FACTORS HINDERING ACCESS OF WOMEN ENTERPRISE FUND:

A SURVEY OF WOMEN ENTREPRENEURS IN MURANG'A MUNICIPALITY

BY

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MAY, 2012
DECLARATION

This research project is my own work and has not been presented for a degree or any other course in any other institute or university.

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This research project is dedicated to my dear husband Isaac Minae and our dear daughter Joyanne Waitherero.
ACKNOWLEDGEMENTS

My acknowledgement goes to all people who contributed to the writing of this research project. To begin with, my supportive supervisors Madam Ann Muchemi and Mr. Eliud Obere for the guidance they gave me all through. My dear husband Isaac Minae for his endless support, our dear daughter Joyanne Waitherero for enduring my absence when I was busy writing the project. Last but not least, my brother James Mwangi for his technical help in the course of writing the project.
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<td>Women Enterprise Funds</td>
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<tr>
<td>MGC&amp;SD</td>
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Entrepreneurship is considered as one of the important factors of economic development of a society. For any entrepreneurial venture to thrive, it requires capital. The Government of Kenya has provided women with funds (Women Enterprise Fund) with the principal objective of empowering them so as they can contribute to national development equally as men do. Access of this fund would enable women entrepreneurs to grow their businesses. Research has shown that despite the availability of this fund, women do not fully utilize it. In my literature review i have discussed the concept and role of entrepreneurship. I have also discussed the role of Government in entrepreneurship development and gender and entrepreneurship before discussing factors that hinder women to access funds. This study investigated the factors that hinder access to this fund by women entrepreneurs. This study used a descriptive design. The target population was 1019 registered women entrepreneurs in Murang’a Municipality, out of which a 10% sample was used. A total of 96 women participated. Data was collected using questionnaires administered to selected women entrepreneurs chosen through a stratified sampling procedure. Data was analyzed using descriptive statistics method of analysis with the aid of statistical package for social sciences (SPSS). Presentation of the data was done through tables, pie charts and bar graphs. The research revealed that majority of women felt that WEF was an essential component towards business growth and financial independence. Financial literacy, lack of awareness on the existence of WEF and some social-cultural factors were identified as factors that hinder the accessibility of WEF. From the findings, the study recommends that business financing training programs for women entrepreneurs be developed and training approaches which effectively reach them at there work place be adopted. The study also recommends that the Ministry of Gender and Financial Intermediaries embrace educative form of marketing to bring enlightenment on existence of WEF. There is also need to sensitize men who also pose as a hindrance so as they allow and encourage their spouses to access the WEF.
CHAPTER ONE

1.0. INTRODUCTION

1.1 Background to the Study

Finance is one of the important prerequisites to start an enterprise. In fact, it is the availability of finance that facilitates an entrepreneur to bring together land, labour, machinery and raw material to combine them to produce goods. The significance of finance in production is elucidated like a lubricant to the process of production. There are others who hold the metaphorical view that finance is the life-blood for any enterprise, be it big or small (Khanka, 1999). One of the main constraints on the level of entrepreneurship and business creation is the difficulty encountered in obtaining finances (Bates, 1997).

National and international researchers have highlighted the negative impact of financial constraints on a new firm formation, as well as the harmful impart on economic growth and job creation (Egeln et al., 1997). Access to finance is increasingly recognized as a main barrier for women entrepreneurs (Bray, 2001). A study done in Ghana by Gilbert Ansoglenang in 2006 revealed that the amount of money women get as loans is hardly enough to start businesses. Research has exposed gender-based differences in patterns of finance usage, with women firms using less external finance in form of bank debts and private equity (Carter, S. and Evans, D.J. 2006). According to Sane Pierre, (2006) 86% of the women surveyed stated that their initial capital was from personal savings with seven percent citing Loan advances from friends and relatives as the source of initial capital. Women mainly borrowed from these sources for lack of the collaterals needed for the formal borrowing. This was also coupled with laxity to take risks that go along borrowing from the bank. Though the minimum start-up capital required for establishing micro-enterprises make enterprises easy, in absence of funding for expansion, it leaves the micro-enterprises caught up in a vicious cycle of low investment, low income, low profits and savings for investment (Levisky, 1989).

The Millennium Development Goals (MDGs) present a set of eight interlinked goals and accompanying targets which together aim at rooting out poverty, with the ambitious aim of halving the proportion of people living in extreme poverty by 2015. Integrated approaches are critical to ensuring that poverty is addressed in all of its multiple dimensions—social, economic,
and political—including a focus on capacity-building and empowerment of poor people as actors in their own development. Less than 5 years are remaining towards the target time for achieving the Millennium targets. If success is to be achieved, ensuring gender equality and women's empowerment will be essential, given the relevance of gender concerns to all of the MDGs. This fact was recognized by governments at the September 2005 World Summit who collectively affirmed that progress for women is progress for all.

Globally, after the declaration in 2005, Governments, Non-Governmental Organizations (NGOs) and institutions responded enthusiastically by developing plans and promised to work towards the realization of these goals. Muhibbu-Din Mahmudat Olawunmi (2010) indicates that the New Partnership for Africa’s Development (NEPAD) was formed with one of its long term objective as to promote the role of women in all activities. In Finland for instance, there is sectoral segmentation of business activities which has called for specific action of support to enhance women interest in business activities. One of these actions of support is in form of targeted funding instruments for Women Entrepreneurs (WEs). There is a government-funded loan scheme for WEs which is granted by the Ministry of Labour (Brush et al., 2006).

In the attempt to encourage women’s participation in entrepreneurship, the Government of Kenya (GOK) in 2006 conceived the Women Enterprise Fund (WEF) that was officially launched in 2007. The establishment of the Women Enterprise Fund was an innovative development by the government to reach the low-income end of people and ignite synergies that would enhance entrepreneurship in the country. The underlying objective for the women fund was to establish a revolving fund that would subsequently reduce poverty through social-economic empowerment of women. What is astounding is the low uptake of these funds by enterprising Kenyan women. (Ministry of Gender, Children & Social Development www.gender.go.ke) As this continues to be the challenge, various important questions have been raised. Njoroge, (2010) for instance asks whether the Ministry of Gender has not marketed the fund well enough, could it be a problem of project design, are Kenyan women no longer enterprising, are the current financial intermediaries unable to satiate the thirst for working capital loans through their own internal lending funds without seeking for extra funds, does the Ministry of Gender lack effective in-house capacity to facilitate effective win-win partnerships with financial providers all over Kenya, or is this an indictment of a great idea yet lacking
innovative technocrats to deliver it? Against this backdrop, women are likely to continue experiencing development challenges unless the situation is addressed comprehensively.

1.1.1 Context of Study
Murang'a municipality is in Murang'a County, Central Province of Kenya. Many of the residents in the municipality are in formal employment. Other residents earn a living through entrepreneurial practices, majority of which are in small-scale. Its neighborhood is agricultural with coffee being the main cash crop. Since majority of these farmers have small pieces of land, they practice subsistence farming. Therefore, Murang'a municipality is a relatively low income area. The municipality has 3,675 registered businesses, but only 1019 businesses are solely owned by women. Their business ventures are distributed in all regions within the municipality.

1.2. Problem Statement
Financing a business venture is a critical element for business success. It follows then that every firm should be planned with a clear and positive understanding of what funds will be needed to begin the operation, what additional funds will keep it going once it is operational and just where the money can be found (Steinhoff, D. & Burgess, J., 1993). According to Drucker, (1995) lack of capital is the most crippling ailment of an infant enterprise. Women business ventures are no exception. Credit facilities give women a basis to start with or even a boost to an already existing enterprise. When women face difficulties accessing funds for entrepreneurial activities, they remain idle as far as their contribution to economic growth is concerned. During the launch of Youth Enterprise Development Funds (YEDF), President Bingu wa Mutharika admitted that women struggle to access loans from financial institutions than men (Potani, 2011).

In recognition of this, the government has shown its commitment and role to create an enabling environment for small businesses for women entrepreneurs as spelt out in Sessional paper No.2 of 1991. Through Government policies, Women Enterprise Fund was created to offer affordable credit to women and it’s expected that they will thrive in businesses. This fund is channeled through Constituency Women Enterprise Scheme and Financial Intermediaries.

Researches carried out on entrepreneurship consider lack of capital as a main problem. Otieno, (1988) for instance, in his research summarized that lack of capital is the main initial constraints
facing Jua Kali enterprise. Muturi, (2006) concluded that accessibility of credit in Commercial Banks is constrained by legal and regulatory factors. Jane, (2005) in her study concluded that Banks and Financial Institutions have traditionally had a negative attitude towards women who are the majority in SMEs. However, of concern is, even though the government has availed affordable funds for women with minimal regulatory factors, some of these funds lie idle with lenders. This is an indicator that few women entrepreneurs have accessed this fund despite the fact that many potentially successful firms fail because of undercapitalization.

Murang’a Municipality is in Kiharu Constituency which was allocated 2 million and only 1.2 million was disbursed in the previous financial year (Ministry of Gender, Children and Social Development, 2011). According to the WEF CEO, S.T. Wainaina, Kenyan women should partake of these golden opportunities for self realization. WEs within Murang’a Municipality are near both channels of disbursement (Constituency Women Enterprise Scheme and Financial Intermediaries) yet 40% of the WEF remain unutilized. An urgent intervention therefore becomes very necessary to reverse this trend and ensure that women fully utilize the funds. This study therefore seeks to establish the factors hindering access of Women Enterprise Fund particularly focusing on women entrepreneurs in Murang’a Municipality and suggest possible strategies that can be put into place to enhance the utilization of the funds.
1.3 General Objective
The objective of this study was to identify factors hindering access of WEF by women entrepreneurs in Murang'a municipality.

1.4 Specific Objectives
(i) To find out whether financial literacy affects the accessibility of Women Enterprise Fund.
(ii) To determine how level of awareness on the existence of WEF affects the accessibility of Women Enterprise Fund.
(iii) To investigate whether social-cultural factors affect the accessibility of Women Enterprise Fund.

1.5 Research Questions
(i) How does financial literacy affect accessibility of Women Enterprise Fund?
(ii) In what ways does level of awareness on the existence affect the accessibility of Women Enterprise Funds?
(iii) How do social-cultural factors affect the accessibility of Women Enterprise Fund?

1.6 Significance of the Study
This Study will establish important findings that will be useful to the following:

1.6.1 Government of Kenya especially the Ministry of Gender
The findings will be useful in providing guidance in ways to implement policy already formulated by the Ministry.

1.6.2 Financial Institutions
These institutions will understand the factors that contribute to low uptake of the WEF and strategize accordingly.

1.6.3 Future Researchers
Future researchers in this field will find this research quite resourceful as part of their literature review.
1.7 Scope of the Study
The study was only carried out in Murang'a Municipality. The focus was women entrepreneurs within the municipality. Although the findings would be easily generalized for women entrepreneurs in Kenya, it would be rather accurate to generalize for the population from which the sample was generated.

1.8 Limitations of the Study
This study had a number of limitations:

1.8.1 Some Respondents were Illiterate or Semi-Literate
The researcher hand delivered the questionnaires, interpreted the questions and even helped jot down the responses of those women entrepreneurs who were illiterate.

1.8.2 Time was Limited since the Researcher is on Full Time Employment
Due to this, the researcher took off-days from work to go to the field and collect data.

1.8.3 Some Respondents were Suspicious and therefore Unwilling to respond to the Questions
The researcher took time to explain to them the purpose of the study until they were convinced to respond honesty.
CHAPTER TWO

LITERATURE REVIEW

2.0. Introduction
This chapter reviews existing literature on the subject of this study. The purpose of the literature review is to establish a foundation upon which the problem being investigated is rooted. It starts by looking at the role of entrepreneurship, role of the government in entrepreneurship development, gender and entrepreneurship, then factors that hinder women to access funds.

2.1. The Concept of Entrepreneurship
Cole, (1959) defines entrepreneurship as the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or aggrandize profit by production or distribution of economic goods or services. Solomon and Fernald, (1988) defined entrepreneurship as a function of bearing a non-insurable risk to the entrepreneur. They defined the entrepreneur as a person who is able to look at the environment, marshal resources and implement action to maximize these opportunities. Schumpeter, (1961) defined entrepreneurship as the act of carrying out a new combination of firm organization-new products, new services and new sources of raw materials, new methods of production, new markets and new forms of organizations. From these definitions, an entrepreneur is important because of his ability to identify opportunities, marshal resources and implement actions thus contributing towards economic development.

2.2 The Role of Entrepreneurship
Batra, (2003) argues that, Entrepreneurship is the moving force behind any economy; it is the key that links social-cultural milieu with the rate of economic development. Availability of entrepreneurship is the most important factor in the process of industrialization. According to Mohan and Elangovan, (2006), entrepreneurship is considered a prime mover in development and why nations, regions and communities that actively promote entrepreneurship development, demonstrate much higher growth rates and consequently higher levels of development than nations, regions and communities whose institutions, politics and culture hinder entrepreneurship’s. Evidence suggests, it is false to assume that socially and economically
depressed areas will transform into fast growing areas by injection of internal investment funds and external expertise. Without entrepreneurial capabilities which are well developed or potentially available, external funds will be wasted on projects that will not provide long-term economic growth. Consequently, instead of becoming more and more integrated into other economically and socially rich areas such areas will become increasingly isolated, depopulated, poorer and therefore less and less capable of attracting people who, given available resources, would make an impact from a development stand point. The growth of entrepreneurship helps in increasing gainful employment opportunities, per capita income, standard of living and capital formation in the economy. Local resources can also be fully utilized by growth of entrepreneurship. Entrepreneurship development also reduces regional imbalances and concentration of industries in selected areas (Verma, 2005).

2.3. Role of Government in Entrepreneurship Development

Mittal, (2003) argued that the government’s involvement in business matters in a country in whatever manner adversely affects entrepreneurship. He stated there is evidence to the fact that the government’s active involvement in business, trade industry and finance is necessary for stimulating technology and entrepreneurship in all developing countries. The government has a key role in creating an enabling business environment. It undertakes various measures, financial and physical, to help the growth of entrepreneurship in the changing business environment. The Kenyan government recognizes the role and importance of micro and small enterprises as is evident from the government policy documents on this sector such as the National development plans, the sectional papers, national baseline and economic surveys, poverty eradication strategy plans released by the government. Sessional papers No.2 (GOK, 1992) sets out a comprehensive policy framework to enhance direct assistance to individual entrepreneurs and small scale enterprise. The aim was to support an enabling policy environment by addressing licensing, tax, security of works and other regulatory restrictions on informal sector activities. This sessional paper stressed the role of private sector enterprise and initiatives, with the government playing mainly a facilitative and catalytic role.

Among the major constraints that restrained expansion of MSEs as identified in Sessional paper No.2 (1996) was access to credit. The government underlined the need for adequate access to
credit and channeled funds through microfinance institutions targeting specific groups of small business. One of these funds is the Women Enterprise Funds (WEF) which was established with clear mandate of providing sustainable and wholesome solutions to the challenges Kenyans women face in venturing and/or expanding their businesses.

The Women Enterprises Funds are disbursed through two channels:

Constituency Women Enterprise Scheme (CWES)-TUINUKE LOAN - It is disbursed at constituency level to registered groups at the Ministry of Gender, Children and Social Development (MGC&SD) offices. Tuinuke Loan is interest free.

**Table 2.1 Loan disbursement under the constituency women enterprise scheme channel**

<table>
<thead>
<tr>
<th>Province</th>
<th>Constituency</th>
<th>Allocation (Kshs) million</th>
<th>Amount disbursed(Kshs)</th>
<th>Number of groups funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central</td>
<td>29</td>
<td>67</td>
<td>44,827,000</td>
<td>949</td>
</tr>
<tr>
<td>Coast</td>
<td>21</td>
<td>44</td>
<td>33,063,000</td>
<td>695</td>
</tr>
<tr>
<td>Eastern</td>
<td>36</td>
<td>80</td>
<td>40,177,000</td>
<td>852</td>
</tr>
<tr>
<td>Nairobi</td>
<td>8</td>
<td>17</td>
<td>13,498,000</td>
<td>277</td>
</tr>
<tr>
<td>North Eastern</td>
<td>11</td>
<td>22</td>
<td>9,600,000</td>
<td>193</td>
</tr>
<tr>
<td>Nyanza</td>
<td>32</td>
<td>77</td>
<td>55,609,400</td>
<td>1088</td>
</tr>
<tr>
<td>Rift Valley</td>
<td>49</td>
<td>109</td>
<td>84,871,000</td>
<td>1760</td>
</tr>
<tr>
<td>Western</td>
<td>24</td>
<td>49</td>
<td>26,963,600</td>
<td>552</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>210</strong></td>
<td><strong>465</strong></td>
<td><strong>308,609,330</strong></td>
<td><strong>6,466</strong></td>
</tr>
</tbody>
</table>

Source: Ministry of Gender, Children and Social Development www.gender.co.ke(2011)
Secondly, it is distributed through financial Intermediaries (FIs)-JIIMARISHE LOAN. Here, funds are disbursed to individual women, registered groups or companies owned by women at an interest of not more than 8% p.a. On a reducing balance.

Table 2.2 Loan disbursement through financial Intermediaries

<table>
<thead>
<tr>
<th>Amount allocated to 45 intermediaries</th>
<th>1,032,000,000</th>
</tr>
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<tr>
<td>Amount disbursed to date by MFIs</td>
<td>842,000,000</td>
</tr>
<tr>
<td>Number of women beneficiaries</td>
<td>25,000</td>
</tr>
</tbody>
</table>

Source: Ministry of Gender, Children and Social Development www.gender.co.ke(2011)

2.4. Gender and Entrepreneurship

Over the past 30 years, two parallel trends have occurred. First, in almost every country in the World there has been growth in both the size and the relative importance of small business sector. Second, female suffrage, achieved in many countries within the twentieth century, has been followed by a large scale expansion in the economic participation of women in the labor Market (Carters and Evans, D.J, 2006). Slowly women entrepreneurship is very visible in thought and actions. With strong support of several policies, initiatives, schemes and programmes, the Women entrepreneurship practices have grown noticeably in all fronts (Mohan and Elangovan, 2006).

Verma, (2005) states that, Entrepreneurship among women is gradually changing the growing sensitivity to the roles, responsibilities and economic status of women in the society in general and family in particular. Owing to the profound structural changes that are taking place across world in general and prolific transformation in the economics of the developed world in particular, everywhere women are becoming entrepreneurs. The present economic environment is in fact so congenial to provide new opportunities for women in the rapid change and ensure chances brought about by the globalization of Markets, competitions, or a better chance as entrepreneurs (Morgan and Elangovan, 2006). In almost all countries, the governments are
providing special provisions for women’s developments and efforts are being made to extract maximum use of women’s talent (Verma, 2005).

Gender participation in MSEs is determined by various institutions that include education, social and economic institutions. They influence the entrance into and operations of the business. They tend to determine the level of investment, background to training, opportunity availability and utilization. In comparison to men, women tend to invest smaller amounts of capital and despite the fact that more women than men own MSEs these businesses are smaller and less profitable than those of men (Mc Cormick, 1998).

2.5. Factors that Hinder Women to Access Funds

According to (Steinhoff, & Burgess, 1993), external capital is the main source to finance the firm’s investment projects in the situation when internal accumulation capabilities of MSEs are limited. According to (Mirchandani, 1995), access to capital can be difficult for both men and women but it is usually much more difficult for women entrepreneurs. According to (Sera, 2001), more than half the respondents involved think it is easier for men to be entrepreneurs in Mozambique and gain access to capital than women. It is not surprising then that access to capital is one of the most frequently cited environmental barriers to business entry for African WEs. Access to formal institutional credit is difficult for most small scale entrepreneurs, especially women, because of unfamiliarity with complicated loan application procedures and paperwork (Sane, 2006). Research findings by Mamudu, (2009) at Northern Ghana indicates that women are still at a disadvantage. Education, application procedures, access to land, membership to economic association, size of firm, savings, interest rate and distance to rural banks are the social-economic, technical and institutional factors that influence women farmers access to credit.

Hisrich & Brush, (1984) argue that women on the whole face barriers accessing capital and mobilizing start-up resources. Berger, (1989) summarizes the barriers to women access of finance as follows: Their businesses are under-capitalized and they are in activities with low profitability. He also noted that women are more averse to risk and consequently demand fewer, smaller loans. Women prefer other types of financing over debt for business purposes and they
face social cultural constraints. Due to their multiple household and economic responsibilities, women face serious time constrains and therefore are negatively impacted by transaction costs. They also have different sources of information. According to Verheul & Thurik, (2001) female entrepreneurs are more likely to have less experience with financial management and they spend less time networking which may deprive them of important information concerning acquisition of finance. Majority are likely to work in the service sector, which is characterized by relatively small initial investments requiring a small amount of financial capital.

A global research carried out in several countries produced almost similar results on what hampers women to access finance. In Ireland for instance, the nature of women businesses (small-scale and being in the service sector) and institutional and policy barriers were quoted. Women were also reluctant to seek funding from formal sources due to lifestyle choices. Those with children and/or other dependants choose not to grow or develop their businesses thereby avoiding taking on further responsibility, and thus do not seek finance from formal sources. In Canada, female-owned firms appeared more likely than male-owned firms to finance their ongoing operations through their personal savings and personal credit cards. In Finland, women’s access to finance might be hampered by the fact that many women-owned firms are micro-enterprises or small businesses in the service sector. The government programmes target high-tech and high-growth industries. In Germany, with regard to WEs and access to finance, few studies most of which are based on small or local sample hint at gender-related differences in access to finance. Female take up rate (on average 21%) are considerably lower than the overall shares of WEs in Germany (30%). WEs tend to use their own capital, informal credits from friends and relatives or investments in kind when starting a venture. In general, they tend to apply for small credits as compared to men (Brush et al., 2006). For the purpose of the study however, I am going to focus on three major factors:

2.5.1 Financial Literacy
According to Keasey and Watson, (1993) the best place to start to consider small firm financing is to ascertain how much is known about firm financing in general. Somewhat surprisingly, given the number of textbooks and articles on the subject of finance, there is relatively little known about the practical aspects of the financial decision making of firms. The explanation for this
state of affairs is complex but is bound up with the academic subject of finance developing out of economics and the ambition of practitioners in these disciplines to present themselves as fully fledged scientists. It has resulted in the development of many abstract mathematical models and seemed to have ruled out asking people what they do.

Financial information is important to any entrepreneur because for any entrepreneurial event to be realized there will be some minimum investment of finance. The funds required are sometimes very modest but for ambitious projects the sums involved may be substantial (Blinks and Vale, 1990). According to Barringer, (2008) many entrepreneurs go about the task of raising capital haphazardly because they lack experience in the area and because they do not know the choices. This shortfall may cause a business owner to place too much reliance on some sources of capital and not enough on others. Entrepreneurs need to have as full understanding as possible of the alternatives that are available in regard to raising capital. According to UNDP(2007), the literacy levels of women was lower compared to that of men and this has a reflection on the response they give to financial matters. Raising capital is a balancing act. Once an entrepreneur’s financial needs exceeds what personal funds, friends and family and bootstrapping can provide, debt and equity financing are the two most common sources of funds. Equity means exchanging partial ownership in a firm, usually in form of stock, for funding. Debt financing is getting a loan.

The principal attractions of debt financing arise from the tax treatment of interest charges, from the reduced requirements for venture evaluation and monitoring experiences and from the non-dilution of control within the private limited company. The other benefit of debt arises from the retained autonomy of the entrepreneur and the avoidance of the obligation to distribute entrepreneurial profits to a pure capitalist (Blinks and Vale.1990). Financial information pulls together all the information presented in other segments of the business: manufacturing, marketing, distribution, and management. It quantifies all the assumptions and historical information concerning business operations (Kuratko, and Hodgetts, 2001)
2.5.2 Level of Awareness on Existence of WEF

Wambui (2007) explains that information is the power that drives any form of development be it economic, social or even political. Access to information therefore becomes the indispensible component of development which facilitates assembly of knowledge into comprehensive form and then on application by the user, it is able to yield great success over what one was not able to do there before. Besides giving skills and capabilities to perform, knowledge is also known to give the recipient confidence in their life pursuits. In a research carried out by Ekpe, et. al. (2010), information helps one take feasible financial initiatives which otherwise could have been dismissed as risky.

According to Mohan and Glangovan, (2006) one of the problem faced by women entrepreneurs is lack of information. According to Wube, (2010) women have fewer business contacts which limit their growth. Since most of them operate on a small scale and are not members of professional organizations or any other networks, they often find it difficult to access information. Lack of networks deprives them of awareness and exposure to good role models. One factor facing MSEs in relation to information is its acquisition. Other shortcomings are lack of timely, simplified, reliable and relevant information. As a result of these shortcomings, MSEs are unable to survive and grow in fast changing increasingly globalized and highly competitive market environment. According to ILO, (2003) women entrepreneurs in MSEs are not only affected by lack of accessibility to information but also by lack of quality awareness among others. Ekpe, et. al. (2010) note that, using information to accept to take risks and also shed non entrepreneurial mindset leads to discovery of entrepreneurial opportunity. In order for women to unlock the potential inherent in them, access to information and consequently knowledge is of essence so that they can actualize their capabilities. Access to information for economic gains for women further depend on their willingness to act upon what they have known (Wambui, 2007).

Foster (1984) argues that, the basic concept of marketing is essential to all types of business. Not only essential for the manufacture and selling of consumer products but also of service industries, state enterprises and even non-profit making activities. The basic markets operations have to be modified in various ways to suit to some of the enterprise mentioned above. If the channels used to market funding opportunities are not available to, accessed, or participated in by women, they may be unaware of funding opportunities available for them. According to Brush,
et. al., (2006) of particular relevance in this context is the use of formal and informal networks. Banks and other funders use informal networks, formal network and other intermediaries. Networking is also an important mechanism for the exchange of tacit and explicit knowledge in general and with regard to establishing and growing a business in particular (Brush et al., 2006). The findings of studies on social networks all concur that extensive networks are critical for the growth of an entrepreneurial venture because they provide access to a variety of resources held by other actors (Shaw, 1997). Fleischner, (2011) states that in social cultural setups where norms restricts women mobility, hence inhibiting their interactions, access to information, institutions and markets is compromised. In other words the larger the network, the better the access to resources that the entrepreneurs do not possess themselves. A quantitative study of self-employed women provided evidence that women did not seem to engage heavily in developing their professional networks since they were very satisfied with their personal networks, which generally consists of their husbands, extended family and friends (Nielsen & Kjeldse, 2000). This means that women may encounter a homophily constrain and not obtain the advice necessary to access various types of angle and venture finance to grow their business (Ruef et al., 2003). Lack of awareness due to inadequacy of information on the importance of the duties they perform keep women from decision making tables on policy matters. Even in cases where women have the information relayed to them about the financial services available to them, many may lack the knowledge of processing it (Ngimwa Ocholla and Ojiambo 1997).

2.5.3 Social-Cultural Factors

For many years, scholars have debated the origins of entrepreneurial behavior. One recent study quoted in (Lambig, P. and Kueth, C. 2007) has identified four spheres of influence in determining entrepreneurial behavior i.e. the individual or self, the ethno cultural environment, the circumstances in society and a combination of these. Circumstances in society also determine entrepreneurial behavior. In all societies, there are those who had not planned to be entrepreneurs but find at some point they are pushed towards self employment such as immigrant downsizing.
Cultural influences also determine entrepreneurial behavior. Culture is a way of living, developed and transmitted by a group of human beings, consciously or unconsciously, to subsequent generations. Culture has been identified as an environmental characteristic that influences consumer behaviors and that culture affects differently the individual’s acquisition and use of goods and services (Vincent, 1997) Nationally, cultures differ on such factors as power distance, individualism, masculinity and uncertainty avoidance (Hofstede, 1980). Tully, (2006) observes that in a number of Conventions on the Eliminations of all forms of Discrimination against Women (CEDAW) reports contains details on how social and cultural barriers impair economic participation by women. In Gabon, women’s financial access rate is dictated by these restrictions. In Zambia, men are highly regarded as owner of property while women are treated as labourers. In Yemen, a good deal of the women investments depends on the social standing of her family. Brazil and Tunisia exhibits no different traits.

Women in many cultures are more averse to risk and consequently demand fewer, smaller loans. Women prefer other types of financing over debt for business purposes and they face social cultural constraints. Due to their multiple household and economic responsibilities, women face serious time constrains and therefore are negatively impacted by transaction costs (Berger, 1989). People do not work in a vacuum. A woman’s family is assumed to be more important to her than her work. In order to understand women’s behavior at work, it is important to understand the effect of family. Parental and housekeeping responsibilities are expected to intrude on their work life (Veronica & Barbara, 1981). Women with children and/or other dependants may choose not to grow or develop their businesses their by avoiding taking on other responsibilities (Brush et al., 2006).

A number of states in Burundi, Lebanon and Tunisia indentified a woman’s marital status as affecting access to credit. Several reported that their national laws enshrined the rights of married women to conclude credit agreement with financial institutions without spousal permission. This included women married under sharia law and single mothers (whether windowed or divorced) and unmarried women concluding mortgage arrangements without any family-related preconditions (Tully, 2006).
According to Buckley, (1996), the rate of entrepreneurship varies among cultures. Culture also affects the image and status of entrepreneurship. In some cultures, entrepreneurship is seen as something positive while others tend to view it as an occupation of low esteem. Siddique, (2008) argues that unfavorable cultural practices and social inhibition militate against the development of women entrepreneurship. According to Fletschner and Carter, (2007) women acquisition of entrepreneurial capital may be restricted by demand side identify constraints as women who pursue non-traditional entrepreneurial livelihoods may stand at odds with activity-regulating social norms.

Cultural beliefs can also be a deterrent to entrepreneurship. In many cultures, success in business is put down to the welding of malign superpowers. Quite a number of cultural attitudes affect business. These attitudes take a long time to change. Eheel, (2000) explains that in the 1980s it was a major plan of the then UK government policy to develop an enterprise culture. The rationale for which appeared to be an attempt to reduce the levels of unemployment. The success and speed of development of an enterprise culture in a country is arguably affected by its education policies and practice. If any government envelops an enterprise culture in the country, individuals will grow to be enterprising and thus will try to access any resource available to start or expand their ventures. To promote entrepreneurship, there is need to promote enterprise culture and spirit through media education and vocational training systems (3rd European Conference on craft and small enterprises, 1997).
2.6 Conceptual Framework

Utilization of the WEF by women entrepreneurs is based on the premise that it will promote the growth and/or expansion of women entrepreneurial ventures. For the funds to be effectively utilized, it is important to understand the factors hindering the accessibility. The following is a discussion of the factors that affect the accessibility of the WEF. Availability of financial literacy which is facilitated by formal literacy level, another factor of paramount importance is the level of awareness. All stakeholders should focus on building up in the minds of the women an understanding of the WEF and its benefits. To successfully borrow and utilize the funds, women need to be liberated from some cultural attitudes and beliefs that corrupt their perception of debt financing.
CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction
This section presents the procedures that were used to collect data and thereafter perform an analysis. It includes research design, target population, sampling procedures, data collection procedures, pilot testing and data analysis methods.

3.1 Research Design
The study applied descriptive survey design to access the factors that hinder the accessibility of WEF by women entrepreneurs in Murang’a Municipality. According to Orodho (2009), survey method is the most appropriate for social studies involving collection of opinions and habits. The method is easy to use and allows the use of research instruments like questionnaire. The design enabled collection of opinions from women entrepreneurs on factors hindering the accessibility of the WEF.

3.2 Target Population
The research targeted women entrepreneurs in Murang’a Municipality, Murang’a County. Murang’a Municipality is a cosmopolitan area with various entrepreneurial activities being carried out by women. The total number of registered businesses is 3,675 with 1019 solely owned by women. The kind of enterprises are as follows: Large retail stores, wholesales, shops, kiosks, hawkers, service providers, transport, storage facilities, bars, hotels, schools, technical services, transport and butchery (Murang’a Municipal Council, 2011).

3.3 Sampling Strategy
According to Mugenda and Mugenda (1999), for a descriptive study, at least 10% of accessible population is sufficient for the study. A list of registered businesses was obtained from the Murang’a Municipal Council and businesses solely owned by women compiled. These businesses were grouped according to their types. Stratified random sampling was used to obtain
a 10% sample from each category to ensure fair representation. Therefore, a total of 105 women entrepreneurs formed the sample of the study as shown in the table below.

### Table 3.1 Sample size Determination

<table>
<thead>
<tr>
<th>Types of business</th>
<th>Total population</th>
<th>10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large retail stores</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Shops</td>
<td>416</td>
<td>41</td>
</tr>
<tr>
<td>Kiosks</td>
<td>32</td>
<td>3</td>
</tr>
<tr>
<td>Wholesale</td>
<td>31</td>
<td>3</td>
</tr>
<tr>
<td>Hawkers</td>
<td>137</td>
<td>13</td>
</tr>
<tr>
<td>Service providers</td>
<td>93</td>
<td>9</td>
</tr>
<tr>
<td>Transport</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td>Storage facilities</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td>Agricultural processes</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Restaurant with bar</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Hotel</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Butchery</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Bar</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Catering /Accommodations</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>Technical services</td>
<td>240</td>
<td>24</td>
</tr>
<tr>
<td>Education Institutions</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1019</strong></td>
<td><strong>105</strong></td>
</tr>
</tbody>
</table>

#### 3.4 Validity and Reliability

The researcher conducted the pilot study to ensure the research instrument fully addresses the objectives of the study. Five women entrepreneurs not taking part in the actual study were picked for piloting using purposive sampling procedure. The purpose of the pilot was to validate the research instruments. Validity is the degree to which results obtained from the analysis of data actually represent the phenomenon under study. (Mugenda and Mugenda, 1999) The reliability of the research tools was tested using the test-retest method.
3.5 Data Collection Method

Questionnaires with some open ended and closed ended items were used to collect the required data. The instrument was chosen because of its credit for flexibility in asking probing questions not beyond the focus of the study. The researcher first got an introductory letter from the University before proceeding to the field. Then questionnaires were directly administered and collected to enhance respondents’ participation and minimize the distortion of responses (Saunders et al, 2003).

3.6 Data Analysis

The raw data collected was edited, coded and then entry done. Descriptive statistics was used to analyze data for each of the variables. Data analysis package, Statistical Package for Social sciences (SPSS) was used.

3.7 Data Presentation

The researcher tabulated the responses from the research instrument and calculated percentages where necessary. Frequency tables, graphs and pie charts were used. Responses that highlight awareness and attitude were interpreted and summarized. The resulting information was presented in notes on the basis of these findings. The researcher gave suggestions and recommendations for future action.
CHAPTER FOUR
DATA ANALYSIS AND INTERPRETATION

4.1 Introduction
The findings made on the study were analyzed and presented in this chapter with respect to the factors that hinder women to access Women Enterprise Fund in Murang'a Municipality. The findings obtained are presented in five subsections: Background information, effects of utilizing the WEF, financial literacy, level of awareness and social-cultural factors. Response rate precedes the presentation of data analysis.

4.2 Response Rate
The study questionnaires were issued to 105 women and 96 were retrieved. The return rate was 91%. Therefore of 96 women was involved in the study.

4.3 Background Information

4.3.1 Type of Firm Activities
To establish the type of firm activities women engage in, the respondents were asked to indicate and this was used to form a summary as shown below.

Figure 4.1 Type of Firm Activities

Source: (Researcher, 2011)
The findings in table 4.1 show that 69% of the respondents are in the service business, 27% are in merchandising and 3% are in manufacturing. Majority of women entrepreneurs are in service business. This phenomenon is similar to Sera (2001) whom in his study Survey on status of business women in Mozambique noted that 41.43% of the enterprises were service businesses.

4.3.2 Age of Business
The age of a business is an important indicator of the extent to which an entrepreneur sources for funds for its growth. The researcher therefore sought to establish the age of businesses owned by the respondents and established the following:

Table 4.2 Age of Business

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Less than 1 year</th>
<th>Between 1 &amp; 5 years</th>
<th>Over 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Count</td>
<td>3</td>
<td>39</td>
<td>54</td>
</tr>
</tbody>
</table>

Source: (Researcher, 2011)

The findings in Table 4.2 show that 54 out of 96 respondents have been running their business for over 5 years, 39 out of 96 have been in business for more than one year. This finding is similar to ILO (2003) in a survey on Women Entrepreneurship: Going for Growth, in Tanzania. 3/4 of the enterprises are aged between 2-7 years. These results show that majority of women entrepreneurs businesses are not start ups and ought to be accessing funds for growth.
4.3.3 Number of Employees
According to Brush et al (2006), accessibility to funds can be hampered by women owned firms being micro enterprises. Due to this, the researcher found it necessary to establish the size of the firms owned by women entrepreneurs in Murang’a municipality by looking at the number of employees in the firms owned by respondents.

Figure 4.3 Number of Employees

Source: (Researcher, 2011)

The findings in Table 4.3 show that 69 out of 96 respondents owned firms that had less than five employees. Similarly, in the survey conducted by ILO (2003) majority of enterprises (67%) employ between 1-9 employees. Therefore most of the businesses are small scale in size.
4.3.4 Age of Entrepreneurs

According to Siddique (2008), older women may have grown up in a cultural context where there was little encouragement to do business and hence were less inclined to start businesses even in later life when it is more common for women to do so or seek to expand existing ones. The researcher sought to establish the age of respondents.

Figure 4.4 Age of Entrepreneurs

![Age Distribution Chart]

Source: (Researcher, 2011)

The findings in Table 4.4 show that out of 96 women sampled, most were aged between of 28-45 years. This represents 84.37% of the whole sample. Similarly, in the survey conducted by ILO (2003), results showed that only a tiny proportion was below 20yrs or over 50yrs old. Also in the study by Siddique (2008) on Prospects and problems of women entrepreneurs in Dhaka city, India, most women who participated (69.03%) were aged between 26 - 46 years. This might be explained by the fact that older women may have grown up in a cultural context where there was little encouragement to do business and hence were less inclined to start businesses even in later life when it is more common for women to do so.
4.3.5 Marital Status of Entrepreneurs
A woman’s marital status determines her autonomy in borrowing funds among other financial decisions. It was necessary to establish the marital status of respondents.

Figure 4.5 Marital Status of Entrepreneurs

Source: (Researcher, 2011)

The findings in Table 4.5 show that 69% of the respondents are married. Similarly, in the survey conducted by ILO (2003), results showed that 68% of the respondents are married. Also in the study by Siddique (2008), 96% of the respondents were married. In respect to accessibility of WEF, this could reflect that the women entrepreneurs do not have full autonomy in their borrowing. Possibly, they lack spousal consent or feel that their husbands may not fully support that cause.

4.3.6 Level of Education
The researcher sought to establish the level of education of respondents since this has an impact on their financial literacy.
The findings in Table 4.6 show that 87 out of 96 respondents have secondary level of education and above. This represents 91% of the whole sample. This reflects that majority of the respondents are literate.

4.3.7 Number of Dependents

According to Brush et al (2006), women entrepreneurs with dependents choose not to grow their businesses to avoid taking further responsibility. They don’t seek finance from formal sources. The researcher sought to establish the number of dependants of the respondents.
The findings in Table 4.7 show that 75 out of 96 respondents have below 5 children. Contrary to Brush et al. (2006) who argues that women with many dependants are not eager to access funds to expand their businesses because of family responsibilities.

4.3.8 Number of Entrepreneurs who have Borrowed WEF
Since the Government of Kenya has availed the WEF, the researcher found it necessary to establish the number of respondents who have borrowed WEF.
According to Table 4.8, 72% of the respondents have never borrowed the WEF. This shows that majority of the respondents have not benefited from the fund. This is an issue of major concern bearing in mind that the study is based in a peri-urban setting.

Source: (Researcher, 2011)
4.3.9 Mode of WEF Disbursement

The researcher sought to establish the mode of WEF disbursement that is preferred by the respondents who have borrowed the WEF in Murang’a municipality.

Figure 4.9 Mode of WEF Disbursement

According to Table 4.9, 71% of the respondents who have borrowed the WEF got it as a group. This finding shows majority of the women entrepreneurs lack confidence to borrow funds as individuals.
4.3.10 Reasons for Avoiding WEF
Since majority of the respondents had not benefited from the WEF, the researcher sought to establish the reason for avoiding WEF.

**Figure 4.10 Reasons for Avoiding Women Enterprise Fund**

According to Table 4.10, 83% of the respondents fail to access WEF due to fear of loans. This findings is similar to Berger, (1989) who argues that women in many cultures are more averse to risk and consequently demand fewer, smaller loans.

4.4 Factors that Hinder Accessibility of WEF
**Table 4.1 The Relationship between Financial Literacy and Accessibility of WEF**

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Having business related training prior to starting a business</td>
<td>96</td>
<td>2.16</td>
</tr>
<tr>
<td>Business financing training while in business</td>
<td>96</td>
<td>1.94</td>
</tr>
<tr>
<td>Financial knowledge gained through experience while in business</td>
<td>96</td>
<td>1.81</td>
</tr>
</tbody>
</table>
To find out whether financial literacy affects the accessibility of the Women Enterprise Fund by women entrepreneurs in Murang’a Municipality, three likert items were used as indicated in Table 4.1. It is evident from the respondents that having business related training prior to establishing a business is an important factor in accessing the WEF. Similarly, the respondents, women entrepreneurs in Murang’a agree (1.94) that business financing training while in business is equally important in accessing WEF. Whereas training was seen to be important, majority of the women (%) agreed that experiential knowledge in business determines accessibility of WEF.

Table 4.2 The Relationship between Social – Cultural Factors and Accessibility of WEF

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Husband’s permission</td>
<td>96</td>
<td>2.47</td>
</tr>
<tr>
<td>Inability to run a big business and</td>
<td>96</td>
<td>2.44</td>
</tr>
<tr>
<td>manage family too</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Own faith</td>
<td>96</td>
<td>4.62</td>
</tr>
<tr>
<td>Doubting if you can repay</td>
<td>96</td>
<td>2.22</td>
</tr>
</tbody>
</table>

To investigate whether social-cultural factors affect the accessibility of Women Enterprise Funds by women entrepreneurs in Murang’a Municipality, four lickert items were used as indicated in Table 4.2 above. It is evident from the respondents that spousal consent is important in accessing the WEF. Similarly, the respondents agreed (2.44) that inability to run a big business due to household responsibility hinder them from accessing WEF to expand their businesses. This is similar to a study done by Siddique (2008) where women focus their time and effort on one (or a few businesses) in order to be able to develop it while still taking care of their family. However, the respondents strongly disagreed (4.62) about their faith affecting their accessibility to WEF but strongly agreed (2.22) that their doubts towards ability to repay the WEF hindered them to access the fund.
Table 4.3 Level of Awareness on Existence of WEF and Its Accessibility

<table>
<thead>
<tr>
<th>Types of media used to market the fund (newspaper vs radio)</th>
<th>N</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>96</td>
<td>2.38</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interaction with practicing women entrepreneurs</th>
<th>N</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>96</td>
<td>2.44</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Efforts made by financial institutions and Ministry of Gender to market WEF</th>
<th>N</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>96</td>
<td>2.31</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>General awareness on benefits of loans to a firm</th>
<th>N</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>96</td>
<td>2.06</td>
</tr>
</tbody>
</table>

To investigate whether level of awareness on existence of WEF affect the accessibility of Women Enterprise Funds by women entrepreneurs in Murang’a Municipality, four likert items were used as indicated in Table 4.3 above. It is evident from the respondents that they agree (2.38) the type of media used to market WEF determines the level of awareness created and hence its accessibility. Also, the respondents agreed (2.44) that interaction with practicing women entrepreneurs creates awareness about the existence of the WEF to those who are ignorant and thus accessibility of the fund. Similarly, the respondents agreed (2.31) that efforts made by financial institutions and the Ministry of Gender to market WEF determines its accessibility. They also agreed that individual’s general awareness on importance of debt financing determines its accessibility.
Table 4.4 Benefits of Accessing WEF

<table>
<thead>
<tr>
<th>Benefits</th>
<th>N</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women will be financially independent</td>
<td>96</td>
<td>1.69</td>
</tr>
<tr>
<td>Women business will grow</td>
<td>96</td>
<td>1.47</td>
</tr>
<tr>
<td>Unemployment decrease</td>
<td>96</td>
<td>2.75</td>
</tr>
<tr>
<td>Economic empowerment of women be facilitated</td>
<td>96</td>
<td>1.63</td>
</tr>
</tbody>
</table>

To find out if accessibility of WEF has any benefits, four like items were used as indicated in Table 4.4 above. It is evident from the respondents that they agree (1.69) accessibility of WEF would enable women to be financially independent. The respondents strongly agreed (1.47) that accessibility of WEF would enable businesses to grow. Similarly, the respondents agreed (1.63) that accessibility of WEF facilitates their economic empowerment. However, the respondents were uncertain (2.75) about accessibility of WEF promoting decrease in unemployment.
CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction
This chapter presents an overview of the study, a summary of the findings, conclusions and recommendations. It also includes suggestions for further research.

5.1 Overview of the Study
Finance is one of the important prerequisites to start/grow an enterprise. In fact, it is the availability of finance that facilitates an entrepreneur to bring together land, labour, machinery and raw material to combine them to produce goods. One of the main constraints on the level of entrepreneurship and business creation is the difficulty encountered in obtaining finances. However, even after finances being availed to women entrepreneurs by the Government of Kenya as WEF, the situation hasn’t changed much to most of them. They have continued to run small undercapitalized businesses yet some of the WEF lie idle with lenders.

The purpose of this study was therefore to investigate the factors that hindering access of WEF by women entrepreneurs in Murang’a Municipality. To accomplish this objective, three research questions were formulated.

(i) How does financial literacy affect accessibility of Women Enterprise Fund?
(ii) In what ways does level of awareness on the existence affect the accessibility of Women Enterprise Funds?
(iii) How do social-cultural factors affect the accessibility of Women Enterprise Fund?

The data for this study were collected from (96) women entrepreneurs from Murang’a Municipality using questionnaires. The instrument was constructed to answer specific research questions and discussed with experts before being used. Descriptive statistics, mainly frequencies and percentages were used to analyze the data.

In summarizing the results of the study, the findings pertaining to the research questions are discussed in their respective headings. The summary is brief because the findings are adequately discussed in chapter four.
5.2 Summary of the Findings

5.2.1 Financial Literacy
Results obtained from the study show that majority of the respondents agreed that having business related training prior to business, business financing training while in business and financial knowledge gained through experience while in business contributed to access of WEF.

5.2.2 Social-Cultural Factors
Another observation made in the study was that husband’s permission played a major role in women’s access to WEF. It was also noted that majority of women entrepreneurs felt incapable of running a big business and managing a family. This hindered them from accessing WEF to grow their small-scale businesses. Veronica & Barbara, (1981) also had a similar argument that parental and housekeeping responsibilities are expected to intrude on women work life. The results also confirmed that majority of women doubt their ability to repay the WEF. Berger, (1989) observed that women in many cultures are more averse to risk and consequently demand fewer, smaller loans. However, majority of women entrepreneurs strongly disagreed that their faith hindered them from accessing the WEF.

5.2.3 Level of Awareness on Existence of WEF
Results obtained from the study show that majority of the respondents agreed that efforts made by the Ministry of Gender, children and social services and Financial Institutions to market the WEF and the type of media used to market the fund determined the level of awareness on its existence and hence its accessibility. Another observation made in the study was that majority of women entrepreneurs agreed that interacting with practicing women entrepreneurs and general awareness on benefits of loans contributed to accessibility of the WEF.

5.2.4 Accessibility of the WEF by Women Entrepreneurs
Another observation made in the study was that majority of respondents agreed that accessibility of WEF would women’s entrepreneurs financial independence and economic empowerment.
They strongly agreed that access to WEF would lead to growth of their businesses. However, they were uncertain about accessibility of the WEF contributing to decrease in unemployment.

5.3 Conclusion
Based on the findings, the following were the conclusions of the study. The fact that WEF is not fully utilized and women entrepreneurs admit that financial literacy promotes accessibility of the fund suggests that many women entrepreneurs lack financial literacy. It's likely that most of them though literate, get into business with no business related training and also lack business financing training while in business.

Social-cultural factors still affect the accessibility of WEF. Majority of women entrepreneurs admitted that accessibility of WEF would facilitate the growth of their business, and a small percentage had borrowed the fund. This suggests that though they desire to grow their businesses, there are external factors that inhibit them. This is similar to Siddique, (2008) who argues that unfavorable cultural practices and social inhibition militate against the development of women entrepreneurship.

The level of awareness on the existence of the WEF contributes to the accessibility of the fund. Since majority of women entrepreneurs had over one year of experience and a small percentage had borrowed the WEF, these results suggest that many are not aware of its existence.

5.4 Recommendations
Arising from the findings and conclusion of this study, the following recommendations were made: The study revealed that women entrepreneurs’ financial literacy affects accessibility of WEF. There is therefore a need to develop business financial training programs for women entrepreneurs who operate SMEs or plan to establish new ventures. Some women are unable to attend training organized in conventional workshops, mainly because the activities they are engaged in require them to work on the business continuously. There is the need for training
approaches which can effectively reach the women at their work places, such as through radio programs.

The study also revealed that women entrepreneurs’ level of awareness on existence of the WEF affects the accessibility of the fund. Since information is a powerful tool in opening up minds on the great potential held therein, the Ministry of Gender and Financial Institutions ought to embrace the educative form of marketing which will bring enlightenment to the proportion that has a negative perception about financial credit. There is need to use electronic media in marketing WEF since majority of women entrepreneurs hardly access the print media. Women also need to be made more aware of the roles and functions of entrepreneurs associations, the advantages of membership and the possibility of creating such associations.

The study also revealed that social-cultural factors affect women entrepreneurs’ access to WEF. Since husbands can present a serious hindrance to their spouses’ development by discouraging them from taking risks, many women operate far below their potential. Due to this, men also need to be sensitized to allow and actually encourage their spouses to access the WEF so that they can start and develop businesses rather than doing the opposite.

5.5 Suggestions for Further Studies
The study suggests that a study be carried out on a bigger population. There is also need for further research on the same topic in a rural setting. The findings indicated that some women entrepreneurs had borrowed the WEF. Further study is recommended on the impact of the fund to women entrepreneurship.
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Fletschner, D. & Kenney, L.(2011). Rural Women’s access to Financial services Credit, savings and Insurance. University of Washington, USA.


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Mircandani, K., (1999). Feminist insight on Gender and work: New directions in research on women and entrepreneurship; Gender work and organization, 6 (4): 224-35


APPENDICES

Appendix 1

LETTER OF INTRODUCTION

Juliah W. Gaititi,
Department of Business Administration,
Kenyatta University,
P.O.Box 43844,
Nairobi.

Dear Madam,

Re: Request For Participation

I am a postgraduate student pursuing a Masters program at Kenyatta University’s School of Business. I have designed the following questionnaire for a research entitled Factors hindering access of Women Enterprise Fund. A survey of women entrepreneurs in Murang’a Municipality.

In this regard, you have been selected to take part in this study as a respondent. This survey will investigate the factors that hinder the accessibility of WEF.

Kindly complete all items to reflect your opinion and experience. Please answer all questions freely. You will not be identified from the information you provide and no information about individuals will be given to any organization.

I would highly appreciate if you will fill this questionnaire honestly. Your participation is important for the success of this project and I greatly appreciate your kind contribution in this project.

Yours sincerely,

Juliah W Gaititi.
Appendix 2

QUESTIONNAIRE

I am carrying out a research on factors hindering access of Women Enterprise Funds in Murang’a Municipality.

Instructions: Please answer the questions as objectively and as truthfully as possible. Do not indicate your name on the questionnaire. Due confidentiality will be observed on all the information given.

PART A: BACKGROUND INFORMATION

Using a tick (✓) indicate your responses in the boxes provided

1. What is the type of activity of the firm?
   - Merchandising ✓
   - Service
   - Manufacturing ✓

2. How long has the business been in operation?
   - Less than one year ✓
   - Between one and five years
   - Over five years

PART A: BACKGROUND INFORMATION

Using a tick (✓) indicate your responses in the boxes provided

1. What is the type of activity of the firm?
   - Merchandising ✓
   - Service
   - Manufacturing ✓

2. How long has the business been in operation?
   - Less than one year ✓
   - Between one and five years
   - Over five years

PART A: BACKGROUND INFORMATION

Using a tick (✓) indicate your responses in the boxes provided

1. What is the type of activity of the firm?
   - Merchandising ✓
   - Service
   - Manufacturing ✓

2. How long has the business been in operation?
   - Less than one year ✓
   - Between one and five years
   - Over five years
3. How many employees are in your firm?

None
One
Less than five
More than five

4. Age brackets

18-27
28-35
36-45
46 and above

5. Marital status

Single
Married
others

6. Highest level of education attained?

No schooling
Primary
Secondary
Above
7. How many children dependent do you have?

Below 5  
Between 6-10  
Over 10  
None

8. Do you have a personal account?

Yes No

9. Have you ever borrowed the Women Enterprise Fund?

Yes No

10. If yes, as a group or as an individual?

11. Where did you borrow?

Bank  
Ministry of Gender  
Others (specify)

12. If No, why don’t you borrow?

Fear of loans  Lack of interest

Others (specify)
SECTION B: ACCESS TO WOMEN ENTERPRISE FUND

13. In each of the areas below, please indicate by a tick (✓) in the respective box the extent to which you agree with the following regarding financial access to the women.

<table>
<thead>
<tr>
<th>Impact</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Uncertain</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women will become financially independent</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women businesses will grow</td>
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<tr>
<td>There will be a decrease of unemployment</td>
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<tr>
<td>Economic empowerment of women be facilitated</td>
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</tr>
</tbody>
</table>
SECTION C: FINANCIAL LITERACY

14. In your opinion, indicate by a tick (✓) the extent to which the factors below influence access to the finance by women.

<table>
<thead>
<tr>
<th>Factors</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Uncertain</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Having business related training prior to starting a business</td>
<td></td>
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<td></td>
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<td></td>
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<tr>
<td>Business financial training while in business</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial knowledge gained through experience while in business</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>
### SECTION D: SOCIAL-CULTURAL FACTORS

15. Indicate by a tick (✓) the extent to which the following factors influence access to credit by women

<table>
<thead>
<tr>
<th>Factors</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Uncertain</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Husband’s Permission</td>
<td></td>
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<tr>
<td>inability to run a business and manage family too</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Own faith</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Doubting if you can repay</td>
<td></td>
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</tbody>
</table>

### SECTION E: LEVEL OF AWARENESS EXISTENCE OF WEF.

16. Indicate by a tick (✓) the extent to which the following influence the way women access WEF.

<table>
<thead>
<tr>
<th>Factors</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Uncertain</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Types of media used to market the fund (newspaper vs radio)</td>
<td></td>
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<td></td>
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<td></td>
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<tr>
<td>Interaction with practicing women entrepreneurs</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>------------------------------------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Efforts made by financial institutions and ministry of Gender.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General awareness on importance of loans.</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

17. List any other factors that hinder access to Women Enterprise Funds?

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

Thank you very much for your cooperation!
## Appendix 3

**WORK PLAN**

### TIME SCHEDULE

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Piloting instrument</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data collection</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data analysis</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Report writing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Report submission</td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Appendix 4

**Research Budget**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>DESCRIPTION</th>
<th>COST (KSH)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>Materials:</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ruled papers (1 ream) @ 300.00</td>
<td>300.00</td>
</tr>
<tr>
<td></td>
<td>Typing papers (3 reams) @ 300.00</td>
<td>900.00</td>
</tr>
<tr>
<td></td>
<td>Folders (5 pieces) @ 40.00</td>
<td>200.00</td>
</tr>
<tr>
<td></td>
<td>Pens (1 dozen) @ 120.00</td>
<td>120.00</td>
</tr>
<tr>
<td></td>
<td>Field note book (3 pieces) @ 70.00</td>
<td>210.00</td>
</tr>
<tr>
<td></td>
<td><strong>Subtotal</strong></td>
<td><strong>1730.00</strong></td>
</tr>
<tr>
<td>2</td>
<td><strong>Services</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Printing</td>
<td>4,000.00</td>
</tr>
<tr>
<td></td>
<td>Binding</td>
<td>2,000.00</td>
</tr>
<tr>
<td></td>
<td>Photocopying</td>
<td>6,000.00</td>
</tr>
<tr>
<td></td>
<td><strong>Subtotal</strong></td>
<td><strong>12,000.00</strong></td>
</tr>
<tr>
<td>3</td>
<td>Commuting cost</td>
<td>20,000.00</td>
</tr>
<tr>
<td>4</td>
<td>Miscellaneous</td>
<td>10,000.00</td>
</tr>
<tr>
<td></td>
<td><strong>Grand total</strong></td>
<td><strong>43,730.00</strong></td>
</tr>
</tbody>
</table>