



# Factors affecting the management of women groups' micro and small enterprises in Kakamega District, Kenya

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## Abstract

**Purpose** – The purpose of this study is to highlight the main factors that affect the management of the WGs' Micro and Small Enterprises (MSEs) in Kakamega District and Africa in general.

**Design/methodology/approach** – The study adopted a descriptive research design. This is because the study was concerned about a univariate question in which the researchers asked about the size, form distribution and existence of factors affecting management of the Women Groups' (WGs) MSEs. The study created a profile on variables affecting WGs' MSEs through collection of data and the tabulation of the frequencies on the research variables and their interaction. Systematic random sampling was used to select the sample. This technique resulted in a sample size of 310 respondents distributed as follows: 95 WGs leaders; 143 group and community members; and 72 donor, government and non-governmental agents.

**Findings** – The study found that the factors that affect management of WGs' MSEs could be categorised as financial, administrative, managerial, technical, political, traditional and cultural. The WGs lack skills in these areas, which adversely affects the MSEs. The study then calls for full support of WGs' MSEs by all those involved in one way or another, remembering that “for women, a common theme cuts across the struggles ... whether at independence, liberation movement, the New International Economic Order, or development, women have learned that the change, reforms and revolutions were not intended for them”.

**Research limitations/implications** – The study is limited to the data obtained through questionnaires and interviews which were descriptive and qualitative in nature. A study that uses both quantitative and qualitative data is recommended.

**Originality/value** – The study is ground-breaking in terms of looking at the management of WGs' MSEs in Kenya.

**Keywords** General management, Small enterprises, Skills, Self development

**Paper type** Research paper



## Introduction

Women economic empowerment continues to be of major concern all over the world. This is because women and girls constitute 52 per cent of the world's population and make up 33 per cent of the official labour force yet they perform 67 per cent of all hours worked (Ehigiamusoe, 1995). Females form over 60 per cent of the illiterates, receive only 10 per cent of the world's income and own less than 1 per cent of the world's real

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property (Maguire, 1984; World Bank, 1980; United Nations, 1979; Ehigiamusoe, 1995). In fact most poor people are women (United Nations, 1994).

In Kenya, women constitute approximately 52.2 per cent of the population and form the backbone to rural development by providing up to 80 per cent of the labour force. They contribute about 70 per cent of food production. However, women in Kenya access only 10 per cent of the resources and own just about 1 per cent of these resources. Furthermore, illiteracy rate for females is higher than their male counterpart. This results in women constituting about one-fifth of the formal employed labour force and occupying low paying jobs like teaching and secretarial positions (National Council of Women of Kenya, 1997; Republic of Kenya, 1999a; UNFPA/Women's Bureau, 1996; World Bank, 1989; Ongile, 1995; Mutahi and Onyango, 1995). Women are disadvantaged by traditions that limit their capacity to earn income, their access to information and productive resources, their control over time, and resources. Traditional constraints also skew the distribution of development benefits away from women (World Bank, 1989). They are under-represented at all major decision-making levels within the government (Republic of Kenya, 2007).

The Kenya government's concerns and commitment in improving the status of women is enshrined in various policy documents including Sessional papers and Development Plans (Republic of Kenya, 1992, 1993, 1994a, b, c 1996a, b, 1997a, b, 1999a, b, 2007; Mutahi and Onyango, 1995). The Kenya government has established the Women's Bureau in the Ministry of Gender and Sports to articulate and deal with women's issues. Specific objectives of the Women's Bureau include: creating an awareness of women potential in national development and enlightening women about obstacles they face in realizing their potential; mobilizing women to take part in their own development, that of their families and the country at large; orienting and training voluntary leaders and government extension personnel to better assist women in national development; facilitating coordination between WGs, Government and Non-Governmental Organizations (NGOs); and carrying out research on the problems related to women's programmes and evaluate activities undertaken, with the aim of improving the programmes to benefit women. At grassroots level, the Women's Bureau activities are geared towards income-generating activities (World Bank, 1989; Republic of Kenya, 1993).

Various organizations in Kenya are also involved in the effort of empowering women throughout the country. Such organizations include but are not limited to: National Council of Women of Kenya (NCWK), *Maendeleo Ya Wanawake* Organization (MYWO), Kenya Women Political Caucus, Forum for African Women Educationist (FAWE), National Commission on the Status of the Women (NCSW), Federation of International Women Lawyers (Kenya Chapter) and Kenya Women Finance Trust (KWFT). Documentations that testify to the women empowerment effort in Kenya other than the government ones include: World Bank (1989); Malcolm *et al.* (1998); Musyoka and Gatara (1984); ILO (1985); Mitullah (1994); United Nations(1985); and NCWK(1997). The gender issues addressed in Kenya are identical to the issues in the African Platform for Action. They include economic empowerment, reduction of poverty, elimination of illiteracy, improvement in health, peace and legal rights.

Kenya recognizes the role of women as the primary players in the agricultural and informal sectors. To this end, the government has heeded the call by women for greater economic empowerment and has formulated policies to mainstream women alongside

men in the overall development of the nation (Republic of Kenya, 1994c, 1996c). In 1985, Kenya adopted the forward-looking strategies for advancement of women into the national development process. To date the position of women has not improved (UNICEF, 1992; Republic of Kenya, 1994c, 2007; Duba, 1999; Gakuo and Oyaro, 1999; Nzioka, 1999; Nyambala, 1999.). Hence the aim now is to integrate women completely into mainstream development activities and to foster equity and social justice for women and girls (Republic of Kenya, 2007). This involves an analysis of gender roles of men's and women's responsibilities, obligations and contributions from the household and community to the national level. As a strategy to develop a national pool of human resources including both men and women, large-scale gender training and sensitization programmes have been launched by the Kenya government. A widely used model for this purpose is the Gender and Development Femnet model (1993). This model is concerned with Gender and Development (GAD) as opposed to Women in Development model (WID). GAD refers to the socially constructed roles ascribed to males and females in the social and development processes. It focuses on the relationship of men and women. GAD is concerned with the inclusion of both men and women as decision makers in achieving equitable sustainable development. It emphasizes strategies that address practical needs in order to empower and transform gender relations. On the other hand, Women in Development model (WID) was a brain child of women's decade which was celebrated in 1985. Women in Development (WID) approach was that women were the problem hence focused on them. It was concerned with women exclusion from development hence its aim was to increase their efficiency and productivity. WID emphasized strategies such as women's MSEs, Bureaus, Incomes, Productivity, Ministries, in order to integrate them in development. By 1988, WID effort had domesticated women more instead of mainstreaming them into development. Development activities continued to make life worse for women (World Bank, 1980; ISIS, 1983, Maguire, 1984; Republic of Kenya, 1994c). In fact, WID effort shifted toward development and away from women (Maguire, 1984), hence Gender and Development model was constructed to avoid the treatment of women's issues in discrete and isolated manner (Republic of Kenya, 1994c, p. 13).

One of the main ways through which women are empowered economically is through WGs. The groups aim at building capacity to help the members by undertaking MSEs that have a direct impact on their welfare. These MSEs are income-generating and culminates in the rapid growth of MSEs run and managed by the WGs. Thus the groups act as instruments through which an individual woman hopes to strengthen her capabilities in meeting challenges of being a provider for her family welfare. In fact, UNICEF (1992) asserted that the WGs are potentially the most significant participants in efforts to reduce maternal and child deaths. No wonder then, WGs are the major target for channelling aid to women by the NGOs, donor agencies and the Government.

### **Statement of the problem**

Income-generating MSEs are and will continue in the foreseeable future to be one of the main instruments of economic empowerment of women in Kenya. Donor agencies, Non-governmental organizations and the government provide most of their aid for income-generation through WGs. Some of these agencies lend or grant WGs funds for specific MSEs which are selected, prepared, appraised, supervised and evaluated.

Some agencies, in addition, provide financial and technical advice to members of WGs. The MSEs, in which donors and other agencies are keen to involve the beneficiaries from their conceptual stage, channel funds directly to their bank accounts, and carry out advocacy, often succeed. One of the best examples is the Kenda Kalaha Posho mill project which has been operational since its inception nine years ago. Another example is the Dairy Women's Group in Nyeri which was reported to have uplifted the members' standards of living through income-generating activities (Republic of Kenya, 1997c). Kamuthanga and CEDPA Poultry Project in Ngamani also reported success.

The income-generating approach to economic empowerment of women, however, has had several problems particularly related to MSEs success and sustainability. The externally funded MSEs are, for example, often short-lived and usually fragment the local community. They lack adequate mechanisms to ensure access for everybody, and are frequently affected by poor leadership, poor administration and poor management. Good examples are Upendo Women's Group in Mombasa, Kaaga Women's Group in Nyeri (Republic of Kenya, 1997c). The consequences of these problems include: discontinuation of MSEs after sponsor withdrawing financial support, lack of integration with the government's on-going programmes, reduced benefits from the project, and lack of sustainability. Even those MSEs which are initiated and funded by the groups themselves or through "*harambee*" (self-help) some don't succeed and those that succeed are not sustained. Out of ten Kenda Kalaha WG (1994) Women's Group MSEs plan for 1994-1998, for example, only four were operational. For Sidikho Self-help group, the tailoring business collapsed due to poor management. While Salama Women's Group, Butso North Location, misunderstanding over the use of funds received from the Women's fund Drive of 1997, split the group into two. This is just but a tip of the iceberg that indicates even much more serious problems that engulf management of the WGs MSEs. At the national level, conceptual and management problems have led to the failure of many MSEs (Makokha, 1985).

It should be noted that as women economic empowerment becomes increasingly of much concern, lack of information on factors affecting the management of WGs MSEs in Kenya is also becoming an increasing concern to the government and stakeholders. It is against this background of failure and lack of sustainability of most WGs MSEs, coupled with lack of enough information about the MSEs management in Kenya, that the need to research in this field was considered important like never before. Within this study, particular emphasis is placed on gender issues that relate to the management of MSEs by women.

The main purpose of this study was to determine the factors that affect the management of MSEs run by Women's Groups in Kakamega District. To achieve the purpose of the study, the following research questions guided the study

- RQ1. What are the major objectives of Women Groups?
- RQ2. What are the various categories of MSEs run by Women Groups?
- RQ3. What are the major issues related to management that affect the WGs MSEs in Kenya?

### **The significance of the study**

The WGs' income-generating project is one way of economically empowering women in Kenya. It is therefore important that these MSEs succeed and be sustained so that

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the benefits derived from them are enjoyed by those involved and also trickle down to other people in the community who are not direct beneficiaries. This will make the economic base of women more strong enabling them to provide for their families. Furthermore, it is believed that the economically worst hit women are in the rural areas hence the study provides important information to be used by donor agencies, non-governmental organization and the government in their effort to empower women and to develop the human resources required for Kenya's socio-economic development.

This information is invaluable to these agencies and policy makers because it means that WGs' MSEs will take-off and be sustained i.e. deliver the intended level of benefits for a long time. Sustainability also means that the WGs' MSEs will enjoy low maintenance costs, increased level of benefits, quality services, accessibility of the community to the MSEs benefits, and starting and implementing their own MSEs instead of replicating successful ones of other WGs elsewhere which might not be appropriate. For individual members, once sustainability of the project is achieved, they will be able to derive benefits such as: a yearly income from the proceeds; access to credit; installation of items such as energy saving stoves in their homes. Furthermore, the WGs may start MSEs for individual women such as: dairy animal keeping; vegetable growing; fish farming.

### **Literature review**

The 1991 WGs census showed that the groups had engaged in development activities at the village level (Republic of Kenya, 1993). Typical activities include: farming; milling maize; processing honey; keeping livestock; making handcrafts; providing water; and maintaining rental properties. The groups received assistance from NGOs, development agencies and voluntary organizations in form of cash, equipment, training, supplies and technical assistance. However, according to Republic of Kenya (1993), there was evidence that many of the WGs embarked on income generating activities without adequate training, credit facilities, extension services or technologies. The census revealed that WGs operated revolving loan schemes which extended credit to individual women pursuing small-scale enterprises. Male participation in the WGs activities was also increasing.

According to UNFPA/Women's Bureau (1996, p. 18) "more women than men live in rural areas and on the average they spent 52 per cent of their income on economic activities as opposed to 48 per cent by men". Furthermore, many MSEs implemented after the women's decade had increased the women's workload and created more demand on their time (UNICEF, 1992). This called for an analysis of gender roles of men's and women's responsibilities, obligations and contributions from the household to community level.

In Kakamega district, the status of women is very low especially in areas such as legal status, rights to land inheritance and entitlement, which are clouded by traditional and cultural biases. These biases against women especially on rights to land ownership and other specific resources are still a major concern (Republic of Kenya, 1994d). General attitudes and biases against women as agriculturalists, difficulties in land inheritance, obtaining title deeds and loans are common women problems. Women still form the majority of those surviving under difficult circumstances in rural and urban areas (Republic of Kenya, 1996b).

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World Bank (1989) asserted that since independence, Kenya has been working to make women active partners in the development by integrating women into the development process through designing of mainstream programs which benefit women along with the entire population. The report showed that integrating women in development was a cost-effective way to pursue economic progress for the whole population. The study focussed on: raising women's agricultural productivity; education of women; women's health; and women and rural household water supplies. For each of the above sub-sectors, the study showed progress and raised issues that were yet to be tackled. The present study incorporated these issues and showed how they affect the WGs economic empowerment.

Pala-Okeyo (1988) asserted that the ability of WGs to attain its objectives was reduced by conflict between the member's immediate individual needs and the group's capital formation targets. The present study tried to find out whether there exists such conflict and its effects on project success and sustainability. Malcolm *et al.* (1998) studied the middle women profitable banking through on-lending groups using data from Kenya and India. In Kenya, they found that merry-go-rounds are common in many areas. They concluded that this was a fertile ground for the development of on-lending groups as retail marketing links for banks. Interestingly, they showed that poor people can be good bank customers as savers and borrowers and those banks can reach them through on-lending groups. Surprisingly, they argued that illiteracy did not stop on-lending groups from succeeding since illiterate people more often remember facts and figures than those who rely on records. However, they found out that security requirement effectively disqualified poor people or their groups from borrowing from financial institutions. In this study the question of credit availability was examined in depth in an effort to find out how it affects WGs project success and sustainability.

Musa (1999) observed that small-scale entrepreneurs in Sabatia constituency of Vihiga district had been unable to use the credit facility known as the Sabatia Constituency Development Fund (SACODEF). The micro-credit facility was to offer low-interest credit services to women and youth groups involved in income-generating activities at the grass roots level. Musa (1999) reported that target clients had a natural fear for loans because experience had taught residents that defaulting on bank loans costs one dearly as many who had defaulted before lost their pieces of land, mortgaged as security for loans. For SACODEF, the fear was unfounded since no title deed was needed as security to secure credit. Musa (1999) blamed lack of awareness in the local community as the main cause of the fear for loans. In this study, the question of fear for loans by Women Groups was examined and recommendation made.

A Nakuru-based self-help group by the name Ebony micro-finance was reported by Watoro (1999) as being very successful in giving loans to small scale traders, hawkers, retail shopkeepers, dairy farmers, poultry farmers, fish dealers, second hand clothes dealers, and hair salon operators. The micro-finance serves traders who cannot meet conditions for loaning by banks. They operate even on weekends so as to effectively serve their clients. Credit officers are technical people who normally work in the field by advising the members and evaluating the performance of the group members. In this study, the question of follow up and giving advice by those who give aid to WGs was examined in details and recommendations made.

IRIS (1998) correspondent investigated whether the rural women in western Kenya had a boon or bane and whether charitable organizations were fleecing the poor

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through exorbitant interest rates. The correspondent reported on women's woes with Women Enterprise Development Company Limited (WEDCO) in Siaya district. WEDCO's initial aim was to improve women's living standards through economic empowerment. The company was to give registered WGs soft loans through the village banking approach method, which entail lending money by the groups to their members to promote their businesses. The investigation revealed that Segwa Town Women Group (WG) who had repaid the loan they borrowed in two instalments had vowed that they would never take another loan from WEDCO due to unfair terms. They argued that WEDCO charged high interest rates that led borrowers to default. They also indicated that WEDCO's grace period was too short. Ukwala Urban WG considered WEDCO's scheme retrogressive since they were forced to sell their property to repay the loans. A part from the above shortcomings, the borrowers from WEDCO complained about the restrictions on what they were to invest in. For example, they were not allowed to invest in the second hand clothes business. They argued that the seven weeks training on revolving loan fund management, leadership and governance before loan disbursement was inadequate. Other stringent conditions they were not happy with included insurance and prosecution in case one defaults.

Mitullah (1994) study showed an extensive participation by women but only at grassroots level. At the grass root level, women had formed community-based organizations that catered for their local basic needs such as water, energy and income-generating activities. Mitullah (1994) asserted that these organizations did not help women to access the source of power instead they were manipulated by politicians for their own interest. This aspect of political interference into the WGs activities is examined in this study. Mitullah further argued that the whole array of bureaucratic processes including the umbrella women's organizations such as MYWO kept women at grass roots level.

Blumberg (1989) reported that the Kenyan women farmers obtained higher crop yields than their male counterpart. However, rural women's production was constrained by time required for routine domestic tasks and inadequate access to extension, credit and inputs. Blumberg (1989) noted that women were as good as or better credit risk takers than men. This point was shared by United Nations (1994) expert group on women and finance. However, Oketch and Dondo (1994) found no evidence to show that women were better borrowers than men. Blumberg (1989) concluded that attention to women's farmers' skills, incentives and constraints was the single most cost-effective approach to alleviating the African food crisis. The study further observed that gender needed to be tracked in MSEs, programmes, and policies in order to overcome special constraints on women's productivity, participation, and access to benefits. The question of credit and type of help the WGs receive was a major variable in the present study.

Dondo (1994) examined credit to the informal sector approaches and models experienced in Kenya. The study concluded that the efficiency of a credit model depended on the flexibility of the model in adapting to the needs of low-income women entrepreneurs. Models that had adapted substitutes to tangible collateral were more appropriate for low-income women. In this study, the question of credit availability to WGs was examined at length and recommendations made.

Riria (1985) found that WGs activities included: savings and credit; welfare and social MSEs; education MSEs; home improvement; MSEs; health MSEs; conservation

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of environment; leadership training; and religious activities. Most women's organizations were involved in education MSEs. Riria (1985) cited lack of funds as leading to failure of WGs MSEs. However, she argued that most people erroneously equate the failure to poor women leadership and squabbles among women leaders. This argument might not be correct since women leadership wrangles have engulfed women's organizations in Kenya including the umbrella organizations like MYWO and NCWK (Ongile, 1995; Oyaro, 1999; Oriang, 1999; Nduta, 1999; Bii, 1999). The present study examines the WGs leadership and makes recommendations.

Ongile (1995) reported that WGs promote national development and provide avenues for self-employment. Most of the WGs' activities aim at income generation. The MSEs carried out are in areas like farming, sales and services, handcraft, financial activities such as merry-go-round, labour and construction, real estates, educational activities and transport business. Ongile's (1995) study summarized the main problems faced by WGs as: lack of finance; lack of skills; lack of access to resources; lack of market; leadership squabbles; irregular payment of membership fees; poor roads; poor infrastructure and drought (Republic of Kenya, 1993). The author examined the above issues as they relate to WGs' MSEs in the rural areas.

Wanjau (1995) examined the creation of wealth and employment in Kenya by women. The study asserted that income-generating programmes for WGs in the rural areas have failed to generate significant income for individual women. The problems facing WGs were cited as: lack of clear objectives or failure to understand the objective by all members; presence of one or more obstructive or non-collaborative members; attempt by one or few members to manipulate the group towards their own objective; lack of commitment, self-discipline and seriousness in group activities; lack of education and skills training in leadership, technology, market information; social beliefs, customs and attitudes; and political interference. These problems, together with other factors, formed the basis of examination for the present study.

Makoffu (1995) examined the organization of the self-employed in Kenya. The author asserted that most MSEs by WGs were not beneficial to women and most fail due to poor management caused by lack of knowledge, skills and education necessary for proper management, coupled with lack of capital. In fact the author found out that 95 per cent of funds invested in the MSEs came from women's own contributions and were subject to high default rate.

### **Research method**

This study adopted descriptive research design. This is because the study was concerned about a univariate question in which the researcher asked about the size, form distribution and existence (Cooper and Schindler, 2007; Kothari, 2004; Frankfort-Nachmias and Nachmias, 2004) of factors affecting management of the women groups' MSEs. The study created a profile on variables affecting women Groups' MSEs through collection of data and the tabulation of the frequencies on the research variables and their interaction. Systematic Random Sampling was used to select the sample. This technique resulted in a sample size of 310 respondents distributed as follows: 95 WGs leaders; 143 group and community members; and 72 donor, government and non-governmental agents.

Data were collected with the help of seven research assistants. In addition, the district social development officers assisted in collecting secondary data from the

records and registers. Items from the data collection instruments were scored from the pilot responses and a reliability index determined. Both primary and secondary data were collected. Primary data were collected using observation method and three types of questionnaires:

- (1) questionnaire for WGs leaders;
- (2) questionnaire for donor/NGOs/GOK agents; and
- (3) questionnaire for group and community members.

The MSEs sustainability indices were derived from scores obtained from the questionnaires on: continued delivery of services/benefits, maintenance of physical infrastructure, long-term institutional capacity and support from key stakeholders. The codes used for scores were: 1 = Very poor; 2 = Poor, 3 = Average; 4 = Good; and 5 = Very good. These scores were summed up and an index of sustainability obtained for each MSEs (Bamberger and Cheema, 1990).

### The objectives of the women groups

The major objectives of the WGs are presented in Table I.

It is evident from Table I that the major objective of WGs formation was to economically empower women through starting and operating various MSEs. The results reveal that other objectives, although of minor importance, include promoting unity, providing benevolent fund to members, encouraging family planning and uplifting religious beliefs of members. These objectives were in line with those of other women's organizations country wide (National Council of Women of Kenya, 1997; Musyoka and Gatara, 1984; Republic of Kenya, 1993).

### Types of women groups' MSEs

The objectives of the study included: identifying the types of MSEs carried out by the WGs in the study area; successful MSEs; and those that were started but failed or were not sustainable since the inception of that particular WG. To achieve these objectives, information on 171 WGs' MSEs were collected and analyzed. The total number of MSEs in each category, the number of successful MSEs, and the number of MSEs that failed and the success and failure rate respectively are presented in Table II.

Note that most WGs were operating more than one project. These MSEs were in line with those undertaken by WGs country wide (Ongile, 1995; Wanjau, 1995; Republic of Kenya, 1993; Riria, 1985). It can be seen from Table II that most WGs in the area were mostly involved in animal rearing. Specific MSEs that were identified in this category

Objective	<i>n</i>	%
Economic empowerment of women	139	81
Promoting unity in the area	17	10
Benevolent fund for members	5	3
Encouraging family planning	5	3
Uplifting religious beliefs of members	5	3
Total	171	100

**Table I.**  
Major objectives of the WGs

**Source:** Constructed from the research data

Category	Total		Successful		Failed	
	<i>n</i>	%	<i>n</i>	%	<i>n</i>	%
Animal rearing	43	25	25	58	18	42
Business/trading	32	19	17	53	15	47
Crop farming	28	16	18	64	10	36
Merry-go-round	24	14	18	75	6	25
Embroidery, boutique, tailoring and craft	14	8	11	79	3	21
Brick/jiko, pottery and fireless cookers	12	7	11	92	1	8
Tree nursery	6	4	0	0	6	100
Cattle dip	4	2	2	50	2	50
Nursery school/secretarial college	3	2	3	100	0	0
Posho mill	2	1	2	100	0	0
Lending of money to members	2	1	0	0	2	100
Pharmacy	1	1	1	100	0	0
Total	171	100	108	63	63	37

**Source:** Constructed from the research data

**Table II.**  
Category of MSEs,  
number of successful  
MSEs, and MSEs that  
failed

included: beekeeping; sheep rearing; piggery; poultry keeping; keeping dairy animals; and fish farming. This category of MSEs formed twenty five percent of the total MSEs sampled. A total of 58 per cent of the total responses received from those involved in animal rearing indicated success, while the failure rate was 42 per cent.

The sustainability indices were computed for the most successful project per WG and a summary of the results are presented in Table III.

When sustainability indices were computed, keeping of dairy animals had the highest successful and sustainable number of MSEs as shown in the table. Five pig rearing MSEs, two beekeeping MSEs, two sheep-rearing project, two fish farming MSEs, and one poultry-keeping project were sustainable. The study notes that most successful WGs keep dairy animals by zero-grazing method. This is because of the ready market for their product which is found within the community.

The study sought to find out the problems that are faced by the WGs. The results are presented in the Table IV.

The problems experienced by WGs include: lack of managerial and technical skills especially for poultry keepers; lack of enough funds to buy for each member a dairy animal; and lack of means of transportation for taking milk and other products to the market; coupled with poor infra-structure.

Business and trading activities were the second most frequent category of MSEs that were being carried out by the WGs in the study area. These included MSEs such as: Shop keeping; hotels; kiosks; selling of assorted goods; second hand clothes; cereals; firewood; paraffin; and water. Out of the total sample of 171 MSEs, 19 per cent were from this category of which 53 per cent were successful. Specifically, three shop keeping MSEs, two hotel businesses, two water selling MSEs, two MSEs that involve selling of assorted goods and clothes, and one project dealing with selling of cereals especially maize were found to be successful and sustainable (Table III). The success was attributed to the ready market for the products since most groups who carry out such activities were located in town. However, the failure rate of 47 per cent was due to the vulnerable situation in which these WGs operate. For example, most of them do not

Type of project	Sustainability Index (%)								Total number of MSEs
	1	2	3	4	5	6	7	8	
Groups	1	2	3	4	5	6	7	8	
	9	10	11	12	13	14	15	16	
Dairy animal rearing	73	66	65	65	623	61	58	54	16
	53	53	52	50	49	46	29	25	
Merry-go-round	69	66	64	61	55	36	20		7
Piggery	67	61	61	61	45				5
Food crop farming	63	58	57	55					4
Horticulture	53	45	45	22					4
Tailoring	64	56	52	31					4
Jiko making	69	48	42						3
Shop keeping	65	48	45						2
Pottery	67	50							2
Hotel	53	46							2
Brick making	56	46							2
Selling water	38	32							2
Selling assorted goods	61	61							2
Bee-keeping	72	57							2
Cattle dip	68	59							2
Sheep rearing	66	59							2
Fish farming	59	45							2
Selling cereals	58								1
Poultry keeping	51								1
Posho mill	70								1
Craft work	56								1
Sugarcane growing	54								1
Nursery school	52								1
Total MSEs									70

**Table III.**  
Sustainability indices for  
MSEs

**Source:** Constructed from the research data

Problem	<i>n</i>	%
Lack of enough funds	179	28
Lack of managerial and technical skills	159	25
Dishonest and uncooperative officials	88	14
Poor infrastructure	61	10
Unavailability of labour	45	7
Political interference	35	5
Lack of market for output	30	5
Lack of support from the community	19	3
High default rate	11	2
Unfavourable weather conditions	8	1
Total	635	100

**Table IV.**  
Problems experienced by  
the WGs

**Source:** Constructed from the research data

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have insurance for their businesses and never advertise their products hence rely mainly on the goodwill of their customers.

Crop farming MSEs included: growing of French beans; sugar cane; sweet potatoes; Irish potatoes; groundnuts; sunflower; and horticultural crops mainly vegetables. This category of MSEs formed 16 per cent of the total sample out of which 64 per cent of them were reported as successful. In the successful category, four were food crop growing MSEs, four horticultural MSEs and one sugar cane growing project. The products of these MSEs had a ready market although some WGs complained of poor infrastructure, which affects their operation. This complain was genuine because, indeed in the Kakamega district, the road net work is very poor and most of them are earth roads (Republic of Kenya, 1997d), unlike the dairy products which are consumed within the community, the sweet potatoes, horticultural produce and other crops have to be transported to towns. This problem is compounded by the fact that most WGs do not have their own means of transportation. Due to these problems, French beans MSEs were not profitable due: to lack of enough market within the growing area and their perishability. The beans need a lot of care and attention and yet the women do not have that time because they have to carry out the domestic chores as well (Maguire, 1984; UNICEF, 1992; World Bank, 1980; Republic of Kenya, 1994c). Sugar cane growing could be one of the best MSEs for WGs. However, the sugar cane companies which are supposed to harvest the cane do not do so within the recommended time period, hence the sugarcane is left in the farms for many months after maturity. Furthermore, the success or failure of the sugarcane project depends on the prevailing weather condition.

Of the total responses, 14 per cent were involved in merry-go-round, which is not an income-generating activity as such, but rather one that helps individual members to acquire kitchen ware and cash for meeting their households' needs. The success rate for this category of MSEs was 75 per cent. Five merry-go-round MSEs were found to have sustainability indices of above 50 per cent while two had an index of below 50 (Table III). The failure rate for this category of MSEs was 25 per cent. This is attributed mainly to high default rate, dishonest, members that are not cooperative members and officials coupled with lack of enforcement of lending rules, and leadership wrangles.

WGs were carrying out businesses in the areas of embroidery, boutique, tailoring and craft-work. These MSEs formed 8 per cent of the total responses. The MSEs were mostly undertaken by those WGs located in Kakamega town. MSEs in this category had 79 per cent success rates. When sustainability indices were computed for specific MSEs, one craft work project had an index of 56 and three tailoring MSEs had indices of 52, 56 and 64 (Table III). However, one tailoring project had a disappointing index of 31 per cent and yet one group had indicated it as the most successful one. The reasons for success of these MSEs were given as ready market for the products and availability of technical skills (which makes the group produce high quality products). Support from the local administration was also cited in some cases as a contributing factor towards their success. The failure rate for this category of MSEs was computed and found to be twenty one per cent. Factors that were cited as having contributed to the failure were: poor infrastructure; lack of enough funds for expansion; and leadership wrangles within the groups.

Of the total respondents, 7 per cent were involved in making energy saving stoves "*Jikos*", building bricks, water and flower pots, fireless cookers and modernized traditional cooking "*Jikos*" that use fire wood. The success rate for this category of MSEs was 92 per cent. The sustainability indices were computed for three "*jiko*" making MSEs

that were indicated by three WGs as being their most successful MSEs. The three indices were 42, 48 and 69 (Table III). This implies that the “*jiko*” making MSEs were not very successful except for the one of a sustainability index of 69. Two pottery MSEs were indicated as successful MSEs and their sustainability indices were computed and are given as 50 and 67 (Table III). This shows that the MSEs are sustain-able to some extent. Brick making project was given by two WGs as being the most successful MSEs. When sustainability indices were computed, they were found to be 46 and 56 (Table III). This shows that the sustainability of these MSEs is not high although personal observation showed that the items produced are of high quality. The failure rate of these MSEs was found to be 8 per cent. The reasons given for this state are: too much labour and time that are needed for digging, transporting, mixing soil and modelling the pots, “*jikos*”, bricks and fireless cookers. Given the traditional sex roles of women in the study area, the members do not have enough time to spend on the groups’ activities. Furthermore, the work is tedious and need strong women and men with a lot of time to undertake the activities. Some WGs indicated that they had purchased equipment to make fireless bricks only to discover that the people who were supposed to buy the bricks had changed their tastes and preferences to fired bricks. This represented a net loss since the group could not use the machine for the intended purpose. Lack of ready market for the output was also cited as a major obstacle to the WG success. The result is piling up of stock and money being tied up in unsold products.

Tree nursery MSEs were being carried out by 4 per cent of the sampled WGs. These MSEs are carried out in the farms owned by individual members, since most WGs do not have their own land. The success of these MSEs therefore depends on the reaction of the husband of the member in whose farm the project is located. It was also noted that most WGs operate tree nursery MSEs on a seasonal basis thriving only during the long and short rains seasons. Hence the MSEs depend very much on weather conditions. Sometimes the tree seedlings overgrow due to lack of demand. Some WGs indicated that they give the seedlings to members to plant in their own farms free of charge in case supply outweighs demand. None of the groups involved in the tree nursery MSEs indicated success. Instead it was a story of misery, despair and frustration. When the failure rate was computed, it was found to be 100 per cent for the tree nursery MSEs. This failure implies that efforts had been wasted, work had been done in vain, hope had been frustrated and money spent for nothing (UNESCO, 1994).

Cattle dips were run by 2 per cent of the sampled WGs. The groups buy chemicals and charge a fee per animal for the dipping service. The cattle dips are run with the help of the local administration. The success rate for this category of MSEs was 50 per cent implying a failure rate of 50 per cent. Two cattle dips were indicated by two groups as their most successful MSEs. When sustainability indices were computed for the two MSEs, they were found to be 59 and 68 (Table III). This is quite encouraging given the gender aspects of the WGs. The major factors identified as affecting cattle dip MSEs were: high cost of chemicals; poor maintenance; lack of managerial skills; lack of technical skills; lack of support from the community due to cultural and traditional beliefs; and political interference.

From the sample, 2 per cent of the WGs in the study area were running Nursery schools and Secretarial colleges. The Nursery school project was 100 per cent successful and had adequate enrolment. The sustainability index computed from the data given was found to be 52 per cent for these MSEs (Table III). The Nursery schools

were doing quite well as compared to the Secretarial College. The success of these project was attributed to: high affinity for education on the part of the parents for their sons and daughters; less complicated managerial and technical skills that are needed to run it; less capital needed to start such a project; and support from the local community. However, payment of fees by parents/guardians was not very encouraging. This calls for tact and diplomacy on the part of the WGs to deal with the problem.

“Posho” mill MSEs were run by few WGs in the area. From the sample, only 1 per cent of the WGs run *posho* mill MSEs. However, those who ran the project indicated 100 per cent success. They argued that a “*posho*” mill project was very convenient and easy to run since it does not require a lot of labour and woman hours. When the sustainability index was computed from the data collected for this project, it was seventy per cent which was quite high (Table III). This showed that the “*posho*” mill project was quite sustainable. However, the initial capital needed to purchase and install a “*posho*” mill was quite high and this was given as the reason why very few WGs were involved in this lucrative business. In fact, those who operated this MSEs, received their first grinding mill as a donation (Kenda Kalaha Women Group, 1994).

Lending of money to members was cited by one per cent of the respondents as MSEs for WGs in the study area. Those involved in this project lend money to individual members at an interest. However, the interest charged is not as high as that charged by formal financial and micro-finance institutions. This encourages members to borrow and use the money to start individual income generating activities for their own benefit. This project had a failure rate of 100 per cent implying the inherent problems encountered when running such a scheme. Among the major problems faced were: high default rate; political interference; leadership wrangles within the groups; and lack of proper management skills. These problems were in line with those faced by other WGs that operate such a scheme country wide (Riria, 1985; Ongile, 1995; Republic of Kenya, 1993; Duba, 1999).

The study also found out that there were a few WGs which ran pharmacy MSEs. This constituted 1 per cent of the total sample. This was quite a unique undertaking given the high initial capital outlay required, and the managerial and the technical skills that one has to have in order to run such a project. Interestingly, the project recorded one hundred per cent success rate.

### Management of women groups’ MSEs

Management is one of the factors that affect sustainability of a project. Data were collected from 54 successful MSEs in order to determine the relative importance of management to the success of those MSEs. The results are indicated in Table V.

Scale	<i>n</i>	%
Very important	27	50
Important	24	44
Not important	3	6
Total	54	100

**Source:** Constructed from the research data

**Table V.**  
Relative importance of management to the success of the MSEs

Of the respondents, 50 per cent indicated that management was a very important factor in determining the success of the project. The results therefore show that proper management had contributed to the success of the MSEs. The study also sought to find out whether management problems had seriously contributed to the failure of MSEs. To this end, 41 MSEs that were started by WGs but later failed were identified and the effect of poor management as a factor which might have contributed to their failure was sought. The results are shown in Table VI.

The results show that poor management was a cause of project failure thereby reinforcing the earlier assertion that proper management plays a very important role in the success of the MSEs. In fact, when the respondents were asked about the problems that they had experienced, 24 per cent of them indicated managerial problems (Table IV). This was the second most pressing problem after lack of enough funds.

NGOs, government, donor agencies and community members were asked to rate the management aspect of the WGs. A total of 143 responses were obtained and the results are shown in Table VII.

Table VII shows that most agencies rated the management aspect of the WGs as poor and average, i.e. 62 per cent against 37 per cent who rated it as good and very good. They further agreed that management was a very important aspect that affects the success of any given project, which explained why most WGs MSEs had failed.

The study investigated how the day-to-day affairs of the WGs were managed. A total of 54 WGs were studied and the responses are summarized in Table VIII.

The results show that most WGs ran MSEs through committee members. Thus the people that are directly involved in the day-to-day operations of the MSEs are: the chairperson; the secretary; and the treasurer, who work as a team. However, 15 per cent of the WGs that were sampled run their MSEs haphazardly, thus through any member who has time and is capable of managing the MSEs. A total of 13 per cent of the WGs indicated that chairpersons are the ones who manage the project affairs. Of those

**Table VI.**  
Effects of poor management on the failure of MSEs

Scale	<i>n</i>	%
Very serious	20	49
Serious	8	20
Not serious	13	31
Total	41	100

**Source:** Constructed from the research data

**Table VII.**  
Rating of MSEs management aspects by the NGOs, government, donor agencies and community members

Scale	<i>n</i>	%
Very poor	2	1
Poor	44	31
Average	44	31
Good	45	31
Very good	8	6
Total	143	100

**Source:** Constructed from the research data

interviewed, 7 per cent indicated that they used a specialist or technical staff to run the MSEs. Treasurers run MSEs for only 5 per cent of the sampled WGs. Some WGs also indicated that they use secretaries to run their MSEs. However, no WG had employed a qualified manager to run its MSEs. This may be the reason why management aspects had adversely affected their MSEs.

The study investigated the type of training the person(s) that were in charge of running the affairs of the group had undertaken. The results revealed that 54 per cent of those who manage the MSEs had no training at all, while 38 per cent had some limited project management knowledge, and 7 per cent had technical knowledge. When asked about the length of time one had managed the MSEs, 73 per cent of the respondents indicated that they had ran the MSEs for less than five years. A total of 8 per cent had run the project for a period between five and ten years, and 19 per cent had run the MSEs for over ten years. The results therefore show that most WGs' MSEs are run by inexperienced people. This had a negative impact on the project's success and sustainability. The study sought to find out any non-financial support that the government, NGOs, and donors had provided to WGs and whether this included managerial training. The results are presented in Table IX.

The results reveal that only 16 per cent of the WGs had received managerial training support. The study also reveals that most WGs did not prepare project proposals. However, management problems are not unique to WGs in this area alone; they affect MSEs throughout the country (Republic of Kenya, 1993, 2007; Ongile, 1995; Riria, 1985).

Person(s) in charge	<i>n</i>	%
Committee members	30	56
Any member who has time	8	15
Chairperson	7	13
Specialist/technical staff	4	7
Treasurer	3	5
Secretary	2	4
Manager	0	0
Total	54	100

**Source:** Constructed from the research data

**Table VIII.**  
Person(s) in charge of managing the affairs of the WGs' MSEs

Type of support	<i>n</i>	%
Guidance and counselling	5	27
Organizing fund-raising meetings	3	16
Management and technical advice	3	16
Provision of security	2	11
Organizing training, seminars, workshops	1	6
Mobilizing resources	1	6
Educating members on diet, family planning	1	6
Provision of drugs/medicine	1	6
Facilitating the use of banking services	1	6
Total	18	100

**Source:** Constructed from the research data

**Table IX.**  
Non-financial support provided by the government, NGOs, and donor agencies

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**Factors affecting management of women groups' MSEs**

From the foregoing findings and discussion, the major factors that affect management of WGs MSEs are summarized as follows.

*Managerial skills*

The results showed that most MSEs were run by committee members. Some groups manage MSEs through the chairpersons, specialists, treasurer or secretary. None of the WGs sampled had employed a qualified professional manager to run their activities. Furthermore, most of those who were managing the MSEs had no managerial training. In fact, most of those who were in charge had work experience of less than five years. The WGs also indicated that they do not receive managerial support of any form from the stakeholders (i.e. the government, donor agencies and NGOs).

The WGs that were studied did not have a strategic plan. They also did not prepare project proposals. This made it difficult for stakeholders to help these groups since most of them require these documents. The groups also ran their activities without proper record keeping and in some cases no files were kept. The results also showed that members were not fully involved in project identification, design, planning, implementation, monitoring and evaluation. This finding is shared with Kuria *et al.* (1997), CEDPA(1995), and Ehigiamusoe(1995). The implication of this finding is that members do not participate in the MSEs activities with confidence and unquestionable determination. Moreover, involving beneficiaries in assessment of community needs was essential in the MSEs management. However, only 43 per cent of the responses indicated that they involve beneficiaries in assessing community needs.

Insurance cover for any business is important since it ensures continuity of the business after the risk insured against takes place. However, most groups in the study area had not taken insurance policies for their MSEs. This means that their businesses cannot survive in case of any insurable risk happening. And they cannot borrow from financial institution using the insurance policy as collateral.

*Leadership*

Good leadership is a prerequisite to the success of WGs' MSEs. Most groups had experienced leadership wrangles that had resulted in frustration, despair and uncooperativeness by members. Meetings are never called, elections are never held, and project records remained secrets never to be disclosed to the members. In some groups, the problem was compounded by interference from local administration and politicians who create rumours, gossips and distrust among members. In fact this factor alone has split several WGs, led to collapse of many and threatens to destroy the existing ones. In some cases, members complained of not being given any money from the MSEs proceeds despite their hard work. Furthermore, some WGs have become a family affair. Officials who were relatives had acquired donations and WGs properties. They had even refused to call for elections. Moreover, some officials had been in officials for too long because they had a misconception that without them the group could not perform. For some WGs, officials had been in the office since inception and had never recruited new members but instead had restricted membership. Moreover, leadership issues are a national concern since it affects most women's organizations (Republic of Kenya, 1993, 1997b; Bii, 1999; Riria, 1985).

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### *Finance*

Availability of enough funds was found to play a very important role in ensuring success of the WGs MSEs. Lack of enough funds has contributed significantly to the MSEs failure. In fact, the stakeholders agreed that funding for WGs MSEs was poor, which led to poor financial base. Only five per cent of the sampled WGs indicated commercial banks as a minor source of funding for the MSEs. The rest do not borrow from the banks at all due to lack of collateral, high interest rate, and general fear of getting a loan. Furthermore, 96 per cent of the WGs' MSEs operate bank accounts, some with only minimum account balances and yet they pay bank charges which they consider to be quite high.

The major source of funding MSEs was indicated as members' contributions. However, this source had led to high default rate that had resulted in stalled MSEs. Fund raising was one of the minor sources of funds. However, the researcher feels that this could be one of the major sources of funds for the groups if the MSEs were organized and pursued economically viable MSEs. This is because Kenyans have a long tradition of helping each other through fund raising activities.

The government was a minor source of funding for WGs' MSEs except for the funds received from the Women Development Fund of 1997. Even so, this source was inadequate such that some WGs only managed to open bank accounts and keep the money as minimum account balances. Furthermore, the funds were distributed once and most WGs who benefited were registered for only that purpose and have since ceased to exist. These funds also generated a lot of misunderstanding between the members and split the groups instead of uniting them. Research findings also indicate that some WGs shared the money among members.

Micro-finance institutions appeared to be playing insignificant role in funding WGs MSEs. This may be due to ineffective outreach programme on their part and relatively high interest rate charged. In fact most WGs had not sought credit from formal financial institutions, micro-finance institutions and other lenders due to lack of collateral, high interest rates, lack of insurance cover for their businesses, and general fear of prosecution in case of default since these might lead to their properties being taken away (Wawire, 2008). This fear was gained through experience (Musa, 1999).

Only 12 per cent of the WGs MSEs sampled had received at least some financial help from donor agencies and embassies. These international donors do not specifically target the WGs MSEs but the community as a whole. Individual community members did not contribute any funds towards the WGs' MSEs although the findings indicate that give advice to the groups. The WGs indicated they pay tax to the government which adversely affects their operation through reduced working capital, hence interferes with their expansion plan of their businesses.

### *Technology/technical skills*

Most groups used simple tools and equipment that were available within the community and had not computerised or mechanized operations. Furthermore, the extent of local resource mobilization was not very high. This implied that productivity was generally low.

The importance of technical skills among the WGs was observed to be a very critical factor that contributes to proper management of MSEs. Lack of technical skills had led to failure of several WGs MSEs in the study area. The WGs lack training in: decision making; bookkeeping; project design; technical; and management strategies.

However, training should be followed by technical or practical assistance within the MSEs itself. Record keeping was found to be poor some using tattered exercise books or pieces of paper.

#### *Advocacy*

The findings of the study indicated that advocacy was quite poor and lack of it seriously affected MSEs success and sustainability. The WGs' MSEs had not received strong support from the NGOs, government or donor agencies. Even those organizations that are known to champion women's economic empowerment and women's rights had not provided advocacy to most WGs. Those interviewed had only heard of MYWO, which had not supported them in any way. Furthermore, most WGs had not heard of other women's organizations like the NCWK, Kenya Women Political Caucus, Coalition on Violence Against Women, Forum of African Women Educationist, Women's Bureau, National Commission on status of Women, KWFT and FIDA. It appears that the activities of these women's organizations are urban based and have done little to reach the rural women despite women's economic empowerment and rights being top on their agenda. Some of these women's organizations and trusts seemed to be operating in certain regions of the country only.

#### *Labour*

Availability of labour was found to be important towards the success and sustainability of WGs' MSEs. Most groups sampled reported their main source of labour as the members. However, the researcher observed that the women did not supply enough labour since it was usually divided between the domestic chores and the WGs' MSEs activities. The members first carry out their traditional domestic roles like fetching firewood, drawing water, cooking, washing and participating in farm work, before offering labour to the MSEs activities. This seriously undermines the success of the WGs' MSEs. This problem is compounded by lack of enough funds to hire labour since most MSEs have low net returns. The study also observed that the type of labour that is readily available to the WGs' MSEs was of unskilled type yet some activities need skilled labour.

#### *Cultural beliefs and traditional sex roles*

Cultural beliefs and traditional sex roles are important ingredients in the management of MSEs in Africa. MSEs that are based primarily on economic and technical approaches are bound to fail (UNESCO, 1994). The WG should minimize the risk of failure by including the cultural and traditional aspects in the management of MSEs.

### **Research implications**

The WGs should:

- Involve beneficiaries when assessing the community needs. This is one aspect of good management because it ensures production of goods and services that are highly demanded by the community which in turn implies a ready market and higher profits.
- Be transparent and accountable in everything they do especially when it comes to financial matters. They should lay everything on the table and explain to members clearly the decisions that they want to take and the reasons for taking them.

- Give members incentives by occasionally sharing of profits from the MSEs.
- Take insurance covers against insurable risks if they run insurable businesses. The insurance cover taken could be used as collateral to borrow funds from various micro-financing organizations.
- Regularly hold elections as required by their constitutions.
- Frequently call meetings to discuss various issues pertaining to the MSEs operations. This should also be a forum for communication, for airing ideas, views, and opinion by members with an aim of ironing out any differences in order to instil confidence in the members.
- Recruit new members on a continuous basis.
- Incorporate management and project design approaches that are derived from the strongly held local norms and practices.
- Register with the government under the ministry concerned.
- Prepare and keep proper records of the activities.
- Encourage members through financial incentives, to offer enough labour to the WGs' MSEs. Thus the members to occasionally receive some income from the MSEs however small this may be.
- Resolve to use hired labour where the MSEs require full time labour.
- Hire skilled labour in order to increase productivity.
- Mobilize and use locally available resources.
- Computerise and mechanize production processes in order to increase production efficiency, quantity and improve quality.
- Regularly organize fund raising activities in order to improve their financial bases.
- Open and operate bank accounts.
- Involve all members in identifying, planning, implementing, monitoring and evaluating the MSEs.
- Adopt MSEs project designs to the strongly held local norms and practice and not replicated from those of the successful groups.
- Prepare a strategic plan and project proposals in accordance with the national development plan and and the Kenyan Vission 2030.

Stakeholders should:

- Provide project management training to the WGs as a strategy to develop human resources and build capacity required in the operation of women groups.
- Provide technical training to WGs mostly through participatory approach where participants learn from one another and provide continuity and support to others.
- Provide technical training and make follow-up through monitoring, reviewing and evaluating WGs' MSEs.
- Provide training in book keeping for proper record keeping.

- Sponsor selected members of the WGs for specialized training to acquire skills in areas of management, bookkeeping; leadership and secretarial skills.
- Intensify gender sensitization programmes in the rural areas with the aim of changing anti-development traditions and cultural beliefs such as women's rights to own land and other properties.
- Be involved in advocacy for rural WGs MSEs activities.
- Spread their activities throughout the country rather than concentrating in certain areas for too long.
- Offer guidance and counselling services to encourage WGs members to work as a team.
- Follow-up to ensure that funds and equipment donated to the MSEs are used for the intended purpose and not shared or sold.
- Strengthen the skills of WGs in terms of project design, planning, implementation, monitoring, management and evaluation through provision of training.

Micro-finance institutions should:

- Provide credit to WGs' MSEs relying on ability to pay and not on collateral. This should take the form of special credit schemes advocated by the Government for small-scale *jua Kali* enterprises (Republic of Kenya, 1992, 1997b, 2007).
- Accept tokens or household properties as collateral.
- Lessen their lending conditions as regarding insurance policy, cash flow analysis, collateral and prosecution in case of default.
- Be exempted from paying taxes and duties to the government so that they can extend more financial assistance to the MSEs owned by the WGs.
- Sensitize WGs on the availability of credit and on changing attitudes in order to remove the natural fear about taking a loan.
- Post technical officers to work with WGs' MSEs to advice the members and evaluate the performance of the MSEs.

The government should:

- Supervise WGs' MSEs financial and managerial activities.
- Offer guidance and counselling on a continuous basis.
- Encourage NGOs and micro-finance institutions to extend their outreach programmes to the interior rural areas and avoid concentrating their activities in urban places.
- Sensitize WGs on possible sources of funds such as embassies and international donor agencies.
- Consider exempting MSEs owned by WGs from paying taxes so that the groups can improve their financial bases.

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