

**CONSTRAINTS AFFECTING WOMEN IN MICRO AND SMALL  
ENTERPRISES IN KASIPUL CONSTITUENCY HOMABAY  
COUNTY- KENYA**

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**DECLARATION**

This thesis is my original work and has not been presented for a degree award in any other university.

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## DEFINITION OF TERMS

**An entrepreneur** – One who undertakes a commercial enterprise and who is an organizational creator and innovator. One who exploits opportunities and has courage to face challenges.

**Culture**-The distinctive patterns of ideas, beliefs, and norms which characterize the way of life and relations of patriarchal systems of societal structures that institutionalize male physical, social and economic power over women within the society.

**Entrepreneurship**- is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychological and social risks, and receiving the resulting rewards of monetary and personal stratification and independence.

**Gender**–defined as socially constructed roles, relationships and learnt behaviors of male or female. It is a social construct or category that defines the social relations between women and men in the society.

**Micro – Enterprises**-enterprises with up to and including 9 full-time employees that is registered and or licensed.

**Small Enterprises**–Enterprises with between 10 to 50 full-time employees that is registered and or licensed.

## ACRONYMS

<b>GoK</b> –	Government of Kenya
<b>ILO</b> –	International Labour Organization
<b>KWFT</b> –	Kenya Women Finance Trust
<b>MFIs</b> –	Micro – Finance – Institutions
<b>MSE</b> –	Micro and Small Enterprises
<b>NGOs</b> –	Non-Governmental Organizations

## ABSTRACT

The important role that entrepreneurship plays to combat unemployment, disparities in wealth distribution and alleviation of poverty should not be underestimated. Women entrepreneurship is faced by many challenges. This study sought to determine challenges that women entrepreneurs are facing in the running of their businesses in Kasipul constituency. The objectives of this study were; to analyze the key factors affecting the performance of women entrepreneurs, the types of industries they are likely to engage in and recommendations on how to promote the women entrepreneurs. The study was guided by Pearson's 'Gender Theory'. Descriptive research was used to generalize characteristic of the study population and to show the relationship between the dependent and independent variables. The target population was 536 women owning MSEs enterprises located in Kasipul constituency using random and stratified sampling. These were; construction, textile, food and beverages and beauty enterprises. A sample of 30% was drawn from each stratum to get a sample size of 160 respondents. Primary data were collected using questionnaires and interview guide. Questionnaires were self-administered through drop and pick to sample members of the women enterprises for findings from the respondents. The data were then analyzed using descriptive methods particularly frequencies and percentages. Data presentation was done by the use of pie charts, bar graphs, percentages and frequency tables. For qualitative data, which were mainly gathered from open-ended questions, a qualitative data checklist was developed. The study revealed that shortages of assets (human, social and financial) and multifarious socialization trends contribute to negative performance of women entrepreneurs in MSEs. Practical recommendations are suggested to Government and women entrepreneurs to overcome these obstacles and to ensure that women entrepreneurs can sufficiently contribute to the economy and empower themselves economically.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background to the Study**

The important role that micro-enterprises and small enterprises play in stimulating economic activity, creating jobs, alleviating poverty and uplifting the living standards of the entrepreneurs, has been recognized internationally as well as in Africa (Van Vuuren & Groenewald, 2007:269). Women have not been left behind in this field. The last half-century has witnessed monumental changes for women as income earners (Smith-Hunter, 2006:1). Smith-Hunter (2006:1) cited Bragger (1996) and Buttner and Moore (1997) who emphasised that these changes include an influx of women into the mainstream of labour market; the revolution of the women and the civil rights movements, which propelled women into non-traditional roles; and the explosion in the number of women entrepreneurs particularly over the last two decades.

Women entrepreneurs around the world are now making a difference in the sector of entrepreneurship. They contribute both pragmatic and feasible ideas. Besides, they inject great a deal of energy and capital resources to their communities' hence creating massive job opportunities (Commonwealth secretariat 2002). Ziwadi and Mhangami (2011) add that women entrepreneurs are the major actors in that sector and contributors on the economic development in their areas of residence and that they are becoming increasingly visible in the local economies of the developing countries. According to Maas and Herrington (2006:38), the

growth in total number of female entrepreneurs outnumbers male entrepreneurs. This has led to the renewed focus on gender entrepreneurship and the development of appropriate entrepreneurship interventions for gender-specific groups internationally.

Similarly, Maas and Herrington (2006:30) indicate that according to the International Trade Centre (2004), Canada has experienced a 200% growth in the number of women entrepreneurs over the last 20 years. Within the African context, taking Cameroon as an example, women entrepreneurs comprise 57% of small and micro-businesses, while in Uganda, women entrepreneurs form the majority of the country's business people, specifically in the areas of farming and small to medium-sized enterprises. However, women who owned businesses could contribute more to the economic development than they are today. Research shows that countries which fail to address gender-related barriers are losing out on significant economic growth.

Although there are differences among those women who are in self-employment, consistent findings relating to this field reveals that in general, the performance of women-owned firms in terms of turnover, profit realization and job creation is weaker than that found in men-owned enterprises (Cater et al., 2001). Collectively, these studies suggest bimodal profile of female-owned firms being at a lower level of performance in direct, indirect and proxy measures.

In Sub-Saharan Africa; despite women's contribution in business, they are not considered as entrepreneurs. In Mozambique for instance, 95% of the citizens work in informal economy and 59% of informal workers are female but the Mozambique's gender-related index runs the 149th of the 156 countries for which the data were available (ILO –WEDGE Southern Africa, 2011).

Another distinct characteristic of female enterprises is the limited growth potential of the many women-managed micro-enterprises. Studies have shown that enterprises managed by women and men have different growth rate, those operating in the same sub-sector inclusive. A study (Downing & Daniels, 1992) conducted in four southern African countries has shown that in Swaziland, women's businesses in retail, textiles and wood-based production grew at an annual rate of 7 per cent, 3 per cent and 4 per cent respectively. In the same sub-sectors, men's enterprises grew at 11 per cent, 4 per cent and 26 per cent annually. Similar patterns were documented in Zimbabwe, South Africa and Lesotho.

The Kenyan government has come to realize that fostering the development of women entrepreneurship in the country is crucial for the achievement of Kenya's broader development objectives, including economic development and growth. Kenya is one of the very few countries which established the Ministry of Gender in 2002 and Women Enterprise Fund in 2007. Together, these two oversee the growth and development of existing and potential women entrepreneurs in the country. Various government grants and funds are made available to the women

entrepreneurs through many of its agencies such as Youth Enterprise Fund and Women Enterprise Fund and now the uwezo fund. In its effort to turn Kenya into an “Information Society” as part of the efforts to become a knowledge-based economy, the government has pledged to see that all segments of the society, women entrepreneurs in urban and rural areas have access to new information technology (IT), particularly computers and Internet facilities. However the government has not yet managed to address the challenges facing women. (Athanne, 2011). According to the 1999 National MSEs Baseline Survey, there were 612,848 women in MSEs in Kenya, accounting for 47.4 per cent of all those in MSEs. According to the Department of Micro and Small Enterprise Development in the Ministry of Labour and Human Resource Development, there were about 2.8 million MSEs in Kenya in 2002, employing about 5.1 million people. In 2003 there were 5.5 million people in MSEs and, in 2004, there were about 6 million (5.97) employed in MSEs in Kenya (GoK Economic Survey ). In general, women tended to operate smaller enterprises than men, with the average number of employees in a women-owner managed MSEs being 1.54 versus 2.1 in men-owner-managed MSEs. In women-owner managed MSEs, about 86 per cent of the workers were women-owner managers themselves, 4 per cent were hired workers, with the remainder made up of unpaid family members and/or apprentices. Whereas, in men-owner managed MSEs, only 68 per cent of the workers were men-owner managers themselves, 17 per cent hired workers while the rest are made up of family members and/or apprentices who need no little pay

if any. The survey also revealed that women tended to operate smaller MSEs than men, making least income averaging to a gross income of Kshs 4, 344 per month compared to Kshs 7, 627 for men. This compared to the national employment statistics of 2003 and 2004 which indicated that only 30 per cent of the total workforce was made up of women. The MSEs sector, therefore, holds more promise for women in providing and accessing employment opportunities.

Despite the efforts that the government has made to ensure that women play an active role in the economy, most women in Kasipul Constituency still experience low returns in their businesses.

### **1.2 Statement of the Problem**

The Micro and Small Enterprises (MSEs) play an important role not only in Kasipul Constituency's economy but also in Kenya in entirety. Despite their significance, past statistics indicate that three out of five businesses fail within the first few months of operation (Kenya National Bureau of Statistics, 2007). Several interventions have been put in place by a number of stakeholders to salvage this turmoil. The government, private sectors and the NGOs are engaged in various strategies to empower women though their efforts have not had much fruits. For example, new act for micro and small enterprises 2012 main purpose is to promote, regulate and develop the MSEs and for the first time, a State corporation the Micro and Small Enterprises Authority has been formed to serve the interests of the sector. Implementation of the plan has; however, been slow. It has not had

any positive impact on the women who are involved in MSE in Kasipul Constituency.

Micro and Small Enterprises (MSE) owned by women within Kasipul Constituency have not been able to achieve optimum growth. They have continued to show very limited trend in growth if not retardation. The women entrepreneur's poverty level is still high in this constituency (Rachuonyo District Strategic Plan 2005-2010).

### **1.3 Purpose of the study**

The purpose of the study is to investigate and examine the constraints that affect women owned micro and small enterprises (MSEs) in Kasipul constituency. The study investigated the performance of women enterprises in Kasipul constituency. The research was carried to find the causes of low entrepreneurship turnover among the women.

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

This study was guided by the following objectives:

- i. To identify the type of industries that micro and small-scale women entrepreneurs engaged in.
- ii. To analyze the key challenges that affects the performance of women entrepreneurs in MSEs in Kasipul Constituency, Homa-bay County.
- iii. To identify best practices of promoting women entrepreneurship in MSEs in Kasipul constituency.

## **1.5 Research Questions**

This study was guided by the following research questions:

- i. What areas of business activities do women entrepreneurs most likely to be engage in?
- ii. What are the factors affecting the performance of women entrepreneurs in MSEs in Kasipul constituency?
- iii. What measures should be put in place by the government and other institutions supporting women enterprises to improve MSEs in Kasipul constituency?

## **1.6 Assumption of the Study**

The study was carried out on the basis of the assumption that business women in Kasipul Constituency are engaged in various small and micro enterprises and that in the process of running their businesses, they encounter challenges that affect their performance. The researcher assumed that the methods used for sampling were not biased. The instruments used were reliable and valid. The researcher also assumed that there are strategies that can be put in place to overcome these hurdles.

## **1.7 Justification of the Study**

The study focuses on the ways of addressing women's involvement in businesses by analyzing the challenges they experience in the light of the realization of vision 2030 and MDGs. The government in its 8<sup>th</sup> NDP (2007) Vision 2030 aims

at achieving industrialization by 2015, economic and political stability by 2030. The government views micro and small enterprises (MSE) sector as one of the engines for faster economic growth. For Kenya to achieve her stated goals in the Vision 2030, thus 'equity and poverty elimination' one of the strategic plans is to increase opportunities all around women. Specific strategies involve increasing women participation in economic, social and political decision-making processes as well as their access to business opportunities, health and education services, housing and justice by 2012 is very important. However, for these goals to be feasible ever, the growth of women-owned enterprises is fundamental. In this respect, the government has made specific allocation of funds to the MSE sector with special consideration to the women, youth and vulnerable groups. Numerous interventions have been put in place by several stakeholders. However, little positive impacts have been achieved in Kasipul constituency. It has not been clearly established why else these enterprises could have stagnated hence need for the study. The study aimed to shade some light on understanding the reason behind the phenomena of few female entrepreneurs in Kasipul constituency, challenges female entrepreneurs are facing and the type of industries women entrepreneurs are involved in.

### **1.8 Significance of the Study**

The current research contributes to the growing body of literature on female entrepreneurship, a topic of research that is in its infancy in kasipul and is also considered to be under-developed on a global level. To the best of this

researcher's knowledge, this research is unique as it examines four challenges in tandem with a view to determining their collective impact on the decision of females to become entrepreneurs. This study enhances our understanding of MSEs that could influence policy provision and assist in increasing the numbers of female entrepreneurs over time. Thus, this research has implications for academics, educators, policy-makers, support agencies and future female entrepreneurs.

### **1.9 Scope and Limitations of the Study**

The study covered women operating MSE in Kasipul constituency. Kasipul constituency is Homabay County. It composes of two wards Kokwanyo and Kojwach with a population of 63,093 (2009 national census). It covers an area of 143.2 sq. km. The studies focused are business finances, effects of multiple roles on business among others. Due to its sensitivity, very few respondents were willing to accord adequate information on this. However, the researcher managed to convince the respondents that the information given would be used strictly for academic purpose. It was after such endeavor and reassurance that the respondents cooperated. The researcher also allowed the women to continue with their chores as they responded. Most women were engaged in their daily economic activities. They had to be reassured that it would take a little of their time to respond to the interview. Lastly, a number of MSEs in the constituency are not registered. Therefore, for the study to be objective, the researcher had to interview both the registered and the unregistered women businesses owners.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter covers substantive findings based on the set research questions, the theoretical and conceptual framework. Numerous efforts have been made by academicians (Stevenson and St-Onge (2005) as well as policy-makers (Visser, 1997) on the general prospects of this spectrum on economic activities. Moreover, three criteria of literature review have been used in this thesis to define micro and small scale enterprises (MSEs). The first criterion, based on the number of employees, defines MSEs as those enterprises below a given specific number of workers (it could range from less than 10 to less than 50 employees). The second criterion concerns the degree of legal formalities and is mainly used to distinguish between the formal and informal sectors. This criterion asserts that MSEs are those enterprises that are not registered and do not comply with the legal obligations on safety, taxes and labour laws. The third criterion defines MSEs premised on their limited amounts of capital and skills per worker. The degree of informality and size of employment has perhaps comprised two most readily accepted criteria on which classification of MSEs is based.

For the purposes of this review, I adopted the criterion of the number of employees, the definition used in the MSE National Baseline Survey of 1999. In that Survey, MSEs are defined as those non-primary enterprises (excluding agricultural and animal production, (See Morrison (1985) and Bergsten et al.,

(1999), husbandry, fishing, hunting and gathering and forestry in the two sectors. On the other hand, micro-enterprises are those that employ 10 or fewer workers while small scale enterprises are those that employ 11-50 workers. According to the 1999 National Baseline Survey and many other prior studies, only a small proportion of MSEs employ 11-50 people. The term MSEs incorporates firms in both the formal and informal sector. The activities of MSEs also have very little compliance with administrative requirements.

### **2.1 Benefits of Women Entrepreneurs in MSEs**

According to World Bank (2003) report, women entrepreneurs in MSEs are the engine of growth; essential for a competitive and efficient market; critical for poverty reduction. Women play a very important role in developing countries this according to UNECE as cited in <http://www.unece.org/indust/sme/ecesme>.

Women Entrepreneurs in MSEs are contributing to employment growth at a higher rate than larger firms. The private sector and in particular women entrepreneurs in MSEs form the backbone of a market economy and for the transition economies in the long-term might provide most of the employment. Support for women entrepreneurs in MSEs will help the restructuring of large enterprises by streamlining manufacturing complexes as units with no direct relation to the primary activity are sold off separately. Through this process, the efficiency of the remaining enterprise might be increased as well; they curb the monopoly of the large enterprises and offer them complementary service,

absorbing the fluctuation of a modern economy. Through inter-enterprise cooperation, they raise the level of skills with their flexible and innovative nature. Thus, women entrepreneurs in MSEs can generate important benefits to the society in terms of the creation of a skilled industrial base and industries, thereby developing a well-prepared service sector capable of contributing to GDP.

UNIDO (2004) adds that a characteristic of women entrepreneurs in MSEs is that they produce predominantly for the domestic market, drawing in general on national resources; the structural shift from the former large state-owned enterprises to women entrepreneurs in MSEs will increase the number of owners, a group that represents greater responsibility and commitment than in the former centrally planned economies; an increased number of women entrepreneurs in MSEs will bring more flexibility to society and the economy and might facilitate technological innovation, as well as provide significant opportunities for the development of new ideas and skills; women entrepreneurs in MSEs use and develop predominantly domestic technologies and skills. New business development is a key factor for the success of regional reconversion where conventional heavy industries will have to phase out or be reconstructed especially in the field of metallurgy, coalmining, heavy military equipment.

### **2.1.1 Type of Industries Women Entrepreneurs Most Likely to Engage in**

Gender stereotypes are a significant obstacle facing female entrepreneurs (Still & Timus, 2000 a, b) especially for women in male dominated sectors of business.

Women tend to trade in certain areas of business that are often labeled as ‘masculinized’ or ‘feminized’ sectors. These sectors are likely to be in the saturated markets and have low margins of returns. Parker (1996) researching in Zambia found that women not only dominated the informal sector but they were concentrated in particular sectors. In Tanzania, for instance, most women entrepreneurs trade in food processing, textile and clothing sectors. Dorothy McCormick’s (1992) study on gender participation and performance in small-scale enterprises in Nairobi found that 80% of the women engaged in trade in hostels and restaurants. She attributed this to the prevailing multi-socialization patterns in the society. In Kenya, businesses are perceived along gender lines, though some aspects are neutral as shown in the table 2.1.

Table 2.1: Female, both male and female and male only businesses

<b>Female</b>	<b>Both male and female</b>	<b>Male</b>
• Food vending	Retail shops	Transportation
• Decorations	Shop dealers	Estates agents
• Pottery	Horticulture	Manufacturing
• Beauty saloon	Kiosks	Tour agents

Source: UDEC, (2002)

Several studies tend to affirm gender biases in businesses, both across the samples firms within specific business niches (e.g., Du Rietz & Henrekson, 2000; McManus, 2001; Ruane & Sutherland, 2007). However, gender-specific differences in survival and growth rates may be marginal when data was perceived on the basis of industrial size (Du Rietz & Henrekson, 2000). Women

often tend to pursue businesses in a limited number of sectors, in which they were traditionally active economically. Occupations segregated along gender lines, coupled with stereotypical representational and valuations of what is 'men's work and women's work'. This pushes many women into low-income generating business ventures with poor returns defined as semi or unskilled man power (Bradley, 1999). This has negative connotations, for any future careers in self-employment as evidence indicates that those who engage in individual enterprise utilize wage-work based skills and experience to inform on and support ventures. The vast majority of female entrepreneurs, applying to both developed and developing countries are doing businesses in the retail and service sectors. Evidence from different countries in the West indicates that female businesses owners prefer to start their business in sectors where female employment is concentrated (e.g., Luber & Leicht, 2000; McManus, 2001).

Most women-owned businesses are in wholesale and retail trade, hotel and restaurants, and services because of low formalities involved. Those engaged in manufacturing activities, are often involved in sectors dominated by women, e.g. food processing or some branch of the clothing and textiles sector. In many instances, traditional crafts (e.g., gold embroidery, carpet weaving and silk weaving in countries such as Uzbekistan) play a vital role in women business activities.

According to the 1999 National MSEs Baseline survey, there were 612,848 women in micro and small enterprises (MSEs) in Kenya, accounting for 47.4 per cent of all those in MSEs. These results showed that women tended to operate enterprises associated with traditional women roles, such as hair-dressing, restaurants, hotels, retail shops and wholesale outlets ([www.sciedu.ca/ijba](http://www.sciedu.ca/ijba)) *International Journal of Business Administration*. The sectors that women generally preferred for starting businesses are mostly characterized by high turbulence rates, thus providing relatively few opportunities for rapid business growth (Robb & Wolken, 2002). In addition, researchers often underline the presence of varying success trends for male and female entrepreneurs (Watson & Robinson, 2003).

Many women venture into micro-entrepreneurship out of economic necessity and lack of other employment options. Due to multiple responsibilities at home, women often choose the type of income-generating activity that would allow them to manage from home. A review of African MSEs indicated that 45 per cent of the female-headed micro and small enterprise were home-based as compared to only 19 per cent of the male-headed micro and small enterprises (USAID 1995). Cited in DAI 2004, Home-based businesses have the advantage of allowing women to amalgamate their businesses and share responsibilities (especially those with young children). However, such businesses have limited direct interaction with customers as opposed to those income-generating activities based on traditional markets or commercial.

### **2.1.2 Factors Affecting the Performance of Women in MSEs**

In many instances, women started enterprises when no other options were available to them in order to overcome or alleviate poverty, rather than purposively pursuing business ownership by choice. Many women get engaged in business as a way of creating employment for themselves to meet basic economic needs, either because the woman is a single parent and have no or little finances to help her sustain her family livelihood. Or else the spouse's income is inadequate to enable them to meet the basic family needs (UDEEC, 2002). However, most of these women have been affected by negative socialization and they lack the necessary assets that can help them become efficient and successful entrepreneurs. These assets or forms of capital are brought together in three groups:

- (i) Human assets,
- (ii) Financial assets, and
- (iii) Social assets.

#### **2.1.2.1 Socialization**

Socialization can be defined as the process by which individuals learn the culture of their society. It is a powerful process that begins at infancy and continues throughout a person's life, i.e. transmitted values and norms from the previous generation and contemporaries that become internalized to form part of a person's personality (Haralambos & Holborn, 2004). Influences on socialization include parents, education, peer groups, media, work, marriage, social class, legal systems and cultural context (Browne, 1992; Giddens, 2001; Adya & Kaiser, 2005).

Entrepreneurship often goes against the traditional view of the female role; the term 'entrepreneur' is not usually associated with women (Thompson, 1999). In fact, for many, the term 'entrepreneur' is synonymous with the image of a white, middle class male (Fielden, Davidson, Dawe & Makin, 2003). Morrison (2000) further explains that a person's immediate family environment will encourage or discourage certain behaviours, such as entrepreneurship, according to the family unit social values and level of support for independence and deviation from the norm. Therefore, if participation in entrepreneurship is viewed as 'the norm' in the family context, it is more unlikely to be encouraged (Van Vuuren and Groenewald 2007). For that reason, it is not surprising that high proportions of entrepreneurs have a parent or close family member who is self-employed, hence making entrepreneurship a feasible career option (Brush & Hisrich, 1991; Morrison, 2000; Orhan & Scott, 2001). The parents will raise their children to fit into their view of society, encouraging them to pursue activities in line with the 'proper' fulfillment of gender roles (Tovey & Share, 2000).

From pre-school, children are socialized into gender roles and the development of certain attitudes begins at the early stages of education. For example, giving pre-school girls dolls to play with re-enforces the stereotype of women as caretakers while giving boys constructional toys can help to develop scientific and mathematical concepts (Haralambos & Holborn, 2004). Furthermore, early educational reading can propagate these stereotypes with books portraying males in active roles while females carry out domestic chores. A study by Best (1993

cited in Haralambos & Holborn, 2004, p 760-761) showed that there was a highly disproportionate number of heroes and heroines portrayed in early educational books with a ratio. Parents and teachers may expect more from boys than girls as the future breadwinners giving more attention and opportunities to boys, encouraging their natural curiosity, while girls are encouraged to be patient and 'ladylike' (Francis, 2000.a.). There is evidence to suggest that because boys tend to be more boisterous and confident in class, mixed schools can encourage girls to take a back seat hence stunting the development of independence which then impacts on girl's career choices (Giddens, 2001). Girls tend to rate themselves lower than boys do in certain critical business skill areas, including managing money, working with numbers, problem-solving and decision-making (Marlino & Wilson, 2003). Haralambos and Holborn (2004) suggested that this lack of confidence can be partly attributed to the attention given to boys in terms of criticism for lack of neatness and misbehavior, concluding that the better behavior of girls in class leads them to believe that their failures are due to an inherent intellectual inadequacy.

Another area that schools contribute to and that can serve to socialize young people is extra-curricular activity and playground activities. Participation in sports has long been accepted as a positive influence instilling confidence, teaching competence, responsibility, role-taking abilities, temporal perspective, cooperation, cognitive and motor skills and prepares the child for social intercourse yet fewer girls than boys take part in sports (Anna, Chandler, Jansen

& Mero, 2000). In a similar vein extra-curricular activity, such as membership of clubs and societies, can teach responsibility, give organizational skills, build confidence and enhance a sense of self-efficacy among females (Rombokas, 1995). Child play can also impact on the early development of gender identity and core skills which are needed later in life. According to Coates and Overman (1992), traditional 'boys play' leads to the development of skills necessary for business success such as teamwork, competition, independence and confidence. Furthermore, Anna, Chandler, Jansen and Mero (2000) highlighted that having a mixed gender or predominantly male peer group can play a part in the development of entrepreneurial intentions.

Recent work has drawn attention to how nations of the successful entrepreneur are often written in masculine terms (Bruni et al., 2004, Lewis, 2006; Anil 2006). Cater (2000); points out that woman are not disadvantaged in the world of self-employment because of their lack of mental, physical, educational and other kinds of abilities but as a result of gendered categorizations. Gender stereotypes are also a significant obstacle facing female entrepreneurs (Still & Timus, 2000 a, b) especially for women in male-dominated sectors of business.

Giele (1993) in his study on women and society asserts that in all cultures, girls are socialized from birth to have quite divergent goals for themselves and are systematically taught to making a good marriage and raising children. He further

suggests that the social – cultural beliefs and attitude dictate the way they live. Thus, the scenario was contributed to the low participation level in business.

The International Labour Organization report (ILO: 1986) on promotion of micro and small enterprises states that women in most developing countries experience some hindrances to entry into self-employment due to their traditional role in the family, cultural values conflicts with the women entrepreneurs. According to freeman and Norchliffe (1994), social and religious norms tend to shape the economic options of women. Resistance from family proves the greatest barriers for female entrepreneurs (Babaera & Chikora, 1997).

In Homabay County, there is a belief that women who venture into business and specifically fishing industries automatically become prostitutes. Some businesses are looked at as women spoiler. This is because women are expected by the society to come home early and not spend the night out in the name of doing business. This study looked at the impact of socialization towards the participation of women in business.

#### **2.1.2.2 Lack of Human Assets**

##### **a) Education and Access to Information:**

The combination of high levels of illiteracy and low social position exposes women to high risk of exploitation and violence (Karim, 2000; Mayoux, 2001). Lower education levels put women entrepreneurs in Kasipul Constituency at a disadvantage compared to men. While gender gap in primary education in Kasipul

Constituency has decreased in recent years, the gap remains high at secondary and tertiary education levels. Lower education does not emphasize entrepreneurship skills. It decreases the chances that women will have the knowledge needed to excel in business, and thereby contribute to the country's overall economic growth. Culturally, and especially in the rural setting, the girl child was not given equal opportunity to study like the boys; hence they had limited education and training (if any) which tends to affect effective performance in later life.

According to MSE baseline survey of 1999, 13.7% of women don't have formal education as compared to 6.8% of men. As a result, more women are concentrated in the labour as semi-skilled categories in the labour market and also as trade service sub-sector of MSE. In Kenya, girl child education is elusive; Mwangi (2004) wrote that a combination of poverty, disease and backward cultural practices continued to deny the girl child her right to education.

In the universities, it has been advocated that women have pursued undergraduate degrees in liberal arts as opposed to business, engineering or technical subjects (Watkins & Watkins 1984; Hisrich & Brush 1983). McCormick (1992) in her story on gender participation and performance in small scale enterprises traces diversity of choice of occupation to prior education and good opportunity for acquiring skills on the job and ability to meet capital requirement when starting business. Low levels of education literacy are said to limit women ability to produce the sort of written business plan and loan proposal as required by the banks.

Women have businesses which are labour intensive and make minimal use of new technology. Most of the existing research findings suggest that this is because women entrepreneurs lack the knowhow on business technology. Lack of information and awareness on small scale enterprises is another challenge facing women in business in Kasipul constituency.

**b) Access to Training**

Namusonge (2006) noted that entrepreneurial education and training play a key role in stimulating entrepreneurship and self-employment. In education, preference is given to boys, thus the educational level of most women entrepreneurs is very low, creating a barrier to them accessing training and other business developments services. (Women entrepreneurs in Kenya, 2008). In many cases, women's access to training that will assist them in developing business skills are limited or difficult to obtain. Although the increase in women business owners has drastically risen in the last ten years, there are no structured institutions to address the women's business skill development (Sarah Kitukale et al., 2004). Moreover, many support institutions were not aware of the gender-specific constraints of women entrepreneurs and therefore, unable to adequately address them when providing the necessary services (Tezer, 2001).

**c) Inadequate experience**

This literature shows that women entrepreneurs have limited business and managerial experience prior to start-up. This is attributed to the fact that they are concentrated in lowly paid jobs and lower status employment (both formal and

informal) that does not support or enable them to build skills through experience. This is further exaggerated by lower levels of education of female than male business owners in general (OECD, 2004).

**d) Inadequate non-financial services**

Non-financial services are the services that improve the performance of the individual enterprise, its access to markets and its ability to compete, and are offered on a short-term or temporary basis. Business development services vary widely, encompass many disciplines, and do not fit easily into a single category. Non-financial services include training & technical assistance, market access services, input supply services, Technology and product development services, Infrastructure-related and information services and policy as well as advocacy. Many studies showed that woman's enterprises do not have adequate non-financial services. The majority of female entrepreneurs have expressed a need for a more supportive business environment. These include, start-up support, legal aid, on the job-training and human resources (El Mahdi, 2006). There is a general lack of access to and provision of these services at a level that is beneficial to females, particularly at a level which can help them become more competitive vis-à-vis their male counterpart.

*“We are isolated socially; we lack vital work experience, and access to enterprise information and marketing facilities which the men entrepreneurs acquire. The excessive demand on our time 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” (Women Entrepreneurs in Kenya, 2008).*

### **2.1.2.3 Lack of Social Assets**

#### **a) Time constraint:**

According to Caroline Moser’s, ‘Gender planning framework’, women have three roles which are reproductive. These include child bearing and rearing, domestic tasks e.g. cooking, cleaning, washing etc. The second role is the productive role that is, work done for remuneration in cash or kind (e.g. wage, labour, farming etc.) and finally the community management roles the work that supports collective consumption and maintenance of community resources e.g. education, wedding and funerals.

Women multiple roles include being a cleaner, cook farmer, teacher, book maker and nurse. This affects their productivity (Kock 2008). Multiple roles leave women with less time to participate in business fully. According to the Somer commission (1990), more women are venturing into industrial and service sector besides their entrepreneurial prominence in the formal sector. The report admits that women combine these pursuits with their domestic roles at the same time carrying the double burden of poverty and discrimination.

According to Sessional paper No. 2 of 1992, lack of time due to multiple roles of women in Kenya constitutes a major constrain in women participating in businesses. The traditional delineation of labour persists with women assuming the entire responsibility for child care the largest share of family activity in the

provision of food, water and fuel, and general maintenance of homestead in addition to their economic activities. Ahmad et al., (2011) adds that women are overloaded with business and family responsibilities and may not have time to join business organization and this automatically limits the women entrepreneurs' wing of exploitation. Commonwealth secretariat (2003) adds that when business training is available, women may not take advantage of it. This is basically because they lack the time. This study will look at what women are doing towards conducting business together with their multiple roles.

**b) Access to networks:**

Women entrepreneurs have fewer business contacts, less knowledge on how to deal with the governmental bureaucracy and less bargaining power, all of which further limit their ability to growth. Since most women entrepreneurs operate on a small scale, and are generally not members of professional organizations or part of other networks, they often find it difficult to access information. Most existing networks in many developing countries are male dominated and sometimes not particularly welcoming to women but prefer to be exclusive, (Commonwealth Secretariat, 2002).

**2.1.2.4 Financial Asset**

**a) Lack of wealth:**

Women have proved to be more entrepreneurial when they are exposed to opportunities and have resources (Lee, & Denslow, 2005). A prerequisite for starting a firm is to have initial capital in terms of financial assets and relevant

knowledge assets. Female entrepreneurs fail to excel effectively compared to the ones owned by men due to lack of accessibility to finance (Agarwal, 2003), in a context where formal avenues of employment are often reserved for men. The constraints of family obligations make it harder for women to take on work on a full time basis and to engage in a career. This in turn decreases the range of possible work opportunities for women, leading to jobs in lower paid sectors. Being a part-time worker with low pay is not a good basis for creating personal wealth (OECD, 2004). Responsibility of entrepreneurs for dependents has limited opportunities to make savings or undertake business expansion and diversification Athanne (2011). Makokha (2006) adds that women entrepreneurs have financial and social demands that compete with business to a diversion of capital away from business. In addition to this, women entrepreneurs in developing countries continue to suffer from poor overall assets ownership, poor enforcement of financial rights and the existence of unequal inheritance rights and consequently poor access to community and social resources (Commonwealth Secretariat, 2002).

**b) Access to finances:**

Availability of finance determines the capacity of an enterprise in a number of ways, especially in the choice of technology, access to markets, and access to essential resources which in turn greatly influence the viability and success of a business (Wole, 2009). While access to finance is a challenge to all micro and small enterprises, the challenge for women business owners especially those in

the rural areas is compounded by the multi-faceted gender related problems that inhibit their ability to access finance which even within the MSE sectors is one of the major factors accountable for hindering the emergence and growth of their businesses (Hisrich, & Drnovsek, 2012). Wole (2009) states that securing capital for business start-up or business operation is one of the major obstacles every entrepreneur, particularly those in the MSE sector, face. Even though millions of women throughout the world contribute to national agricultural output and family food security, detailed studies from Latin America, South Asia, and Sub-Saharan Africa consistently indicate that rural women are more likely to be credit constrained than men of equivalent socio-economic conditions (Fletschner & Kenney, 2011).

In developing world, women's access to credit facilities is limited because lending offices usually require tangible collaterals from borrowers. The most commonly accepted tangible form of collateral is land. However, many women do not own property that can be exploited as collaterals because gender relationships play a central role (Dowuona-Hammond, 2007).

In addition, women entrepreneurs are often prevented from running competitive businesses by their relatively low education and skill levels, which generally limit their access to the various support and credit services (Cutura, 2007). Even when they have access to information on the financial services and market opportunities available to them, women may be less equipped to comprehend it due to low

levels of information on finances (UNDP, 2007). Women entrepreneurs often lack information about how to get loans, and face discriminatory laws or practices related to finance and credit (Commonwealth Secretariat (2002)). Kinyanjui (2006) records that some entrepreneurs felt that it was difficult to obtain loans as they had to show credit record and they did not fully understand the requirements of getting and paying loans.

Women's access to financial resources is also limited by biased lending practices that emerge when financial institutions in the area consider them smaller, less experienced and therefore less attractive clients, or when institutions lack the knowledge to offer products tailored to women's preferences and constraints (Fletschner, 2009).

Loans from Kenyan microfinance institutions tend to be limited in amount, have no grace period, are short term in design and carry very high interest rates. Consequently, most women entrepreneurs are likely to have multiple short-term loans to cater for both businesses and social needs. Studies have shown that loans to MSE entrepreneurs only satisfy just a fraction of their financial needs (Women Entrepreneurs in Kenya, 2008). Formal financial support is seen to be too expensive for many women entrepreneurs and hence they treat this as a last resort (Stevenson and St-Onge, 2005). According to Van Vuuren and Groenewald (2007), women do not have access to formal finance and do not understand it, alternatively they tend to rely heavily on informal finance. Several studies

referenced in the secondary research found that most women entrepreneurs used personal savings, loan from friends and families, and informal lending schemes to fund their businesses (Pancer, 1996, Hadiya, 1998 & UDEC 2002).

Patriarchy enforces domination of women (all Jones, 2007: 77). Women lack control of resources even if they own them. Before a woman gets a loan, some banks insist that it has to be approved by their husbands. Kahindi (2002: 39) makes an observation that about 90% of the food in Kenya is produced by women and regrettably men control about 90% of the output. Mayaba et al., (1993) maintain that credit programs for women are in regime in numerous countries, believed these effort, the assumptions that formal lending is gender biased and that women must be taught how to use finance. The study seeks to determine challenges that women entrepreneurs are facing in accessing finance in Kenya focusing on selected women entrepreneurs within Kasipul constituency. The purpose of this study was to assess challenges affecting finance accessibility among women entrepreneurs in Kasipul Constituency in Kenya.

Due to lack of statistics, it is not possible to outline the characteristics of disabled women entrepreneurs in MSEs. This research has already established that most of them are concentrated at the lower end of MSEs, dealing mainly in hawking and petty trade. It can, therefore, be inferred that they earn less than the average incomes earned by women entrepreneurs in MSEs Further research is, therefore, necessary

### **2.1.3 Efforts Being Made to Empower Women Entrepreneurs in MSEs in Kenya**

Several interventions are being carried out by a number of stakeholders to ensure that the sector plays its role fully. Both the Government and the private sector (including the NGOs) are engaged in various efforts to empower the entrepreneurs in particular women, to grow their enterprises. The following are the interventions;

#### **a) Formation of Women Enterprise Fund (WEF)**

Women Enterprise Fund (WEF) was conceived by the Government of Kenya in 2006 and officially launched in 2007. The principal objective of the fund is economic empowerment of women. Women Enterprise Fund loans reach the target beneficiaries through the partner financial intermediaries and directly through Constituency Women Enterprise Scheme (C-WES).

This fund is aimed to enable the government realize the 3rd Millennium Development Goal (MDG) on “gender equality and empowerment of women”. In recognition of the critical role women play in socio-economic development, the WEF has been identified as a flagship project under the social pillar in the Vision 2030. It is expected that the fund will play a catalytic role in mainstreaming women in the formal financial services sector.

**b) Establishment of a Women's University of Science and Technology**

The establishment of Keriri Women's University of science and Technology is one of the positive affirmative actions taken to empower women in MSEs. This gives young women a chance to study science and Technology, the foundations for creativity and innovation and elements essential for growth of MSEs. This gives women more access to technical education hence empowers them to enter MSEs. On the hand, the public universities, the entry qualification for women, for all degree programs has always been a point lower, as part of an affirmative action scheme. This allows for educational opportunity for women. There is an assumption that with the knowledge and skills acquired in life, women graduates will have a better chance of being entrepreneurial, (Women entrepreneurs in Kenya, 2008).

**c) Formal Financial Support for MSEs**

In Kenya, formal financial support is provided by commercial Banks, Non-Governmental Organizations (NGOs), Microfinance Institutions (MFIs) and Savings and Credit Co-operatives Societies (SACCOs) among others. These employ an integrated approach, disseminating information and building capacity of women's groups in effective management of revolving funds. Among them are the Juhudi, Chikola and Katikati loan schemes, supporting men and women entrepreneurs. (Women entrepreneurs in Kenya, 2008) K-REP uses both group based approach and individual lending, about 50 percent of the total portfolio is

for group based and the rest is retail or individual lending. The collateral in the group approach is “social collateral” –group guarantee. Repayment rates on such loans have consistently been very high with an extremely low about 2 percent default rate, (Central Bank of Kenya, 2006).

#### **d) Finance from Mainstream Commercial Banks**

Most commercial banks have special products for MSEs, in most cases offered along with other normal banking facilities however concerns have been raised as to the conditions of access to them and the cost of money borrowed.

Cooperative Bank of Kenya its financial support ranges between KES 15,000 (US 4205) to KES 300,000 (US\$ 4, 110) repayable in six months. Other formal banks’ lending to SMEs are Standard Chartered, Stanbic and Commercial Bank of Africa or offering wholesale credit to the MFIs, (Central Bank of Kenya, 2006).

#### **2.1.4 Summary of the Literature Review**

Over the last three decades, there has been a growing literature on the shift away from planned and managed economies and the hegemony wielded by large transnational firms towards an entrepreneurial economy where micro to small firms or entrepreneurs play greater economic roles (Verheul & Thurik, 2000). The entrepreneurship literature has increasingly acknowledged the desire by women to be economically independent and their role and contribution as female entrepreneurs in shaping the labour market (Smith-Hunter 2006). This growing affirmation of the significance of female entrepreneurship has covered a variety of

themes which include but are not limited to studies examining the management practices of successful female entrepreneurs (Carter & Cannon, 1991), characteristics of female entrepreneurs (Sexton & Bowman-Upton, 1990), start-up capital differences between male and female entrepreneurs and the challenges they face (Verheul & Thurik, 2000; Marlow & Patton, 2005). But even as researchers look at the challenges affecting women in micro and small enterprises gender different challenges have not been given greater emphasis. Others have reviewed the way the entrepreneurship observers have sought to research and expand the subject. Here, de Bruin et al., (2007) and Blackburn and Kovalainen (2009) have called for an integrated framework of analysis which reflects women entrepreneurship in the macro and micro environments. As they argue, these studies should include cultural contextual disparities so differences can easily be drawn across countries and institutions.

Following from the above, while entrepreneurial literature has undoubtedly increased our understanding of entrepreneurs and the gender dynamics of entrepreneurship, a key concern is the tendency for mainstream studies to focus on entrepreneurship issues in Western developed economies to the neglect of developing economies. The resultant effect is that we know comparatively little about the nature of the gender related challenges that female entrepreneurs encounter in developing countries such as Kenya. In this respect, there has been a growing call by scholars (Kitching and Woldie, 2004; Carter, 2000) for country-

specific studies in non-Western Contexts in order to provide insight and deepen our knowledge of the nature of female entrepreneurship.

This study seeks to address the research gap by exploring the challenges that female entrepreneurs face in the specific context of Kasipul Constituency Homabay County. Homabay County being in a developing country where women are often under-utilized, self-employment is sought as a means to alleviate poverty, unemployment and gender based occupational segregation (Remi-Alarape et al., 2009). Given that on a general level, entrepreneurial activity is strongly associated with increased gross domestic product hence welfare (McClelland et al., 2005). This suggests a need to understand the nature of female entrepreneurship in a country where women are impeded by a variety of barriers that stem from the interaction of socio-cultural values and strong family orientations which, as Ituma and Simpson (2007) argue, influence the choices they make. In this respect, there is no doubt that women are significantly contributing to entrepreneurial development. For example, it is estimated that globally women account for 25-33 per cent of all businesses (National Foundation of Women Business Owners, 1998, p. 2).

## **2.2 Theoretical and Conceptual Framework**

### **2.2.1 Theoretical Framework**

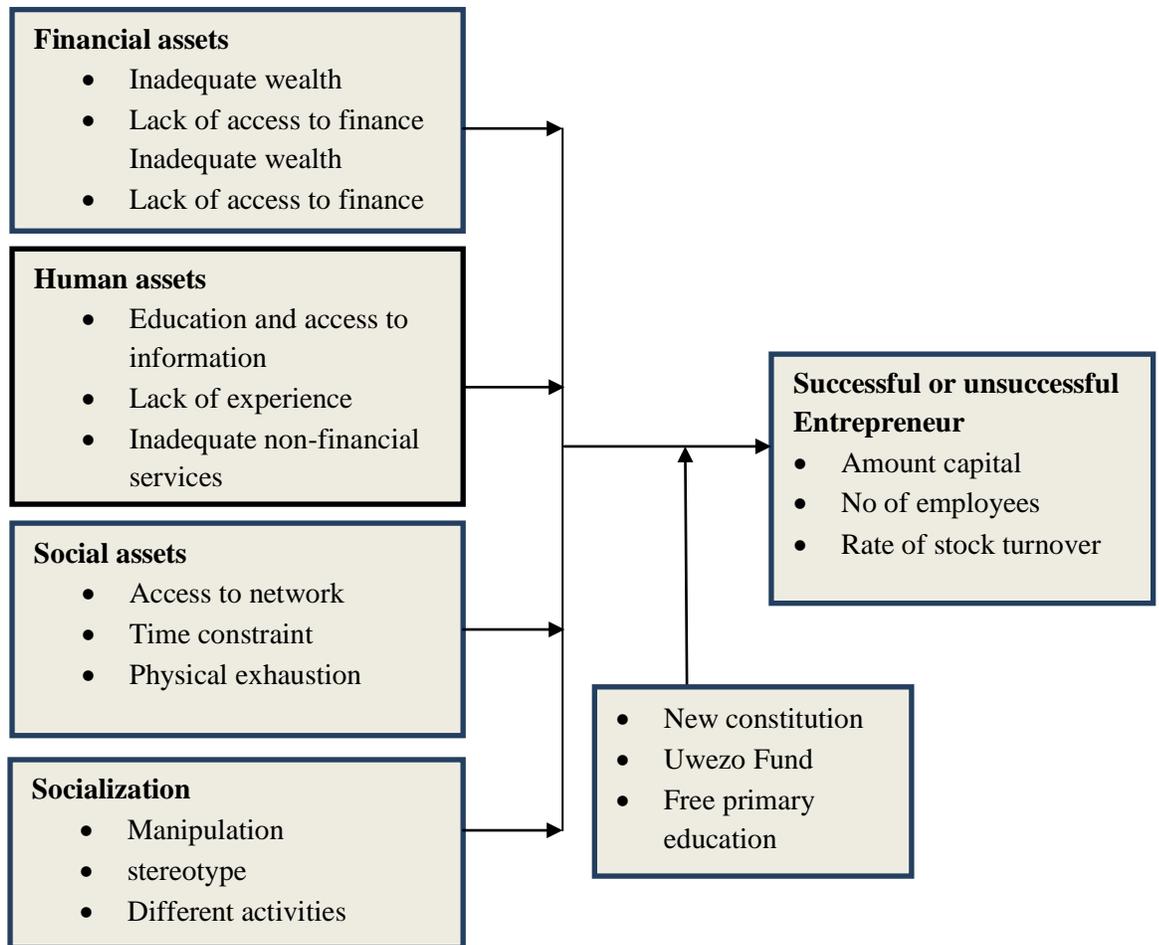
This study was guided by Pearson's gender relations theory, this theory was developed by Ruth Pearson in (1995). This is where the society views all activities that are carried out to be based on social roles and interactions of men

and women. The society seems to have ultimate authority on the precise nature of what women and men actually do, and their real contribution on production and reproduction which turn out to prejudice women (Orodho, 2004). Pearson gender relations theory is appropriate for this study because it emphasizes the various socio-cultural and economic norms which must be considered for women to take the opportunities to participate in business. In traditional setup, the family is headed by household head; a position held by a male parent, that is, the patriarchal ideology is thus dominant. The roles assigned to women are narrowly defined. They are expected to be good wives and mothers. Women are seen as subordinates and their involvement in business less important. Gender related challenges affecting women in business include multiple roles, gender socialization, boys' education preference, access and control of assets. These are related to socio-cultural and economic consideration.

### **2.2.2 Conceptual Framework**

Conceptual framework is a schematic presentation which identifies the variables that when put together explain the issue of concern. With respect to this study, education level, information accessibility, socialization and access to resources are the independent variables. The outcome of the variable (dependent variable) of having success in the performance of women enterprises in MSEs is key. The study sought to assess the extent to which socialization and availability of assets (Human, social and financial) affect the performance of women entrepreneurs.

Figure 2.1 highlights the relationship between the independent and dependent variables.



**Figure 2.1:** Factors affecting women entrepreneurs

Women entrepreneurs face dual challenges in operating SME. As part of the overall entrepreneurial class, they face common constraints that the private sectors face, particularly small-scale operators, to handle SME. In addition, these women face specific challenges associated with their gender (Wole, 2009).

On assets, women perpetuate their limited capacity for growing their business beyond the informal micro enterprise sector. As a result, the businesses of most women entrepreneurs are constrained by weak managerial and marketing skills, finance and technology absorptive capabilities (Wole, 2009). Women's performance in SMEs is also limited by biased lending practices that emerge when financial institutions in the area consider them smaller, less experienced and therefore, less attractive clients, or when institutions lack the knowledge to offer products tailored to women's preferences. Impact of socialization also determines the performance of women entrepreneurs influencing their involvement in business.

Over the last three decades, gender issues and women's empowerment have received greater visibility and attention globally, regionally, and country level on development agenda resulting in modest and uneven attainments in most regions in general. In Kenya, the free primary education, new constitution and *uwezo* fund are some measures by the government in promoting women success in female entrepreneurship. The success of the enterprises could be determined by the amount of capital, number of employees, rate of stock turnover among others.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

This chapter deals with the description of the method applied in carrying out the research. It includes research design, research site, study population, sampling techniques, and sample size, research instruments, data collection procedures and data analysis.

#### **3.1 Research Design**

The research adopted descriptive research designs. The descriptive design refers to a set of methods and procedures that describe variables (Kothari, 2008). This research design involved gathering data that describe events and then organize, tabulate, depict, and describe the data. According to Mugenda and Mugenda (2003), descriptive design is a process of collecting data in order to test hypothesis or to answer the questions of the current status of the subject under study. It was used to describe the general characteristic of the study population and show the relationship between the dependent and independent variables. The study aimed at collecting information from respondents on challenges they encounter while doing business. The researcher also used both primary and secondary data. Primary data were obtained using questionnaires while secondary data were obtained online, from journals and books.

### **3.2 Site of the Study**

The study was carried out in Kasipul Constituency in Homabay County. Kasipul Constituency covers an area of approximately 365.5 square kilometers with a population of 129,854 of which about a half are women. It has a population density of 355 (district statistics office –Kosele, 2001). Purposive sampling was used to select Kasipul Constituency because female/ male ratio is 110:100 (1999 census) and 77 per cent of its population live below poverty line of which 67 per cent is food deficient (District Statistics Office Kosele, 2001). This statistics indicate that women in Kasipul Constituency who are the major stakeholders in MSE are not doing well to deal with poverty.

### **3.3 Study Population**

The respondents included women operating various businesses which include money transfer businesses, retail shops, wholesales, butcheries, boutique, hotels and salon. Table 3.1 shows the population of businesses in the constituency.

Table 3.1: Types of MSE owned by women

<b>Type of business operated by women</b>	<b>Population</b>
Salons	64
Hotels (Kibanda)	54
Retail shops	160
Boutique	58
Wholesales	18
Money transfer business	36
Cloth selling (mutumba and new)	128
Electrical and electronics workshop	3
Barber shop	5
Carpentry	2
Bars operations	7
Construction business	3

Source: County council Rachuonyo Licensing Department

### **3.4 Sampling Techniques**

The study interviewed women operating different types of businesses commonly operated by women. Stratified and simple random sampling was used in this study. Stratified sampling ensured that different businesses were represented as shown in the table 3.2. In selecting these samples of women entrepreneurs, stratified sampling was used in which the 12 businesses that entrepreneurs are engaged in

Kasipul were taken as strata so as to give equal chance to each of the sectors.

From each sector, 30% of women

Entrepreneurs in MSEs were selected randomly using simple random method.

Table 3.2: Sample MSE operated by women

<b>Type of business operated by women</b>	<b>Population</b>	<b>Sample</b>
Saloon	64	19
Hotels (Kibanda)	54	16
Retail shops	160	48
Boutique	58	17
Wholesales	18	5
Money transfer business	36	11
Cloth selling (mutumba and new)	128	38
Electrical and electronics workshop	3	1
Barber shop	5	2
Carpentry	2	1
Bars operations	7	2
Construction business	3	1

The researcher used simple random sampling procedure to sample 30% of women entrepreneurs in Kasipul constituency. A total of 160 women were considered.

### **3.5 Sample Size**

This study used 160 out of the 536 of the women entrepreneurs in different micro and small businesses which is 30% of the study population.

### **3.6 Research Instruments**

To achieve the objectives of the study, primary data were collected through questionnaires as well as interview schedule.

#### **3.6.1 Questionnaires**

Questionnaires were administered to the respondents selected for the study. They were tested and validated during the pilot study. Questionnaires have the merits of being less costly and using less time as instruments of data collection (Gall et al., 1996). The researcher used both closed and open-ended questionnaires.

#### **3.6.2 Interview Schedule**

Kathuri (1993) defines an interview schedule as an outline of questions that form a basis and guide for the interviewing process. It enabled the researcher to gather in-depth information to counter check the information obtained through the questionnaires.

### **3.7 Pilot Study**

The research instruments were verified to establish their validity and reliability. The researcher was guided by the supervisor. Any ambiguities detected in the questionnaire were corrected before actual administration to the sampled respondents.

### **3.7.1 Validity of the Instruments**

Validity is the degree to which results obtained from the analysis of the data actually represent the phenomenon under the study (Mugenda, 1999). If such data is a true reflection of the variables then, the inferences based on such data will be accurate and meaningful. To ensure proper validation of the research instruments, a panel of two lecturers who are well-qualified in the area under study assisted to determine the validity of items of the questionnaires and interview schedule.

### **3.7.2 Reliability of the Instruments**

It is the degree to which a test consistently measures the sample (Gay, 1992). That is, the ability to consistently yield the same results when repeated measurements are taken of the same conditions the split-half technique of assessing reliability of data was employed. This approach required only one testing.

### **3.8 Data Collection Procedure**

The researcher requested for permission from Ministry of Industrialization through the Graduate School of Kenyatta University. She then proceeded to the field. The researcher visited several sampled businesses to make appointments and develop a rapport. The respondents were visited on the agreed instruments were used to collect data. The questionnaires were left with the respondents to have adequate time to fill them. The questionnaires were then collected after a period of two weeks.

### **3.9 Data Analysis and Presentation**

Data were analyzed using qualitative research tools. Findings were thematically organized, given critical analysis backed up with literature from relevant areas. Descriptive and inferential statistics were used to infer the sample results to the population. The Statistical Package for Social Sciences (SPSS) and Microsoft Excel were used to analyze the data to obtain frequency tables, percentages, pie charts and bar graphs.

### **3.10 Ethical Considerations**

Before data collection exercise began, it was important for the researcher to obtain permission from Ministry of Trade and Industrialization before going to the field. In the field the respondents were briefed on the purpose of the research. Only those who granted their consent and willing to participate completed the questionnaires or responded to interviews. They were assured of confidentiality by maintaining anonymity where necessary.

## **CHAPTER FOUR**

### **DATA ANALYSIS PRESENTATIONS AND DISCUSSION**

#### **4.0 Introduction**

This chapter presents the findings from the current study. The study was guided by the following objectives: To identify the type of industries that micro and small-scale women entrepreneurs engaged in. To analyze the key challenges that affects the performance of women entrepreneurs in MSEs in Kasipul Constituency, Homa-bay County. To identify best practices of promoting women entrepreneurship in MSEs in Kasipul constituency. Data was collected from sampled population using questionnaires and analyzed using Statistical Package for Social Sciences (SPSS). The research findings were presented in graphs, pie chart, tables and narrations.

#### **4.1 Demographic Characteristics of the Respondents**

This section outlines the background characteristics of the key informants and respondents. The purpose of this section was to build a picture of the female entrepreneurs in the sample in order to form a foundation for the current research findings. The section is subdivided under the following headings:

- (i) Age of the entrepreneurs
- (ii) Level of education
- (iii) Marital status.
- (iv) Family size

The study sampled 160 women entrepreneurs in micro and small-scale enterprises to participate in it to find out the specific challenges that women entrepreneurs face in entrepreneurship.

#### 4.1.1 Age Distribution of Sampled Population

As shown in table 4.1, majority of the women entrepreneurs were in age bracket of between 30-34 years, thus 32.6% (n=51). Of this, 48% were below the age 30. Only 8% were above 40 years of age. It means that by the age of 40, most women in micro and small enterprises had abandoned their businesses because of the various challenges they had faced.

Table 4.1: Age (years) distribution of sampled population

Age	No of women	Percent
20-24	40	25.3
25-29	36	22.7
30-34	51	32.6
35-39	19	11.3
40 and above	14	8
<b>Total</b>	<b>160</b>	<b>100.00</b>

#### 4.1.2 Marital Status of the Sampled Population

It can be observed from figure 4.1 that the majority of the women entrepreneurs were married (55.18%) followed by single respondents at (23.93%). The remaining 9.21% and 11.68% of the respondents were divorced and widowed respectively.

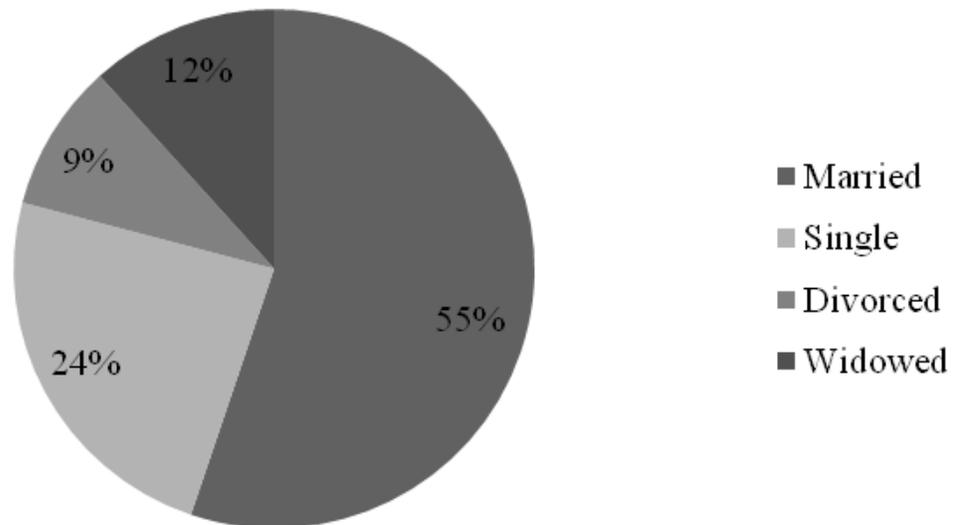


Figure 4.1: Marital status of the sampled population

#### 4.1.3 Level of Education of the Sampled Population

The study also sought to establish the women education level. The findings were reported as shown in figure 4.2.

These findings showed that majority of the respondents from Kasipul Constituency had basic education approximately 75% had secondary school education and above. From this, we can conclude that the level of education might not have been a serious challenge to female entrepreneurs in Kasipul

Constituency. However, only 27% had middle level college education and university education.

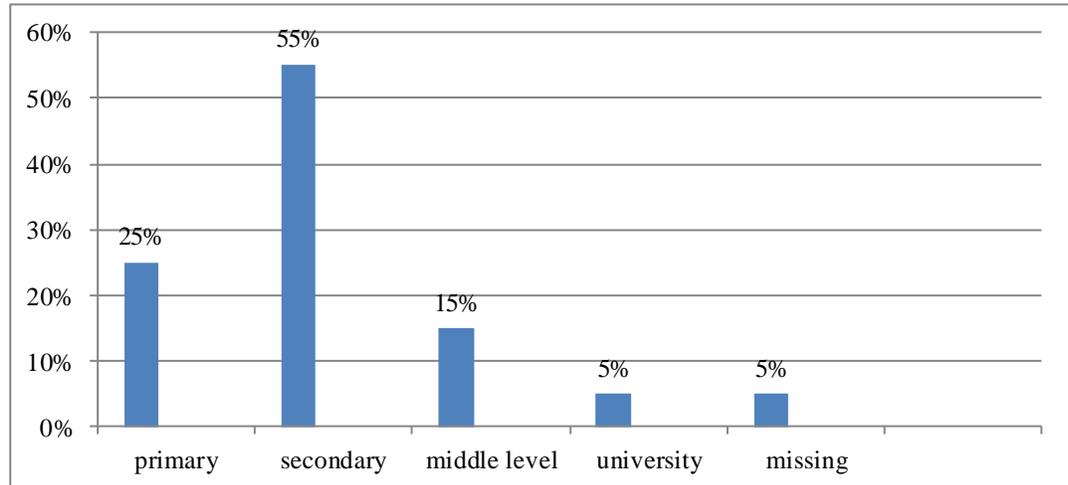


Figure 4.2 level of education of sampled population

#### **4.1.4 Family Size of the Respondents**

As is evident from the table 4.5, majority of the respondents (51.27%) had less than three children. The table also shows that 42.13% of the respondents had 4-5 family members. Only 6.6% of the respondents had a family size greater than 5. This implies that women entrepreneurs are moving away from large families due to the challenges of triple roles.

Table 4.2: Family size of the respondents

<b>Number of children</b>	<b>No of women</b>	<b>Percentage</b>
Less than 3	82	51.27
4-5	67	42.13
Greater than 5	11	6.6
<b>Totals</b>	<b>160</b>	<b>100</b>

#### **4.2 General profile of women entrepreneurs.**

There were a number of distinctive criteria that sustain female entrepreneurs. These include the number of employees working in the enterprise, duration of business, legal ownership status of the business, reasons to start own business, who initiates the business idea, source of skill for starting the enterprise , amount and source of starting fund and profit margins. This factors have influence on the performance of women in business

##### **4.2.1 Number of People Employed by MSEs**

From this study, it has been established that majority of the respondents were operating micro and small scale business with no other business employees except the owners. Table 4.3 shows that 36.7% own and operate their businesses with no extra hand in the running and management of the business, 47.9 per cent had employed between 1-5 employees. This finding is in agreement with a baseline survey done by the government of Kenya (2003) which found that the average size of an MSE was 1.8 persons. According to the survey, the owners themselves accounted for almost 75 per cent of the total MSEs employment which meant that

up to 80 per cent of the survey involved only owners and members of their families. In this study, the numbers of workers employed by MSE were between 1-5. Majority of employees were hired on casual basis and wages given at the end of the day. This goes against the principal of entrepreneurial development of business. To survive and grow, Shane (2003) asserts that business must adopt entrepreneurial initiatives as part of their stagey. According to him, businesses must implement a dynamic process that stimulates a continuous flow of ideas and thereby provides the potential for an ongoing competitive advantage. From the result of the present study, inability to employ staff to help manage women enterprises stifle continuous flow of ideas and reduces the potentiality of women owned businesses to gain competitive advantages in the local and regional markets. The findings of this study are presented in table 4.3.

Table 4.3: Number of employees in the sampled businesses

<b>Number of employees'</b>	<b>No of women</b>	<b>Percentage</b>
None	58	36.7
1-5	77	47.9
6-15	16	10
16-25	7	4.4
26-50	2	1.2
<b>Totals</b>	<b>160</b>	<b>100</b>

#### 4.2.2 Duration of Business Existence of the Sampled Businesses

From figure 4.3, it can be noted that most of the businesses were existing in different periods of time; 31% of the businesses had existed for less than one year; 70% had existed for less than 5 years while only 9% had existed for more than 16 years.

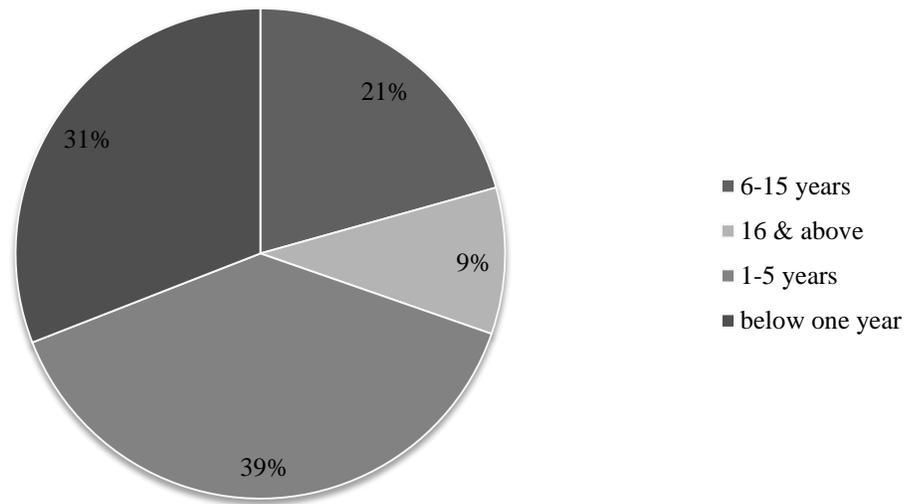


Figure 4. 2: Duration of business existence

#### 4.2.3 Starting Capital of the Sampled Businesses

From the study, more than 70% of the respondents had a capital of less than Ksh.50, 000. Only less than 10% of them had a capital of more than Ksh. 100,000. This confirms that they were micro and small enterprises and also explains why they were not able to employ any employees. The findings were reported as shown in table 4.4

Table 4.4: Starting capital for women in MSE

<b>Starting capital for women in MSE</b>		
<b>Amount used</b>	<b>No of women</b>	<b>percentage</b>
Below Sh 10000	37	23.1
Sh10001-20000	42	26.3
Sh20001-50000	32	20
Sh50001-100000	28	17.5
Sh100001 and above	17	10.6
Missing	3	1.8
<b>Total</b>	<b>160</b>	<b>100</b>

#### **4.2.4 Initial Source of Capital for the Entrepreneurs**

Sources of capital to start businesses were one of the fundamental issues that the researcher explored. From the findings, it showed 43% of the women respondents had initial capital from their savings, 27% from women groups and merry-go-round group arrangement, 14.3% got it from the bank loan while 15.7% from family members. This finding is in agreement with the observation made by Hadiya (1998) who indicates that women were engaged in small businesses with little potential for growth. Just as Hadiya points out, women entrepreneurs in this category were neglected by financial institutions.

From the result, more than 80% of the women respondents depend on business capitulation from informal sources. This is because they cannot borrow from banks due to the collateral requirements and the loan provided by MFIs is insufficient for them. This concurs with Hadiya (1998) who attributed that inability by for category of women entrepreneurs to either borrow from banks or from MFIs is a handicap to their entrepreneurial development. As a result, they fall back to the traditional forms of finance like the traditional money lenders who charge exorbitant interest rates curtailing the chances of these women entrepreneurs to ever expand their businesses. These sources of finance have various shortcomings, which limit the development, expansion and diversification of businesses operated by women.

#### **4.2.5 Profit Margins Made by MSE per Day**

The study findings showed that the profits accrued from these enterprises were small as shown in Table 4.5

The study findings showed that the profits accrued from these enterprises were small as approximately 78% of the respondents got a profit of less than 500 Kenya shillings per day. This explains why most women entrepreneurs in Kasipul Constituency cannot afford to employ extra employee to assist in the management of these businesses

Table 4.5: Profits made by MSE per day

<b>Profits per day made by MSEs</b>	<b>No of women</b>	<b>Percentage</b>
Bellow sh300	46	28
Sh301-500	52	32.9
Sh501-1000	32	20
Sh1001-1500	18	11.3
Above 1501	12	7.4

Table 4. 6: Classification and distribution of women entrepreneurs based on the profit generated by the enterprise

<b>CATEGORIES</b>	<b>NO OF WOMEN</b>	<b>PERCENTAGE</b>
Very high (301-400%)	12	7.4
High (201-300%)	18	11.3
Medium (101-200%)	84	52.9
Low (0-100%)	46	28
<b>TOTAL</b>	<b>160</b>	<b>100%</b>

#### **4.2.6 Cross tabulation**

Cross tabulation was done to compare the different demographic details and the success of the women entrepreneurs. As shown in the figure 4.1, married women (55%) were the largest group running the enterprises with their performance ranging from very high to low level of success. Most of the women entrepreneurs (75%) had basic education. The education and training has an impact on the success of the women entrepreneurs which ranged from being highly successful to the low level of success. Women in the age bracket 30-34 had the highest percentage the success of the women at all ages also ranged from very high to low level of success.

Table 4. 7: Cross tabulation of the demographic details and success

CATEGORIES	Profit generated					
	NO OF WOMEN	%	Very high	High	Medium	Low
<b>Marital status</b>						
Married	88	55	4	9	50	25
Singles	39	24	2	4	17	16
Widowed	19	12	3	3	8	5
Divorced	14	9	3	2	9	0
<b>Total</b>	160	100	12	18	84	46
<b>Age</b>						
20-24	40	25	1	3	23	13
25-29	36	23	2	4	19	11
30-34	51	33	2	7	35	7
35-39	19	11	5	3	4	7
40 years	14	8	2	1	3	8
<b>Total</b>	160	100	12	18	84	46
<b>Level of education</b>						
Primary	40	25	1	1	22	15
Secondary	88	55	2	8	51	27
Middle level	24	15	4	7	10	3
college	8	5	5	2	1	0
University						
<b>Total</b>	160	100	12	18	84	46

#### 4.2.7 Types of Businesses in Kasipul Constituencies

The study showed that there were different types of businesses owned by female respondents. These businesses were mostly saloons, hostels (Vibanda), retail shops, boutiques, money transfer business sale of clothes, tailoring sale of cosmetic among others as mentioned earlier.

From the findings, it is evident that women entrepreneurs concentrate on some areas of business especially retail shop and clothe selling. Women are commonly found in certain lines of economic activities as shown in the Table 4.8

Table 4.8: Types of businesses operated by women

<b>Types of business operated</b>	<b>Frequency</b>	<b>Percentage</b>
Saloon	19	11.9
Hotels	15	10
Retail shops	48	30
Boutique	17	17.7
Whole sales	5	3.3
Money transfer business	11	6.9
Cloth selling (mitumba)	38	23.8
Electrical 19 and electronics	3	1.9
Berber shop	2	1.3
Carpentry	1	0.1
Construction	1	0.1
<b>Total</b>	<b>160</b>	<b>100</b>

### 4.3 Gender Based Constraints affecting the Performance of Female Entrepreneurs in Kasipul Constituency

Challenges affecting women entrepreneurs in MSE Kasipul Constituency are summarized in Table 4.9.

Table 4.9: Obstacles facing women entrepreneur

<b>Obstacles</b>	<b>Frequency</b>	<b>Percentage</b>
Financial challenge	133	83%
Lack of business training	136	85%
Inter-role conflict	126	79%
Lack of inspiration from the family members	93	58%
Risk adverse (great fear of failure)	56	35%
Lack of collateral	139	87%
Lack of self-confidence	29	18%
Lack of control of assets	117	73%
Pressure on child care	85	53%
Lack of savings and ploughing back profits	113	71%
Negative Socio-cultural environment	136	85%
Lack of access to new technology	92	66%

#### 4.3.1 Effects of Female Entrepreneur level of Education on the Performance of Business Enterprises

The study sought to analyze the relationship between female entrepreneur level of education and business performance. Based on this study, women entrepreneurs

do not have basic education as a major challenge to their performance in business. Looking at education levels in chapter 4 pg 48, 120 (75%) had secondary education and above. However, women lack vocational training, as reported on educational level of women. Based on this study, 136 (85%) do not have training on entrepreneurship and self-employment. Anyango (not her real name) from Oyugis market remarked that “I started this business with no training at all but even after doing it for three years; I have not been able to have any training”. This explains their low profit slow growth. It further correspond to the previous study by Namusonge (2006) who notes that entrepreneurial education and training play a key role in stimulating entrepreneurship and self-employment without which there is always an underperformance in businesses. This was in his study in Tanzania on challenges of integrating entrepreneurship education in vocational training system. Women in Kasipul lack entrepreneurship skills this affects their performance.

Lack of college education from the findings means a number of respondents rarely using new technology in their businesses. According to this study, 92(66%) of the respondents do not use any new technology such as online marketing, mobile banking among others. When the respondents were asked about growth and promotion strategy in the businesses, about 47 per cent relied on promoting their business by word of mouth, while 19 percent adopted direct marketing techniques employing sales persons and exhibitions; only 18 per cent relied on print and other media. Pamela who owns a boutique disclosed that “whenever I

bring a new stock, I have to look for my customers to inform them of the new stock by moving to their homes or work place, this is very tedious”.

#### **4.3.2 Impact of Multiple Roles on the Performance on Business Enterprises**

While identifying the challenges that affect the performance of women entrepreneurs in MSEs, most of the respondents acknowledged that inter-role conflicts affect their businesses. According to table 4.9 p58 on obstacles facing women entrepreneur, 126 women (79%) cited multiple roles as one of the major constraints to the success of women entrepreneurs. Caroline (not her real name) from Kadongo centre commented that “...*most of my domestic work cannot allow me to either report early or leave late from my place of business...*” Atieno (not her real name) who operates a retail shop disclosed to the study that “...*many of my one time trading colleagues dropped out of the business because shop required one to open early to serve customers who buy goods for breakfast and close late for most customers come very late in the evenings...*”

Women entrepreneurs also mentioned being actively involved in domestic chores and therefore being physically exhausted. These findings mirror an early finding by Mikkola who while doing research on sustainability initiatives by small scale rural entrepreneurs in Finland, found out that there was low representation of women entrepreneurs in the small scale manufacturing sector at only 26% Mikkola (2005). This was attributed to heavy household chores that leave women very exhausted and with less time to devote to their business. Ahmad et al (2011) also in earlier findings while doing research on improving MSE in Nairobi found

that women are overloaded with business and family responsibilities and may not have the time to join beneficial associations. This automatically limits the women entrepreneurs' wings of exploration.

#### **4.3.3 Effects of Access and Control of Assets on the Performance of Women Enterprises**

Another challenge affecting the performance of women entrepreneurs is the inability to raise enough capital to start a business. This confirms an earlier finding by Zororo, (2011) in Pakistan on women entrepreneurs in MSEs who found that the financial aspect of setting a business is the biggest obstacle to women. According to the statistics in table 4.9, Pg. 58, 83% of the respondents cited financial challenge as a major obstacle. 113 (71%) of the respondents are bread winners and their earnings are used to offset their daily family expenses leaving very little if not nothing to reinvest. This finding mirrors earlier findings by Makokha (2006) who found out that woman entrepreneurs have financial social demands that compete with business capital, leading to a diversion of capital away from business needs.

Based on the findings on this study, lack of capital has been attributed to, among other factors like lack of control of assets, 87% of the respondents said they did not own most of the fixed assets required as collateral to take loan and even if they owned them they did not have control over them as expressed by 73% of the women. This is inclined with the previous findings of Mikkola (2005) who found out that women have meager financial and human capital at their disposal and

they lack ownership rights, issues which deprive women of property ownership in general and consequently of the ability to offer the type of collateral normally required to access the loans.

Second, the banks are not accustomed to dealing with small businesses and as such see them as very risky. Atieno (not her real name) says that “...*when I approached the bank officials for a loan, they concentrated more on the collateral which I never had instead I provided them with the history and performance of the business, which I believe should be the most important factor in making a lending decision but they declined to offer me the loan...*”. The third problem is that banks charged about 25-30 per cent interest for loans to small enterprise. This was quite expensive to the respondents. An alternative to bank loans is borrowing from Micro-Finance Institutions (MFIs). These institutions have two limitations. First, one has to start borrowing very small amounts and gradually graduate to higher sums. Anyango (not her real name) from Oyugis market laments that “...*the loan I received was too small to meet my financial obligations...*”

#### **4.3.4 Effects of Socialization on the Performance of Women Enterprises**

Based on this study resistance from family is also one of the greatest barriers for female entrepreneurs. Amondi from Ringa market laments that in Kasipul Constituency a woman’s primary role is a wife and mother and traditional practices still restrict women to their maternal role and other family-bound tasks. 73% of the women interviewed cited resistance from the family as one of the

challenges. This concurs with Neider (1987) who found a “sense of guilt” among his sample of female entrepreneurs in Florida from neglecting their home life in preference for their business. Some women in Kasipul remark that they felt added burden of a family restricted what they could achieve in their business activities.

According to the study 77 percent of the participants felt they were not being supported by their families, while 88 percent of those that indicated they enter the business with a partner indicated they joined a family member – primarily a parent or husband. Respondents that had children when asked if they faced issues raising children while being entrepreneurs, only 47 percent indicated that they did not face any issues, while 53 per cent indicated that they faced many issues especially when children needed more attention, such as during times of illness. The fact some respondents did not face any issues raising children might be an indication of additional support from other family members.

When asked how confident the women interviewed were in their ability to become successful entrepreneurs, 58 per cent believed that they would succeed in their endeavor, while 13 per cent were passionate and strongly believed in their ability to succeed. From Table 4.9 p58 it can be noted that about 18 per cent were uncertain of the outcome and in answering the question of the fear of failure 35 per cent consented that this issue frequently crossed their minds.

Another challenge is that some of the officials and business people who deal with the women entrepreneurs do not trust that the women can meet their contractual

obligations and hence try to work through the husbands. Abonyo, (not her real name) who is engaged in food processing, reports that “...*some of my suppliers prefer to negotiate with my husband when it comes to matters related to the business. Sometimes I start discussions with a supplier of packaging materials, but the supplier insists that he will conclude the deal with my husband...*” This sometimes leads to a situation where the husband makes inappropriate decisions, because he is not involved in the day-to-day activities of the business and does not always have enough time to consult her.

Some women are harassed by their spouses while doing business. Martina reports that her former husband supported her at the beginning by giving her capital. He also took care of all family needs from his salary, leaving her to spend or re-invest whatever she earned. However when she started earning some good money, he changed. He would sometimes come to the business and quarrel with her. This very much affected her business, since many customers did not like the husband’s behavior. Eventually, she decided to separate from the husband. Martina has now learnt to stand on her own.

#### **4.4 Support need of women-entrepreneurs**

Based on objective three; identifying the best practices of promoting women entrepreneurship in MSEs. The participating women entrepreneurs were furthermore requested to indicate whether a specific support need is applicable to them. The women responded as shown in table 4.10

**Table 4. 10:** Results of the support needs of women-entrepreneurs

<b>Specific need</b>	<b>Frequency</b>	<b>Percentage</b>
Training/knowledge/skill	124	77.78%
Financial support	116	72.22%
Tools, equipment, machinery	101	62.96%
Business advice, information, counselling	75	46.3%
Networking with other business owners	75	46.3%
Suitable business premises	62	38.89%
Marketing support	53	33.33%
Computer	39	24.07%
Internet services	39	24.07%
Technical support	30	18.52%
Infrastructure (roads, telephone, electricity)	27	16.67%
Transport	18	11.11%

Table 4.10 shows that out of the 160 participating women entrepreneurs in the Kasipul study, 116 (72.22%) indicated that they need financial support to develop their businesses, while 124 (77.78) indicated that they need to acquire business knowledge, skills and training. A total of 101 (62.96%) women entrepreneurs indicated that they need support in the form of tools, equipment and machinery and 75 (46.3%) need support in the form of business advice and information.

A total of 53 (33.33%) women entrepreneurs indicated that they need marketing support, while 62 (38.89%) indicated that they need support in the form of suitable business premises. In addition, 30 (18.52%) indicated that they need technical support, while 18 (11.11%) need transport support. Networking with other business owners is needed by 75 (46.3%) women entrepreneurs. Furthermore, nine women entrepreneurs need support in the form of infrastructure, while 39 (24.07%) need computer and Internet services support.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.0 Introduction

This chapter summarizes the findings of the study and areas that require further research. The purpose of the study was to find out the constraints facing women enterprises in Kasipul Constituency. The study was a descriptive design based on the following areas:

- To identify the type of businesses that women are most likely to engage in.
- To establish the gender based challenges facing women enterprises in Kasipul Constituency.
- To identify measures that can be taken by the government and other relevant bodies to promote women entrepreneurship in Kasipul Constituency.

There are a number of specific constraints which negatively affected women entrepreneurs' success. Difficulties in accessing bank finances due to lack of property right hence collateral; undermined women's capacity to borrow and repay by bank officials; time was unavailable due to multiple domestic roles. The study has however shed some light on some of these issues. For example, it is apparent that even where women legally own property, cultural values may not allow them to pledge this as collateral, as they still have to secure the permission of their family members.

It is also clear from the findings that while men could be very supportive to women entrepreneurs, husbands could also present a serious hindrance to their spouses' development by underestimating their capabilities and hence discouraging them from taking risks and developing substantial enterprises. Indeed, the results of this study showed that in some cases, women were much more willing to take risks than their husbands were prepared to allow them. If such attitudes prevail, these could make women in Kasipul to operate far below their potential. This suggests that men need to be sensitized to allow and actually encourage their spouses to start and develop businesses, rather than suppressing them.

Another interesting phenomenon is the situation where some of those who had contract with the businesses wanted to deal with a man, usually the husband, even when the husband does not know what is going on in that business. This could lead to counter-productive decisions by the husband. Women entrepreneurs need to know how to deal with situations like this, without upsetting their clients or suppliers.

Overall, these results have provided insight into the challenges faced by female entrepreneurs in the context of Kasipul Constituency. In fact, Kasipul women emerged particularly confident and resourceful in their entrepreneurial career. These gender factors have close links to key variables that emerged from the study such as family commitments and lack of access to finance. In terms of the

family, even single women were constrained by these commitments, reflective of traditional expectations regarding women's role in fulfilling family obligations.

Based on this study, it has emerged that women-owned enterprises in Kasipul Constituency tend to be smaller in employee count and revenues and most of them were concentrated in the service sector of the economy. Statistically, the differences in means suggest that women rank access to capital for expansion as the most important constraint in their growth. In addition, lack of information on business development, shortage of skilled labour, lack of effective networking abilities, lack of business training opportunities, childcare responsibilities, and their family commitments were also indicated as significant hurdles in the growth and development of their businesses. A closer look at the results reveals that external factors relating to environmental development, lack of business support services, lack of support from the local government and coupled with unskilled labour also rank as very important constraints.

Although only 16 per cent of the respondents had attained business training at the time of start-up, most of them considered appropriate business training to be a very important factor contributing to growth. This raises a need for design and delivery of specific business and technical training programs by the national and regional institutions responsible for fostering the growth of women-owned businesses.

## **5.1 Conclusion**

Micro and small enterprises provide employment to the poor who have no other means of income. Women are highly represented in self-employment and operating small income generating activity. Although women's MSE's are significant in terms of reducing the household vulnerability to poverty, many of them are not reaching their growth potential due to various factors as summarized above. Many of the constraints women micro and small enterprises face cannot be addressed with one single intervention or one single sector for that matter. The micro and small enterprises, although their importance for poverty reduction is recognized, there is little confidence among policy makers about their ability to contribute to the growth of the economy. Therefore, greater attention needs to be paid to the development of the sector in general to promoting women owned micro and small enterprises in the continent and ensure women's economic empowerment as a way to reducing poverty and promoting growth.

In conclusion, gender issues are vital to explain the different perceptions of female entrepreneur's gains in the light of their own experience. Moreover, majority of businesswomen tend to be involved in business in service and retail sector. In addition, gender affects entrepreneur's choice of the marketing tools to distribute their products. Holistically, gender is a critical factor that influences and determines entrepreneur's activities, choice and the ultimate success.

## 5.2 Recommendations

The following recommendations were made:

- 1) It is recommended that attention be paid to collect sufficient and detailed gender statistics on the micro and small enterprises. The government should provide advice to women entrepreneurs about the types of industries that are more likely to successfully bid for government contracts. For example, public relations cannot be a service that may be easily sold to governments, but printing services might be a better choice. While not all women entrepreneurs may be willing to create businesses exclusively on the basis of this information, some may consider it helpful if they are at the planning stage of starting their own business.
- 2) Women's lack of access to productive resources in Kenya is a serious economic problem for the country. Denying working women the opportunity to own and inherit property has serious implications on the productivity and income of households. The government should honor their international and regional commitments that call for gender equality in property and inheritance rights. Proper legislation should be done to ensure this take place. Greater attention needs to be paid in galvanizing efforts to ensure women's ownership of land and other properties through policy formulation reform, revision of financial support system. Ensuring access to micro-credits and training to women alone is not a panacea to women's business growth. Projects that support women's micro and small

entrepreneurship like currently the Uwezo Fund need to take into account the various gender-related challenges as summarized above, including time burden, lack of intra-household decision-making power, low technology, limited access to markets and resources and limited supportive environment.

- 3) Improving vocational and technical education and training is an effective way of generating dynamic entrepreneurs. Girls' and women's participation in technical vocational education is low in Kenya. There is the need to transform gender segregated approach to vocational and technical training in which girls and women are trained in. Skills training programs need to be developed in conjunction with the labor market. Efforts should be made to empower women through various leadership programs that build women's ability to progress in the businesses.

### **5.3 Suggestion for Further Research**

The study has made a contribution to the body of knowledge on women entrepreneurship and can be regarded as a step towards moving away from the current dependence on anecdotal evidence and case studies. This study, however, only assessed some of the aspects concerning women entrepreneurship in a relatively small sample and can be regarded as an exploratory study. More comprehensive research is still needed to gain more insight into the motivational

factors for self-employment of women entrepreneurs, their support and training needs to enhance our understanding of these issues.

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**APPENDICES****APPENDIX 1: MSEs Entrepreneurs questionnaire for women entrepreneurs  
on factors affecting business performance**

This questionnaire is intended to collect information on female performance in micro and small business enterprises. Please fill in the blank spaces provided or tick where necessary. All responses will be treated with strict confidence. Thank you.

**BACKGROUND INFORMATION**

1) What is your age bracket? Please tick

20-24 years

25-29 years

30-34 years

35-39 years

40 and above

2) What is your capital bracket? Please tick

Below Ksh.10, 000

Ksh10, 001-20, 000

Ksh20, 001-50,000

Ksh. 50, 001-100,000

Ksh. 100, 001 and above

3) What is your marital status? please tick

Married

Single

Windowed

Divorced

4) How many children do you have? Please tick

Less than 3

Between 4-5

More than 5

5) What is your average profit in a day? Please tick

Bellow Ksh. 300

Between Ksh. 301-500

Between Ksh. 501-1000

Between Ksh.1001-1500

More than Ksh 1501

6) How long have you been in this business?

<b>Time</b>	<b>(0-1) years</b>	<b>(1-3) years</b>	<b>(4-7) years</b>	<b>&gt;8 years</b>
<b>Please tick</b>				

7) What type of business do you do?

.....

8) What were you doing immediately before you started this business? Please tick.

- 1) student
- 2) Employed
- 3) Unemployed
- 4) In another business specify
- 5) Housewife
- 6) Other specify.....

9) That women tend to be found trading in certain areas of business that are often labelled as “feminized”? Please tick

- |                            |                          |                   |                          |
|----------------------------|--------------------------|-------------------|--------------------------|
| Disagree strongly          | <input type="checkbox"/> | Disagree somewhat | <input type="checkbox"/> |
| Neither agree nor disagree | <input type="checkbox"/> | Agree somewhat    | <input type="checkbox"/> |
| Agree strongly             | <input type="checkbox"/> |                   |                          |

10) From where do you operate this business? Please tick

- Business premises owned by you
- Rented business premises
- Home
- Other (specify).....

11) Who initiated and started the business you are doing? Please tick

- Myself alone
- With the family
- With a friend/partner
- Other (specify).....

12) Do you face any resistance from the family while operating this business?

Yes

No

13) What were the reasons for starting this business?

1) Unemployment

2) Provision of family

3) Make money and gain control of life

4) Gain control of life

14) What is your highest level of education? Please tick

Degree holder  A-Level  Diploma

Form four  Standard 8  below Standard 8

Illiterate

15) In your view, in case of little money, whose fee was paid first?

Boys

Girls

15) Do you have any training on entrepreneurship and self-employment?

Yes

No

If no give reasons why

.....  
.....

16) Do you apply any new technology in your business?

Quite often

Not often

Rarely

17) At what time do you open your business?

.....  
 .....

Give reasons why

.....  
 .....

18) At what time do you close the business?

.....

Give reasons why

.....  
 .....

19) Do you have time to join business organizations?

Yes  No

If no, give reasons

.....  
 .....

20) How many employees do you have in this business? Please tick

Number of employees	0	1-5	6-15	16-25	26-50
Please tick					

21) How did you get capital to start your business?

Own savings  Friends  Family  Bank

22) What are the fixed assets that your businesses have? Please tick

Land  Motor vehicle  Premises  none of the above

23) Do you have control of these assets?

Yes

No

If yes, to what extent

Always  Often  Sometimes

Rarely  Never

24) Have you ever tried to get loan from the bank?

Yes

No

If yes, did you succeed?

Yes

No

25) If no, what was the problem? Please tick

1) Cumbersome procedures

2) High interest rates

3) Small loan sizes offered by Micro Finance Institutions

4) Lack of collateral

5) Inability to write business plans

6) Other (specify

.....  
.....

26) If yes, was it enough to meet your financial needs?

.....  
.....

27) What recommendations do you think should be put in place by women entrepreneurs ,government and NGO to ensure that women does well in business? .....

28) Give reasons.....

Thanks for your cooperation

**APPENDIX 2: Interview schedule for female entrepreneurs in MSE**

- What type of business do you do?
- How long have you been in business?
- Do you have adequate capital?
- What are your sources of capital?
- What are the critical and important issues that are affecting your business?
- At what time do you open and close your business?
- Do you have access and control to resources like land which can be used as collateral in taking loan?
- Do you have any formal training in running your business?
- What recommendations do you think should be put in place by women entrepreneur's, government and NGO to ensure that women does well in business?
- What support should women entrepreneurs be given
- What motivated you to start this business?
- What is your profit margin?
- How many employees do you have in the business?

- What measures do you think should be put in place by government and NGOs to support women in MSEs

Thank you for your time and information.