women entrepreneurs in small-scale business and their relationship with micro finance information institutions in wajir district of Kenya.

Micro finance institutions are financial institutions dedicated to assisting small enterprises, the poor, and households who have no access to the more institutionalized financial system, in mobilizing savings, and obtaining access to financial services. Through microfinance, women have been able to run small businesses which constitute a significant share of economic activity in developed and transitioning economies. Some of these institutions concentrate only on providing credit, others are engaged in providing both deposit and credit facilities, and some are involved only in deposit collection. They range from nongovernmental organizations, savings and credit cooperatives, commercial banks and regulated specialized providers.

Access to savings and credit facilities strengthens women in economic decisions. It also improves their skills, knowledge and support networks as well as enhancing their status in the community. Increasing women's access to microfinance has led to social and political empowerment. Poverty alleviation and women empowerment are seen as two sides of the same coin and it is the only way to bring wider changes in gender inequality.

Women-owned enterprises face various challenges and constraints like, 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 Arid and Semi-arid areas (ASALs) have limited the growth of women enterprises. These problems have been further compounded by unconducive environment, inaccessibility to credit facilities and poor infrastructure for enterprise growth that need to be addressed and specific needs that need to be identified to help them perform at par, if not better than their male counterparts. This research therefore undertook to examine the constraints facing women entrepreneurs and their relationship with microfinance institutions in Arid and Semi-arid areas (ASALs) in Kenya.

On the side of the primary data the above information was sited out to be true in the field as stipulated in the different tables and graphs that are presented and analysed in chapter 4.

5.1 CONCLUSIONS

In respect to the informations from the discussion on the findings and the first literature in the proposal the following conclusions were drawn:

Few women entrepreneurs got loans ranging from Ksh 30,000 and above while large number of the women (50%) got less than Ksh 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 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 of 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.

5.2 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 in Kenya shillings?
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. 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)-----

8. (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? -----

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

i. Carry on the back ☐

ii. Hand cart ☐

iii. Donkey cart ☐

iv. Wheelbarrow ☐

v. Car/pick-up ☐

vi. Others (specify)-----

10. (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)-----

11. (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) -----

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

i. Paraffin lamp ☐

ii. Candle ☐

iii. Torch ☐

iv. Electricity ☐

v. Others (specify) -----

13. What is the nature of your business premise?

i. Kiosk ☐

ii. Shop ☐

iii. Open air ☐

iv. Hawking ☐

v. Market stall ☐

vi. Others (specify) -----

14. What is the level of your education?

i. Non-literate ☐

ii. Primary level ☐

iii. Secondary level ☐

iv. College level ☐

v. University level ☐