

**AN INVESTIGATION INTO CHALLENGES FACING
PERFORMANCE OF WOMEN ENTERPRISE FUND IN KISUMU
TOWN EAST CONSTITUENCY, KENYA**

BY

LINDA ATIENO OGWENO

**RESEARCH PROJECT SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR THE
DEGREE OF MASTERS OF BUSINESS ADMINISTRATION**

DEPARTMENT OF BUSINESS ADMINISTRATION

MASENO UNIVERSITY

© 2016

ABSTRACT

Women Enterprise Fund (WEF) was introduced to promote economic empowerment of women by providing alternative financial services. Loan repayment rate of Kisumu town East Constituency declined from 128% to 118% between September, 2012 and April, 2013 and from position 9 to 23 respectively. During this period the highest repayment rate was 157% and 152% respectively. Previous studies have not looked at preference of WEF as a source of funds, loan repayment rate of Kisumu Town East Constituency against other constituencies with higher repayment rate and its declining repayment rate. Studies on utilization of WEF funds as well have not included financial intermediaries to their target populations. This research therefore investigated the extent to which WEF is a preferred source of finance, extent to which WEF loans were being repaid, factors that affected utilization of WEF loans and factors that affected repayment of WEF loans. Entrepreneurship Innovation theory anchored the study. Kisumu Town East Constituency was selected because it was convenient to the researcher and also due to the distribution channel of WEF. Descriptive research design was used in the study. The target population consisted of 257 groups between the years May 2009 to April 2013, 10 credit officers from financial intermediaries and 1 WEF staff. Census was carried out to collect data. Data were collected through questionnaires and interviews. Validity test revealed respondents' knowledge of the tools, while Cronbach's Alpha reliability coefficient was $\alpha=.760$ for women preference, loan repayment was $\alpha=.850$ and for loan utilization $\alpha=.756$, meaning items tested were reliable. Data were analyzed using descriptive statistics using mean, mode and median and presented in percentages, tables and graphs. The study found that 63.16% of the respondents highly preferred WEF as a source of funds and 95.95% of loans were being repaid well. Insufficient funding, training, small loan amount, security, leadership problems and economy had a mean value above 3.0 implying they greatly influenced utilization of WEF funds. Economy, lack of strong legal framework of Constituency Women Enterprise Scheme and lack of individual choices in group lending were found to have the most influence on loan repayment rate as they had a mean value above 3.0. The study concludes that WEF is a preferred source of funds with a high repayment rate. The study recommends increased loan amounts, standardization of training and improved security. It's hoped that the findings of this study will contribute to the performance information of WEF.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

In most countries, women are the mainstay of their economy. The benefit of promoting women's economic empowerment spreads beyond the individual woman to her children, family, community and the nation subsequently (Kantor 2001). Across the globe, women owned businesses account for 25 to 33 per cent of all businesses (Marcucci 2001). This percentage is higher in Africa; between 40 and 50 percent and in some countries up to 60 percent. Fostering women's entrepreneurship development is therefore crucial for the achievement of Africa's broader development objectives, including economic development and growth (Stevenson and St-Onge 2005b). Additionally, entrepreneurship opens up opportunities for leadership, self-development and empowerment that women do not find in large enterprises (Day-Hookoomsing and Essoo 2003). However, for long women entrepreneurs in Africa have low business performance compared to their male counterparts. This has been attributed to factors such as lack of credit, saving, education or training and social capital (Mikkola 2005). Institute of Economic Affairs (2008) asserts that gender inequalities in Kenya as well can be attributed to limited access and control over productive resources, access to financial services, insufficient access to education, lack of skill, limited access to technology and cultural impediments.

The Micro and Small Enterprise sector (MSE) has been recognized throughout developing countries as an engine to development and as a vehicle towards fulfilling the millennium development goals especially in poverty reduction, wealth creation and the improvement of living standards (International Labour Organization ILO, 2008). Kenya as a developing country has also adopted microfinance in response to the failure of the formal financial system to reach the poor. Stevenson and St-Onge (2005a) noted however that the total number of women loan clients in microfinance institutions in Kenya is about 30 percent. Data in 2003 from the Association of Microfinance Institutions (AMFI) showed that just over 10 percent of the estimated 1.3 million women Micro, Small and Medium Enterprises (MSMEs) in the country had access to formal loans from microfinance institutions. This prompted the Government of Kenya (GoK) to renew its commitment to addressing women issues and women entrepreneurship took center stage resulting in the introduction of the Women Enterprise Fund.

Women Enterprise Fund (WEF) was conceived by the Government of Kenya in 2006 under the Ministry for Gender, Children and Social Development (WEF 2009). The principal objective of the fund is economic empowerment of women. The Fund targets women aged 18 and above, either as individuals, organized women groups or companies owned by women. In a group set up, men can be included provided that 70 percent of members are women who also hold all the leadership positions. The Fund is 100 percent funded by the Government of Kenya. It is accessed through selected financial intermediaries or through District Gender and Social Development Officers (DG & SDOs). Unlike mainstream banks, the Fund does not require the traditional collateral as prerequisite for accessing the loans and attracts low interest rate. It has simplified application procedures. There are no hidden or additional charges except that some financial intermediaries may require the loans to be insured against death or permanent disability of the borrower at a minimal fee. The Government of Kenya's introduction of the women enterprise fund was therefore geared towards creating affordable access to finance for Kenya's women facing difficulties accessing existing micro finance institutions (MFIs) and banks (WEF 2009).

Market share determines the performance of a lending institution. Market share is a measure of how well a firm is doing against its competitors. That is, it enables them to judge not only total market growth or decline but also trends in customers' selections among competitors (Farris, Bendle, Pfeifer & Reibstein 2010). To measure success of a lending institution, financial criterion such as repayment rate is a useful indicator of the performance of the lending institution (Lend with care 2009). We can generally assume that the purposes for which the loans are being used are in fact generating returns because the loans are being regularly repaid and borrowers are seeking repeat loans. Qualitative social performance analysis is also useful because it helps us understand the ways in which borrowers utilize loans, the constraints they face in utilizing loans and reasons for success or failure of loan repayment (Lend with care, 2009). Analyzing how the loans are utilized in comparison to the reason sought for is therefore important. The assertion is that using loans for the purpose of growing the business in return leads to the growth of the business. According to Women Enterprise Fund Strategic Plan (2009 – 2012), WEF is a revolving fund. Loan repayment rate is therefore a measure of its performance and sustainability. A high repayment rate enables the fund meet its future financing demands.

Thematic Hearing on women report by the Truth Justice and Reconciliation commission found that the fund is positively transforming the lives of women across the country through improved access to credit, entrepreneurial skills development, enhanced household incomes and expenditures, business sales gone up, increase in household savings, access to markets and better or decent jobs for women owners and others. Policy brief on Micro, Small and Medium Enterprise Growth and Innovations by Strathmore University in 2012, found that inadequate WEF field personnel, low loan amounts, delays in disbursements, high default rates, diversion of the funds, low literacy among segments of women borrowers, lack of loan securities and domestic interference as some of the challenges faced by WEF in Kakamega, Nairobi, Nakuru and Nyeri counties. Ijaza, Mwangi, and Ng'etich, (2014) assessed the challenges faced by the WEF in Hamisi Constituency. Specifically they examined the challenges facing women in microenterprise development. Oduk (2010) also researched on the challenges facing WEF in Langatta, Westlands and Makadara with the specific objective of identifying the challenges faced in disbursement of WEF. However, none of these studies looked at preference of WEF as a source of funds which depicts how well WEF is doing against its competitors. As well they did not look at declining repayment rate as reported in WEF (2013).

Ngina (2011) determined the factors influencing utilization of WEF in Buuri Division of North Imenti Constituency. Kaimuri (2014) researched on factors influencing utilization of the WEF in Dagoretti North Constituency. Njoroge, Kariuki, and Ogollah, (2014) assessed the factors leading to disparity in WEF loan repayment in Rongai, Lugari and Muhoroni constituencies. These studies not only had different objectives but also focused on different target populations. For example Ngina (2011) did not have financial intermediaries as part of the target population in her study. In addition these studies focused on other geographical areas but none has focused on Kisumu Town East Constituency. Karaka, Kobia and Katwalo, (2013) examined the growth and innovation of women owned MSMEs funded through WEF. Weveti (2014) researched on the challenges facing women in accessing the constituency WEF in Manyatta Constituency. These studies as well had different objectives, target populations and were done in other geographical areas. Most of these studies were also conducted as case studies and hence their findings cannot be generalized to all women entrepreneurs in Kenya.

Women enterprise fund faces challenges. As well most women enterprises still experience decline in performance and have difficulties in loan repayments. These are evidenced by the persistent low loan recovery rates as reported in some of the 210 constituencies (WEF, 2013). For example by April, 2013, Mvita Constituency had the highest repayment rate of 152 percent while Bura Constituency had the lowest repayment rate of 19 percent. Should the existing loan repayment disparity persist, the fund which is revolving, will fail to meet future financing demands. Uptake of funds disbursed from the women enterprise fund is also generally low. WEF strategic plan 2013/14-2017/18 shows that in the financial year 2007/2008 only 319.87 million had been disbursed out of an initial 1 billion allocation. Loan repayment rate of Kisumu Town East Constituency also declined from 128% to 118% between July, 2012 and April, 2013 and from position 9 to 23 respectively. During this period the highest repayment rate was 157% and 152% respectively (WEF, 2013). Previous studies on Women Enterprise Fund (WEF) have not focused on Kisumu Town East Constituency and its declining repayment rate. This research therefore using these guidelines, sought to establish the challenges facing WEF as it strived to achieve its objectives of financing women activities in Kenya in Kisumu town East Constituency. The focus on constituency was considered relevant due to the distribution channel of WEF and the constituency selected on the strength that it was convenient to the researcher. The research targeted the period from May 2009 when the launch of Women Enterprise fund was held till July 2013.

1.2 Statement of the Problem

Women Enterprise Fund was viewed as the financial service rendered to women entrepreneurs to help them grow their existing businesses. This government hoped would help achieve economic empowerment of women. It is therefore imperative to establish whether the fund is achieving its objectives in reaching the intended beneficiaries. However, WEF experiences low loan recovery rates. For instance in the financial year 2012/2013, the secretariat published a status report that showed that the best constituency had scored a high repayment rate of 152 percent while the most challenged had scored 19 percent. Out of 210 constituencies, 147 had a repayment rate below 100 percent. WEF strategic plan 2013/14-2017/18 shows that in the financial year 2007/2008 only 319.87 million had been disbursed out of an initial 1 billion allocation. Previous studies on WEF have focused on other geographical areas and research aspects but none has focused on the challenges facing WEF in Kisumu Town East Constituency and its declining repayment rate.

Kisumu Town East Constituency had a repayment rate of 128 percent in September, 2012 which reduced to 121 percent in January, 2013 and 118 percent in April 2013. This presented an opportunity for conducting a research. The researcher therefore sought to fill the existing knowledge gap. The problem in this research was that despite the governments' tenacity to reduce unemployment using WEF and though benefits have come with the fund, the fund still experienced challenges.

1.3 Objectives of the Research

The broad objective of the research was to investigate the challenges facing performance of Women Enterprise Fund in Kisumu Town East Constituency. The specific objectives were:

- i) Examine the extent to which WEF is a preferred source of finance for women entrepreneurs in Kisumu Town East Constituency.
- ii) Establish the extent to which WEF fund is being repaid by borrowers in Kisumu Town East Constituency.
- iii) Assess factors influencing utilization of WEF loans by women entrepreneurs in Kisumu Town East Constituency.
- iv) Assess factors affecting repayment of WEF loans by borrowers in Kisumu Town East Constituency.

1.4 Research Questions

The following set of questions helped guide this research:

- i) To what extent is WEF a preferred source of finance for women entrepreneurs in Kisumu Town East Constituency?
- ii) To what extent is WEF fund being repaid by the borrowers in Kisumu Town East Constituency?
- iii) What factors influence women entrepreneurs' utilization of WEF in Kisumu Town East Constituency?
- iv) What factors affect repayment of WEF loans by borrowers in Kisumu Town East Constituency?

1.5 Scope of the Research

The research covered Kisumu Town East Constituency. A constituency as sample area was selected on the strength that WEF is distributed via constituencies either directly through Constituency Women Enterprise Scheme (C-WES) or through partner financial intermediaries. Kisumu Town East Constituency was selected because it was convenient to the researcher. The research focused on the credit officers in the financial intermediaries, WEF staff assigned to Kisumu Town East Constituency and borrowers of the fund in the constituency through C-WES. The research targeted the period from May 2009 when the launch of WEF was held under Ministry for Gender, Children and Social Development till July 2013.

1.6 Significance of the Research

To Women Enterprise Fund, assessing the effectiveness of the fund may provide a form of evaluation and justification for it and may assist in committing to adopting the best practices in management of its' staff to ensure high productivity and motivation of its' employees. The research may also assist WEF partner with the media to enhance public awareness of its operations and use it as a channel of communication with its clients from time to time. The research may aid WEF partner with the private sector in provision of business development services to the beneficiaries. The research may also offer a platform to lobby for favorable policies and regulations. To the government, the research may assist develop and promote strong linkages with the parent Ministry (Ministry of Gender, Children and Social Development) and other government institutions. The research may also aid WEF make financial support decisions to the fund and create conducive environment for the fund's operations.

To scholars, the research may aid research and academic institutions enhance access to relevant information on emerging issues affecting the operations of women enterprises. Research and academic institutions may also be offered an opportunity for learning the best practices for benchmarking. To the women entrepreneurs, the research may provide them with the necessary information regarding eligibility requirements, loans application process and repayment terms to ensure adequate facilitation and support of their businesses. To the financial intermediaries, the research may assist them meet the pre-set conditions for partnering to enable effective and efficient coverage of the targeted women entrepreneurs.

1.7 Conceptual Framework

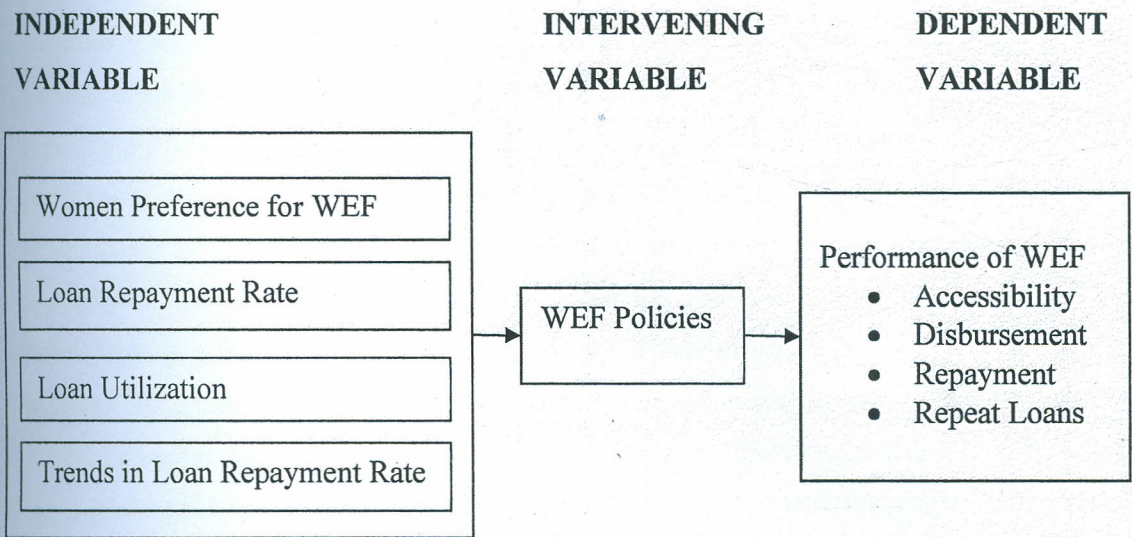


Fig: 1. Challenges Facing Performance of WEF.

Source: Own, 2015

A conceptual framework is a hypothesized model identifying the concepts under study and their relationships (Mugenda & Mugenda 2003). It presents in a diagrammatic form the way the researcher has conceptualized the relationship between the independent and the dependent as well as the confounding variables. This section provides a structural description of the relationship between the variables forming the concepts of the study of the challenges facing WEF. The independent variables are grouped together on the left side. The dependent variable is placed on the right hand side and connected with an arrow as a sign of direct relationship. Performance of WEF (dependent variable) is dependent on women preference for WEF, loan repayment rate, loan utilization and trends in loan repayment rate (independent variables). Women preference for WEF is an indicator to WEFs' market share which shows how well a firm is doing against its competitors. That is, it enables them to judge not only total market growth or decline but also trends in customers' selections among competitors (Farris, Bendle, Pfeifer & Reibstein, 2010). This also affects the disbursement of WEF funds because many borrowers will borrow from an institution with high preference rate and also refer the fund to other borrowers.

To measure success of lending institutions, a financial criterion such as repayment rate is a useful indicator of the performance of the lending institution. We can generally assume that the purposes for which the loans are being used are in fact generating returns because the loans are being regularly repaid and borrowers are seeking repeat loans (Lend with care, 2009). Qualitative social performance analysis is also useful because it helps us understand the ways in which borrowers utilize loans, the constraints they face and reasons for success or failure. Analyzing how the loans are utilized in comparison to the reason sought for is therefore important. Lend with care (2009) asserts that using loans for the purpose of growing the business in return leads to the growth of the business. According to Women Enterprise Fund Strategic Plan (2009 – 2012), WEF is a revolving fund. Loan repayment rate is therefore a measure of its performance and sustainability. A high repayment rate enables the fund meet its financing demands. It is therefore imperative to look into loan repayment trends.

CHAPTER TWO

LITERATURE REVIEW

2.1 Entrepreneurship Innovation Theory

This study is underpinned on the entrepreneurship theory. This is a theory by Joseph Schumpeter. It centers on entrepreneurial innovations and their role as the key driver of economic growth. He says that an entrepreneur is the one who is innovative, creative and has a foresight. An entrepreneur helps the process of development in an economy. He argues that competition among market participants leads to a desire to seek out new ways to improve technology, new ways to do business and other types of advantages that would increase profit margins and directly impact the entrepreneur's standard of living. The theory emphasizes on innovation, ignoring the risk taking and organizing abilities of an entrepreneur (Schumpeter, 1949). According to Joseph Schumpeter, innovation occurs when the entrepreneur introduces a new product, introduces a new production method, opens up a new market, finds out a new source of raw material supply and introduces new organization in any industry (Schumpeter, 1934).

2.2 Resource Based Theory

Resource based theory argues that access to resources by founders is an important predictor of opportunity based entrepreneurship and new venture growth (Alvarez & Busenitz, 2001). It suggests that access to resources enhances the individual's ability to detect and act upon discovered opportunities (Davidson & Honing, 2003). Resources held by an enterprise form the building blocks to a firm's functioning and performance and are the inputs to the production process (Hisrich, Peters & Shepherd, 2008). It argues that organizations should look inside the company to find the resources of competitive advantage instead of looking at competitive environment for it. The authors argue that the resources possessed by an enterprise can be combined in different ways to create a bundle of resources that provides the firm its capacity to achieve superior performance and hence growth. Financial capital, physical resources and a skilled human resource pool are tangible resources. Brand reputation, trademarks and intellectual property are intangible resources. These can be combined by an enterprise to create a competitive advantage over its competitors.

2.3 The State of Kenyan Women

According to the 1999 National Micro and Small Enterprise Baseline Survey, there were 612,848 women entrepreneurs in Kenya, 47.7 per cent of the total entrepreneurs. Many women entrepreneurs though are operating in more difficult conditions than men entrepreneurs. The constraints that impede all entrepreneurs such as political instability, poor infrastructure, high production costs and non-conducive business environment, tend to impact more on business women than businessmen (Stevenson and St-Onge 2005b). Additionally, women's entrepreneurial development is impeded by some gender-specific constraints. For example, women may have less freedom to select sectors within which to operate, less access to credit and other productive resources, and less time and opportunity to obtain education and experience relevant to entrepreneurship. These constraints often affect women more than men of the same class due to the different roles and responsibilities women are assigned by society (Kantor 2001; Stevenson & St-Onge 2005b).

IFC/World Bank, 2006 also found that other barriers affecting women's entrepreneurship in Kenya include gender roles, social inequality, entrenched cultural and traditional practices, technology, legal, institutional and policy levels, among others. Women entrepreneurs lack a supportive environment that encourages them as they are subject to stereotypes and there are few visible role models for them at any level. There is inadequate access to training and follow-up to training inputs. In addition, they have difficulties finding land and premises for production and acquiring up-to-date technology. They lack the strength of numbers that would be gained through representation by a women entrepreneurs' association, which would not only provide networking and value-added membership services, but also a collective "voice" for the needs and concerns of women entrepreneurs in the country (Stevenson & St-Onge 2005a). Women entrepreneurs are also constrained by a lack access to high growth markets (ILO 2008). Most of them are therefore concentrated in the low value enterprises and low value markets which lead to market saturation and little room for growth. Without access to higher value markets, the potential for success in these sectors is low (Kantor 2001).

These have prompted the GoK to renew its commitment to addressing women issues resulting in development and enactment of various legal and policy interventions. These include the enactment of the National Commission on Gender and Development Act in 2003 which addresses issues that can hinder the socio-economic advancement of women and saw the introduction of gender desks in key parastatals and police stations. The introduction of the Women Enterprise Fund and passing of the National Policy on Gender and Development in 2006 are among other actions. More recently, the Sexual Offences Bill was passed in parliament, providing heavy penalties to sexual crimes where women and children are victims. The Free Primary and Secondary Education Policy is also a good attempt to ensure equal access to basic education to both genders. Kenya's own Vision 2030 envisages the strengthening of MSMEs to become the key industries of tomorrow by improving their productivity and innovation (Ministry of Planning, National Development & Vision 2030 [MPNDV2030], 2007). The newly passed Constitution under Article 81 (b) also affirms this through the one third gender rule. This has made it a law that a minimum of 30% of all government appointments be held by women if not more. Introduction of women representative for every county has increased women representation in parliament.

Different organizations also support the GoK in addressing women issues in Kenya such as The Professional Women Empowerment Society of East Africa (PROWE). The organization aims to bridge the gender gap by empowering and motivating women to undertake socio-economic and political development. The Accelerating Women's Enterprise (AWE) has also brought together a number of leading agencies in women's enterprise development. Together they have developed activities which tests approaches to ensure that mainstream business support is developed to meet the needs of excluded groups of women e.g. ethnic minorities, lone parents, women returners, unemployed and low income women, disabled women, young and third age women and women from deprived rural and urban areas. The Fund for Gender Equality is also a global fund that is exclusively dedicated to women's economic and political empowerment. This partnership between UN Women and regional, national and local women's organizations and governments is an innovative approach to advancing women's empowerment. The fund also ensures gender equality goals are enshrined in national laws and policies as well as regional and international agreements (Sustainable Development Goals (SDGs), the Convention on the Elimination of Discrimination Against Women (CEDAW) and the Beijing Platform of Action among others).

2.4 Women Enterprise Fund (WEF)

Women Enterprise Fund was conceived by the Government of Kenya in 2006 under the Ministry for Gender, Children and Social Development (WEF 2009). The launch was held on 26th May 2009 and was officiated by former President Mwai Kibaki and the then Minister for Gender, Children and Social Development, Hon. Esther Murugi. The principal objective of the fund is economic empowerment of women. The fund targets women aged 18 and above either as individuals or organized women groups. In a group set up, men can be included provided that 70 percent of members are women who also hold all the leadership positions. WEF loans reach the target beneficiaries through partner financial intermediaries or directly through Constituency Women Enterprise Scheme (C-WES). The fund which is revolving was started with an initial Ksh. 1 billion allocation and its sustainability is dependent on continued government funding and loan repayment. There are no hidden or additional charges except that some financial intermediaries may require the loans to be insured against death or permanent disability of the borrower at a minimal fee. Financial intermediaries in Kisumu County are: Chase Bank, Kenya Industrial Estate Ltd, Kijito Development Project, African Women Foundation, Co-operative Bank, Family Bank, Jamii Bora Bank, Kisumu Teachers SACCO, Small & Micro Enterprise Programme and AdokTimo. WEF is managed by an advisory board. Field operations are driven by regional credit co-coordinators supported by officers from the department of Gender and Social Development and volunteers. The two types of WEF loans are called *Tuinuke* loan and *Jiimarishe* loan.

Tuinuke loan is given to organized women groups. It has nil interest rate, 5 percent administrative fee on loan amount, 1st loan is Ksh. 50,000, 2nd loan is Ksh. 100,000 and 3rd loan is Ksh. 200,000. Its grace period is three, two and one month for 1st, 2nd and 3rd loan cycles respectively. Maximum repayment period is twelve months. For security, the group guarantees each other. Repeat loans are available upon full payment of previous loan. To be legible for a loan, a group should be registered with the Ministry of Gender, Children & Social Development at least three months before applying for the loan, has to physically be operating within the constituency, constitution and minutes of the group meeting indicating resolution to borrow should be availed, the group should be operating an active bank account, copies of identity cards of all members should be

availed and the group should indicate that it is undertaking or proposing to carry out business oriented activity or income generating activity.

Jiimarishe loan works through financial intermediaries. Women will access funds directly either as individuals or women owned companies. Its features are: 8 percent per annum interest rate, nil administrative fees, loan amounts and security depends on the lending institution, three months grace period, maximum repayment period of thirty six months and maximum loan amount of Ksh.500, 000. Amounts above Ksh. 500, 000 are referred to women enterprise advisory board for determination. An applicant must be a Kenyan woman, purpose for funds applied must be either for starting or expanding an existing business, an applicant must have identification details such as business registration certificates or personal identification papers such as national identity card or passport and must have a bank account preferably with the preferred financial intermediary.

2.5 Policies for Women Enterprise Support

World Bank (2001) defines women empowerment as the processes by which women take control and ownership of their lives through expansion of their choices. Thus, it is the process of acquiring the ability to make strategic life choices in a context where this ability has previously been denied. Kabeer (2001) asserts that the core elements of empowerment have been defined as the ability to define one's goals and act upon them, awareness of gendered power structures, self-esteem and self-confidence. Kay (2002) also notes that empowerment can take place at a hierarchy of different levels such as individual, household, community and societal and is facilitated by providing encouraging factors like exposure to new activities which can build capacities and remove inhibiting factors such as lack of resources and skills.

In recognition of the importance of establishing gender equality around the world, the United Nations Development Fund for Women (UNIFEM) was established as a separate fund within the United Nations Development Program (UNDP) in 1984 to ensure women's involvement with mainstream activities (UNDP, 1984). The Beijing Platform for Action of 1995 expanded this concept, calling it "gender mainstreaming" i.e. the application of gender perspectives to all legal and social norms and standards, to all policy development, research, planning, advocacy, development, implementation and monitoring as a mandate for all member states. In this way, the

gender factor was no longer to be only a supplement to development but central to the practice of development (World Economic Forum, 2005).

The United Nations Millennium Declaration, adopted at the Millennium Summit on 8 September 2001, built upon the outcomes of the major summits and world conferences of the 1990s, including the 1995 fourth world conference on Women in Beijing. In the Declaration, member states confirmed their resolve to promote gender equality and the 14 empowerment of women as effective ways to combat poverty, hunger and disease and to stimulate truly sustainable development (United Nations Division for the Advancement of Women in collaboration with UNDP, 2009).

Jameela (2003) found that increasing access to loans cannot be taken as an automatic indication of benefit to women. The study asserts that women divert loans to other uses due to poverty and prevailing circumstances. Sometimes the situation is too bad, like in sickness and money borrowed must be diverted to take care of the emergency. Mutugi (2008) in a study on barriers faced by SME entrepreneurs in accessing credit found out that women respondents did not have the knowledge and skills on preparing books of account. These skills are fundamental for entrepreneurs and it is a means of convincing the lending institutions to provide finances for entrepreneurs. Yunus (2003) reiterates that training is absolutely vital for women to move up the economic ladder. Training provides women with basic knowledge and skills in entrepreneurship and management skills that will see their investments prosper.

Sustainability relates to the ability of a programme to continuously maintain its activities and services to meet its objectives. For micro-financing operation to be effective and successful there should be sustainability (Jamal, 2003). Desta (2009) noted that, there was lack of evaluation and mapping out the progress made by beneficiaries of micro-credit towards sustainability. The study also pointed out the need to reduce external reliance and dependence on external sources including the government for sustainability to be realized. Kibaara (2006) notes that, in Kenya the challenges that the community faces influence access to sustainable source of rural credits. The study reported the following challenges: Insecurity, poor infrastructure and lack of proper policy framework to spur the growth of rural financial services.

Karlan & Morduch (2009) stipulate that the micro-financial institutions have become increasingly competitive. As competition increases peer-group pressure also rises. Women are vulnerable to peers pressure and this partly explains why the group-based methodologies are more successful with women. Community pressure is also very common where the group members reject the defaulter and begin to identify him/her as that person who “never pays”. So the person in question can't enter into any other group in the vicinity of the area. Lapenu & Zeller (2001) postulated that groups with higher level of social cohesion as measured by the number of common bonds have a better repayment rate. It is not the level of physical and human assets of group members but the degree of variance of such assets among members, which leads to better repayment, by pooling risks among group members.

2.6 Empirical Review

2.6.1 Preference as a Source of Funds

Waveti (2014) found that in Manyatta Constituency delays in loan disbursement, inadequate C-WEF officers, preference to individual loans by members instead of the group loan, C-WEF offices located far away from where most of the women groups operate from, lack of adequate information, heavy paperwork involved and the fear of losing property in case of default were the challenges facing women entrepreneurs access to WEF. Ngina, (2011) found that level of awareness is a very significant factor of WEF. This is because women beneficiaries need to have enough knowledge about the fund and the conditions that need to be fulfilled before they access the fund. However, none of these studies looked at preference of WEF as a source of funds which depicts how well WEF is doing against its competitors to study if this affected accessibility of WEF.

2.6.2 Loan Repayment Rate

Omonywa, and Muturi (2015) researched on the factors affecting loan repayment by women entrepreneurs and from the findings of their study established that group membership had a positive impact on loan repayment by women entrepreneurs in Kisii County. However, most WEF borrowers still have difficulties in loan repayments. These are evidenced by the persistent low loan recovery rates as reported in some of the 210 constituencies (WEF, 2013). For example by April, 2013 Mvita Constituency had the highest repayment rate of 152 percent while Bura Constituency

had the lowest repayment rate of 19 percent. Should the existing loan repayment disparity persist, the fund which is revolving, will fail to meet future financing demands. Loan repayment rate of Kisumu Town East Constituency was 128% and 118% in July, 2012 and April, 2013 respectively. During this period the highest repayment rate was 157% and 152% respectively (WEF, 2013). No study on Women Enterprise Fund (WEF) has focused on loan repayment rate of Kisumu Town East Constituency against other constituencies with higher repayment rate.

2.6.3 Utilization of Loans

Kaimuri, 2014 studied the factors influencing utilization of women enterprise fund in Dagoretti North Constituency. Ngina (2011) determined the factors influencing utilization of WEF in Buuri Division of North Imenti Constituency. Policy Brief on Micro, Small and Medium Enterprise Growth and Innovations by Strathmore University in 2012 also found that there is need to infuse efficiency enhancers in the disbursement process to ensure that funds get to lenders in reasonable time. Lenders pointed at delays in funding with the result that prospective borrowers end up giving up altogether or using the funds for other activities. None of these studies had financial intermediaries as part of their target population. These studies not only focused on different target populations but in addition they focused on other geographical areas apart and not on Kisumu Town East Constituency.

2.6.4 Declining Loan Repayment Rate

Njoroge, Kariuki, and Ogollah, (2014) assessed the factors leading to disparity in WEF loan repayment in Rongai, Lugari and Muhoroni constituencies. Karaka, Kobia and Katwalo (2013) examined the growth and innovation of women owned MSMEs funded through WEF and found that the main challenges at the fund level included: inadequate WEF field personnel, inadequate fieldwork facilitation, low loan amounts, delays in disbursements and a multi layered fund structure. At the lender level the challenges were: high cost of loan administration, competition with commercial bank products, poor dissemination of information, misconception about the purpose of the fund, high default rates, lack of distinct product branding, bureaucratic processes, limited business monitoring and delays in funds disbursement from the central government. Lastly at the borrower level the challenges included: inadequate loan amounts, limited and shrinking markets, lack of business knowledge, diversion of the funds, low literacy among segments of

women borrowers, lack of loan securities, lack of individual choices in group lending and domestic interference. Kisumu Town East Constituency had a repayment rate of 128 percent in September, 2012 which reduced to 121 percent in January, 2013 and 118 percent in April 2013. Previous studies on Women Enterprise Fund have focused on other geographical areas and research aspects but none has focused on the challenges facing WEF in Kisumu Town East Constituency and its declining repayment rate.



CHAPTER THREE

METHODOLOGY

3.1 Research Design

The research adopted descriptive research design. Descriptive research design was used to obtain information concerning the current status of the phenomena to describe what exists, with respect to variables or conditions in a situation (Mugenda and Mugenda, 1999). The researcher had no control over the variable and can only report what has happened or what is happening (Kothari, 2004). Descriptive research was used because the research aimed to investigate the challenges facing performance of women enterprise fund using different set of independent variables.

3.2 Study Area

The research was carried out in Kisumu Town East Constituency. Kisumu Town East Constituency is an electoral constituency in Kenya number 0238. It is one of seven constituencies in Kisumu County with a population of approximately 150,124 people and an area of approximately 135.90 square kilometer according to Independent Electoral and Boundaries Commission (IEBC). It has Kajulu, Kolwa East, Manyatta B, Nyalenda A and Kolwa Central Wards. Its latitude is 0.0690° S and its longitude is 34.7409° E.

3.3 Target Population

The target population was the risk officers in the financial intermediaries, WEF staff assigned to Kisumu Town East Constituency and the group borrowers of the fund in the constituency. This consisted of 257 groups between the years May 2009 to April 2013, 10 credit officers from the financial intermediaries in Kisumu county and 1 WEF staff assigned to Kisumu Town East Constituency.

3.4 Sample Size and Sampling Technique

Kisumu Town East Constituency was selected because it was convenient to the researcher and the focus on constituency was considered relevant due to the distribution channel of WEF. Data from WEF showed that 247 groups had borrowed from the fund. However, only the contact of the

chairperson was available. Census was therefore done to all the 247 chairpersons, 10 credit officers and 1 WEF staff to obtain the primary data.

3.5 Data Collection Methods

Primary data were collected through a questionnaire. Specifically the questionnaire was administered to the chairperson of each group. Care was taken to accord the respondents independence and researcher influence was minimized thus minimizing data error. Open and closed-ended questions formed part of the questionnaire. The questionnaire mode of data collection was preferred due to its high response rate and freedom of the respondent. The respondent answers helped the researcher determine the variations caused by the independent variables on the dependent variable. Interview schedules were used to collect information from the risk officers in the financial intermediaries and WEF staff assigned to Kisumu Town East Constituency. This assisted in getting in depth views.

3.5.1 Pretesting of Research instrument

The study carried out a pretest of the questionnaire and a subsequent test of the respondent to the tools of analysis which helped in validation and establishment of certainty and sufficiency of the instrument to capture the required data.

3.5.2 Reliability tests

The study carried out a pretest of the instruments among 10 groups selected who were not part of the sample selected for the study. This helped in defining items of the study and homogenizing of the elements and duration for which the study was scheduled to cover. The internal consistencies of the constructs were tested using Cronbach's Alpha coefficient. The Results of this test indicated that Cronbach Alpha women preference was $\alpha=.760$, loan repayment was $\alpha=.850$ and for loan utilization $\alpha=.756$. Tavokol and Dennick, (2011) recommend alpha threshold of $\alpha = 0.7$. If alpha is too high it may suggest that some items are redundant as they are testing the same question but in a different guise but a low alpha could be due low number of questions or poor interrelatedness of questions and might indicate that questions are measuring different constructs. Therefore, the Cronbach values for challenges and their related questions lied within the required range that assures internal consistency.

3.6 Validity

Face validity was achieved through exposing the data tools to experts who included supervisors and experts in entrepreneurship with an intention of establishing if the tested parameters would measure what they are supposed to. They were all in agreement that the tools cover the main functional credit analysis parameters.

3.7 Data Analysis and Presentation

The process of data analysis involved several stages. Preliminary processing of data like editing (data cleaning), data coding or scrubbing and data tabulation were done. Completed questionnaires were edited for completeness and consistency. Data collected were analyzed. For closed questions, analysis using tables, percentages and mean was done. Pie chart was also used to improve the presentation of the analyzed results for ease of interpretation.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Preference of WEF as Source of Funds

The research sought to establish whether the WEF was a preferred source of funds for women entrepreneurs. The findings are given in Table 4.1

Table 4.1: Preference of WEF as Source of Funds

Factor	(4) Highly Preferable	(3) Preferable	(2) Less Preferable	(1) Not Preferable	Σf	Σwf	$\frac{\Sigma wf}{\Sigma f}$
Preference as source of funds	156	53	28	10	247	849	3.4

Source: Field data, 2013

Highest number, 63.16% of respondents indicated that WEF is a highly preferable source of funds. 21.46 % said it is a preferable source of funds. 11.34% indicated it is less preferable and 4.05% said it's not preferable. In general an overall mean of 3.4 means that WEF is a preferred source of finance for most women entrepreneurs in Kisumu Town East Constituency. This finding is similar to the findings of Ngina (2011) who found that level of awareness is a very significant factor of WEF. This is because women beneficiaries need to have enough knowledge about the fund and the conditions that need to be fulfilled before they access the fund. His study revealed that a majority of the women were aware of the existence of the fund and the procedures for accessing it hence it was a preferred source of funds. The new knowledge generated from this research is that preference of WEF highly affected its disbursement rate. The higher the preference rate the higher the level of loan disbursement.

4.2 Extent of Repayment of WEF

The research sought to establish extent WEF funds are being repaid by the borrowers in Kisumu Town East Constituency. Respondents were asked if their loans were performing, non-performing or written off. The findings are presented in Figure 4.2

REPAYMENT OF WEF LOANS

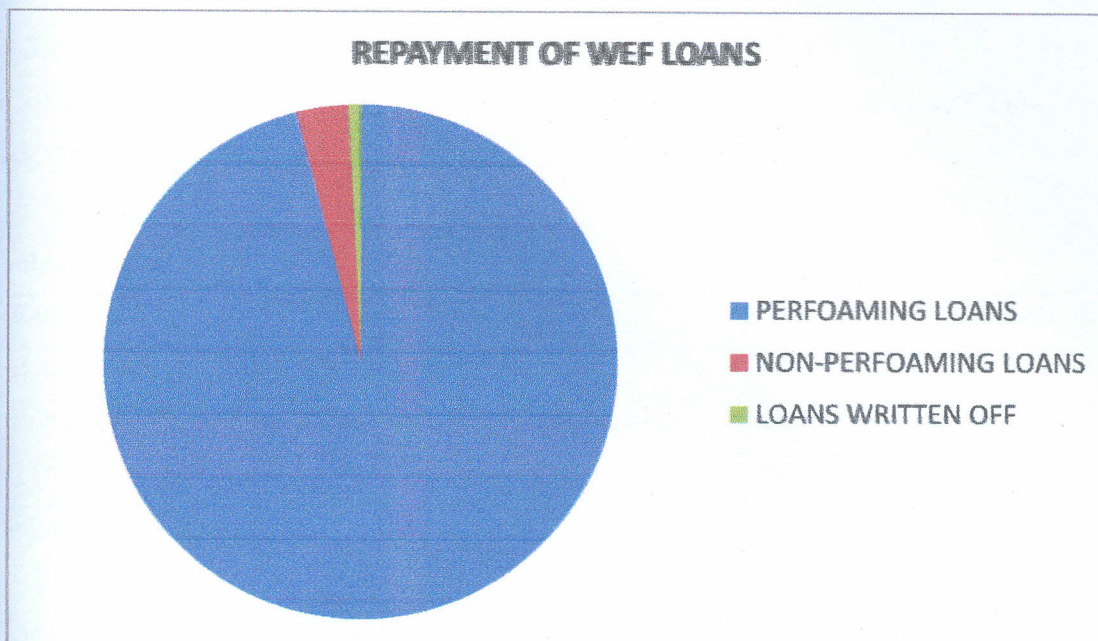


Fig: 4.2. Extent of Repayment of WEF

Source: Field Data, 2013

Most respondents 95.95% were servicing their loans well, 3.24% were having challenges repaying their loans and were hence in arrears while 0.81% were written off. These results imply that women enterprise funds borrowed were generally being repaid well by the borrowers in Kisumu Town East Constituency. Status of Women Enterprise Fund, 2012/2013 report showed that Kisumu Town East Constituency had a loan repayment rate of 118 percent. The findings of this study therefore confirm that loans in Kisumu Town East Constituency are generally being repaid well by borrowers. However, this research found that there was a decline in the repayment rate from that reported in Status of Women Enterprise Fund, 2012/2013 report. Ngina (2011) found that repayment of loan granted ensured that funds were available for borrowing by other beneficiaries in Buuri Division. This was also similar in Kisumu Town East Constituency. The new knowledge generated is that the loan repayment rate of 95.95% was lower than that reported in Status of Women Enterprise Fund, 2012/2013 report which stood at 118% in April 2013.

4.3 Factors Influencing the Use of WEF

4.3.1 The research sought to establish if the borrowers had used funds borrowed for the intended use. The findings are given in Table 4.3.1

Table 4.3.1: Utilization of WEF funds

Factor	Outcome	Percentage
Borrowers who utilized funds for the intended use	138	55.87
Borrowers who did not utilize funds for the intended use	109	44.13
TOTAL	247	100

Source: Field Data, 2013

The researcher found that 55.87% of the respondents used women enterprise funds borrowed for the intension sought for while 44.13% did not. This means that a majority of the borrowers used WEF loans for the intension sought for.

4.3.2 The research also sought to establish the factors influencing the use WEF funds by borrowers. Respondents were asked to rate the influence of the following factors (as employed by WEF now) in utilization of their loans using the scale; 4= Very High, 3= High, 2= Low, 1= Very Low

Table 4.3.2: Factors Influencing the Use of WEF

FACTOR	4 Very High	3 High	2 Low	1 Very Low	Σf	Σwf	$\frac{\Sigma wf}{\Sigma f}$
Training offered by WEF staff	166	68	9	4	247	890	3.6
Leadership problems of groups	137	80	22	8	247	840	3.4
Insufficient funding	125	87	31	4	247	827	3.35
Small loan amounts	120	84	29	14	247	804	3.26
Economy	108	89	37	13	247	786	3.18
Security	105	88	32	22	247	770	3.12

Lack of frequent monitoring and evaluation	84	103	41	19	247	746	3
Financial interference by family and friends	92	73	52	30	247	721	2.92
Weather	71	89	56	31	247	694	2.81
Lack of financial management skills	32	91	97	27	247	622	2.52
Inadequate WEF staff	37	70	89	51	247	587	2.38
Other loans being serviced by borrowers	27	53	99	68	247	533	2.16
Speed of processing	15	40	131	61	247	503	2.04
Political stability	19	50	96	82	247	500	2.02
Problems developing business plan proposals	25	42	87	93	247	493	2.0
Loan requirements	19	38	106	84	247	486	1.96
There is bias in allocating the funds	21	32	85	109	247	459	1.86
Cultural issues	11	28	113	95	247	449	1.82
Improper project selection process	5	17	139	86	247	435	1.76
Most projects funded are unlikely to poster greater impact in the society	6	13	97	131	247	388	1.57
Interest rate and service fee	3	7	65	172	247	335	1.36

Source: Field Data, 2013

All aspects, whose mean occurrences were greater than 3.0, were considered to have the highest influence on the utilization of WEF funds for the intension sought for. They include; training offered by WEF staff, leadership problems, insufficient funding, small loan amount, economy, and security. Loan requirements, bias in allocating the funds, cultural issues, improper project selection, most projects funded were unlikely to poster greater impact in the society and interest rate and service fee were found to have very low influence on utilization of WEF loans. Lack of frequent monitoring and evaluation, financial interference by family and friends, weather, lack of financial management skills, inadequate WEF staff, other loans being serviced by borrowers, speed of processing, political stability and problems developing business plan proposals were found to

have low influence on utilization of WEF loans. These findings were similar to Kaimuri (2014) who found that entrepreneurship skills influenced utilization of WEF in Dagoretti North Constituency. Trainings had greatly boosted entrepreneurs' skills and enhanced their ability to manage their businesses and realize profit. Ijaza, Mwangi, and Ng'etich, (2014) also found that the main challenge of utilizing WEF loans in Vihiga Constituency was small loan sizes. Policy Brief on Micro, Small and Medium Enterprise Growth and Innovations by Strathmore University in 2012 also found that there is need to infuse efficiency enhancers in the disbursement process to ensure that funds get to lenders in reasonable time. Lenders pointed at delays in funding with the result that prospective borrowers end up giving up altogether or using the funds for other activities.

However, cultural beliefs and practices that influenced the utilization of WEF in the Dagoretti North Constituency were found to have very low influence on loan utilization in Kisumu Town East Constituency. Karaka, Kobia and Katwalo (2013) found high cost of loan administration as a challenge to loan utilization. This factor posed very low threat to utilization of WEF fund in Kisumu Town East Constituency. Insecurity, leadership problems and economy were found to have high influence on utilization of WEF loans for the purpose sought for in Kisumu Town East Constituency. This finding is not similar to findings of any other research and is therefore unique to Kisumu Town East Constituency. In overall, the new finding therefore is that insecurity, leadership problems and economy greatly affect utilization of loans by borrowers for the purpose sought for.

4.4 Factors Affecting Repayment of WEF Loans

The research sought to establish the factors affecting repayment of WEF funds by borrowers. Factors were analyzed based on the extent the respondents felt it affected their repayment rate. Respondents were asked to rate how the following factors influenced their repayment rate using the scale; 4= Very High, 3= High, 2= Low, 1= Very Low

Table 4.4: Factors Affecting Repayment WEF loans

Factor	4 Very High	3 High	2 Low	1 Very Low	Σf	Σwf	$\frac{\Sigma wf}{\Sigma f}$
Lack of a strong legal framework of CWES stream	144	71	23	9	247	844	3.42
Economy	116	83	30	18	247	791	3.2
Lack of individual choices in group lending	107	86	40	14	247	780	3.16
Limited and shrinking markets for the products	83	69	52	43	247	686	2.78
Domestic interference	86	60	53	48	247	678	2.7
Competition	54	91	63	39	247	654	2.65
Lack of business knowledge	20	55	82	90	247	499	2.0
Low literacy among women borrowers	20	48	76	103	247	479	1.94

Source: Field Data, 2013

Lack of strong legal framework of CWES stream, economy and lack of individual choices in group lending were found to have the highest influence on repayment rate. These factors had a mean value of more than 3. Limited and shrinking markets for the products, domestic interference, competition, lack of business knowledge and low literacy among women borrowers were found to have minimal influence on loan repayment rate. They all had a mean value less than 3. Policy brief on micro, small and medium enterprise growth and innovations by Strathmore University in 2012 found that CWES stream still lacks a strong legal framework for securing loans to ensure improved recoveries. These findings were similar to findings of this research. However the same research also found that limited and shrinking markets for products, competition, lack of business knowledge, low literacy among segments of women borrowers and domestic interference affected repayment of borrowers which was not similar with findings of Kisumu Town East Constituency.

The respondents who were having difficulty in repaying their loans also cited harsh economy, lack of individual choices in group lending, poor leadership among group leaders, limited alternatives to modes of repayment and insecurity as some of the reasons for defaulting on their loans. The

group members however co-guarantee each other and therefore even the defaulters purposed to repay their loans. This is similar to Omonywa, and Muturi, (2015) who from the findings of their study established that group membership had a positive impact on loan repayment by women entrepreneurs in Kisii County. Involvement of a member in group management influenced loan repayment by women entrepreneurs to a high level, since the lender treated the individual members as if they were in default with one another and the whole entity known as the group. The new knowledge generated from this finding was that most respondents opined that the requirement that an applicant can only be a member of one group should be abolished. They argued that some of them were servicing many loans from different organizations yet had no repayment difficulties.

MASENO UNIVERSITY
S.G. S. LIBRARY

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

The study has made a summary of the findings based on the specific objectives of the study. In relation to the first specific objective of the study which examined the extent to which WEF was a preferred source of finance for women enterprises in Kisumu Town East Constituency, findings from the data gathered revealed that WEF was a preferred source of finance for women enterprises in the constituency. The second specific objective established the extent to which WEF funds were being repaid by borrowers in Kisumu Town East Constituency. Findings from the data collected showed that most loans were being repaid well and there were very few non-performing loans. Loans written off were very few as well. The third specific objective assessed factors affecting utilization of WEF loans by women entrepreneurs' in Kisumu Town East Constituency. Insufficient funding, small loan amount, training offered by WEF staff, security, leadership problems, and economy were found to have the highest influence on the utilization of WEF funds. In reference to the fourth specific objective which investigated factors affecting repayment of WEF loans by borrowers in Kisumu Town East Constituency, the findings revealed that economy, lack of strong legal framework of CWES stream and lack of individual choices in group lending have the highest influence on repayment rate.

5.2 Conclusions

Having provided a summary of the study, the researcher first concludes that women enterprise fund is a preferable source of funds for women enterprises in Kisumu Town East Constituency. Flexible collateral requirement, low service fee and low interest rate are the greatest attraction to most applicants. Secondly the researcher concludes that women enterprise fund loans are being repaid well by women entrepreneurs in Kisumu Town East constituency. The third conclusion of the researcher is that insufficient funding, small loan amount, training offered by WEF staff, security, leadership problems, and harsh economy have the highest influence on the utilization of WEF funds. The fourth conclusion of the researcher is that economy, lack of strong legal framework of CWES stream and lack of individual choices in group lending have the highest influence on loan repayment rate in Kisumu Town East Constituency.

5.3 Recommendations

From the first research conclusion that WEF is a preferred source of funds the researcher recommends that WEF be made accessible to all women enterprises and women groups in Kisumu Town East Constituency. Increase in the number of Financial Intermediaries and increasing the number of staff for the existing Financial Intermediaries will help increase the coverage of borrowers. The researchers' second conclusion was that women enterprise fund loans are being repaid well by women entrepreneurs in Kisumu Town East constituency. However, this research also found that there was a decline in the repayment rate from that reported in Status of Women Enterprise Fund, 2012/2013 report. The researcher therefore recommends increased modes of payment especially in the remote areas because there are only two banks where repayments of WEF loans can be done. As well mobile banking is only available to Safaricom mobile subscribers.

The third conclusion of the researcher was that insufficient funding, small loan amount, training offered by WEF staff, security, leadership problems, and harsh economy had the highest influence on the utilization of WEF funds. The researcher recommends the government to increase allocation of funds in Kisumu Town East Constituency. The fund should also make the revolving fund structures more functional and efficient to ensure that funds are available to borrowers based on recoveries in both the FI and CWES streams. Training to borrowers on both streams should be standardized with room for customization to unique borrower needs. Training as well should contain leadership content as most groups experienced leadership problems and were not sustainable. Loan allocation amounts should be significantly increased to meet business needs. Insecurity should be addressed in the constituency because it hindered innovation, utilization of loan and affected repayment of loans when borrowers lost their stock to thieves and in other cases lost their lives. Most borrowers lamented on the harsh economy. The researcher recommends that the government enact legislations that will improve the economy of the country. County government of Kisumu County should also review downwards its taxation to make cost of running a business bearable.

The fourth conclusion of the researcher was that economy, lack of strong legal framework of CWES stream and lack of individual choices in group lending have the highest influence on loan repayment rate in Kisumu Town East Constituency. The researcher recommends that funding

through the CWES stream should be remodeled towards more individual lending. This will give prospective borrowers the freedom of investment choice as opposed to group interests. The CWES stream still lacks a strong legal framework for securing loans to ensure improved recoveries. This calls for the development of an appropriate strategy for giving legal backing to loan recoveries in the event of defaults. The requirement that an applicant can only be a member of one group should be reviewed because most borrowers felt this had never deterred them from repaying their respective loans in the different groups.

5.4 Limitations of the Research

This research was limited to the geographic region of Kisumu Town East Constituency, Kisumu County due to time and financial constraints. This geographic region did not allow generalization of all other financial institutions in the country as well. There was a challenge in obtaining data sheets from the financial intermediaries. Largely, the financial intermediaries were unwilling to share this information. Additionally some of the credit officers of financial intermediaries were not willing to participate in the research. In such cases, other respondents who were willing to respond were sampled who provided insights into the challenges.

5.5 Areas for Further Research

The research focused on one constituency in Kisumu County. Future research could focus on entrepreneurs in other constituencies of the county and country as well. Secondly, the research did not focus on borrowers of WEF who borrowed through Financial Intermediaries. Purposive sampling to research on these entrepreneurs to determine their growth, innovation patterns and challenges can be studied as well. Thirdly this research did not focus on the non-borrowers of the fund. Future research could focus on non-borrowers. The research recommends for studies in sister Youth Enterprise Development Fund and UWEZO fund. The three funds seek to solve capitalization problems of the disadvantaged in society.

REFERENCES

- Adhiambo, R. M., Okelo, S., Ojwang, C., Aila, F. & Ojera, P. B. (2013). Literature review on the relationship between microfinance provision and women enterprise performance. *Greener Journal of Social Science*, 3(5), 275-283.
- Alvarez, S. & Busenitz, L. (2001). The entrepreneurship of resource based theory. *Journal of Management*, 27, 755-775.
- Central Bureau of Statistics (1999). *National micro and small enterprise baseline survey*, Nairobi: Government of Kenya.
- Coon, D. (2004). *Introduction to Psychology (9th Ed)* Minneapolis: West Publishing Company.
- Desta, A. (1998). *Environmentally Sustainable Economic Development*. Westport, CT: Publishers.
- Davidson, P. & Honing, B. (2003). The role of social and human capital among nascent entrepreneurs, *Journal of Business Venturing*, 20, 121.
- Day-Hookoomsing, P. & Essoo, V. (2003). *Promoting Female Entrepreneurship in Mauritius: Strategies in Training and Development*. Geneva: ILO
- Kenya National Bureau of Statistics (KNBS). *Economic survey 2008*, Government printer, Nairobi: KNBS
- Farris, P. W., Bendle, N. T., Pfeifer, P. E. & Reibstein, D. J. (2010). *Marketing Metrics: The definitive guide to measuring marketing performance*. 2nd edition. New Jersey, Pearson.
- Hisrich, R. D., Peters, M. P. & Shepherd, D. A. (2008). *Entrepreneurship (7th Ed.)*. New York: McGraw- Hill Co Inc.
- Hodgetts, R. M. & Kurato, D. F. (2001). Entrepreneurship: Theory, Process and Practice. *Journal of Small Business Management*, 22(2), 32-37.
- Ijaza, K. A., Mwangi, S. W. & Ng'etich, K. A. (2014). *Challenges Faced by the Women Enterprise Fund in Kenya. A Survey of Hamisi Constituency, Vihiga County- Kenya*
- International Finance Corporation (IFC)/World Bank, (2006). *Gender-entrepreneurship-markets and foreign investment advisory service, A joint service of the International Finance Corporation and the World Bank. Kenya Gender and Economic Growth Assessment*.
- International Labour Organisation (ILO) (2008). *Factors affecting Women Entrepreneurs in Micro and Small Enterprises in Kenya*. Addis Ababa: ILO Regional Office for Africa.
- Institute of Economic Affairs (2008). *Profile of Women's Socio-Economic Status in Kenya*.

- Jemal, A. (2003). Micro finance Loan Repayment Performance. *A case study of the Orima credit and savings share company (OCSSCO) in Kuyu. Addis Abba University.*
- Jameela, V. (2003). *Micro-credit, Employment and Diversion of loan Use. Lecture, Selection Grade, Department of Economics, SreeeNaranjana College, India*
- Kabeer, N. (2001). *Women's control over economic resources and access to financial resources.*
- Kaimuri, F. K. (2014). *Factors influencing utilization of the women enterprise fund: A case of Dagoretti North Constituency, Nairobi County-Kenya*
- Kantor, P. (2001). *Promoting Women's Entrepreneurship Development based on Good Practice Programmes: Some Experiences from the North to the South. Geneva: ILO.*
- Karlan, D. & Morduch, J. (2009). Chapter 2, *Handbook of Development Economics*, 5: volume 5. edited by Dani Rodrik and Rosenzweig, eds
- Kassin, S. (2003). *Psychology. USA: Prentice-Hall, Inc.*
- Kay, T. (2002). Empowering women through self-help microcredit programmes. In United Nations (Ed.), *Bulletin on Asia-Pacific Perspectives 2002/03. Asia-Pacific Economies: Sustaining Growth amidst Uncertainties.* New York: United Nations.
- Keeble, D. & Walker, S. (1994). New firms, small firms and dead firms: Spatial patterns and determinants in the United Kingdom. *Regional Studies.*
- Kenya Institute of Management (KIM), (2011). A Study on Youth and Women Entrepreneurs' Preparedness in Kenya: A Case Study of the Kenya Youth Enterprise Development Fund and Kenya Women Enterprise Fund Beneficiaries using the TRISTART Business Evaluation Tool. *A KIM Publication, Nairobi, Kenya*
- Kenya National Bureau of Statistic (2001). *Poverty Alleviation in Rural Kenya Monitoring Report, Kenya Bureau of statistics report.*
- Kibaara, B. (2006). *Rural Financial Services in Kenya: What is Working and Why?* Egerton University. Tegemeo institute of agricultural policy and development.
- Kiraka, R. N., Kobi, M. & Katwalo, A. M. (2013). Micro, Small and Medium Enterprise Growth and Innovation in Kenya: A Case Study on the Women Enterprise Fund; *ICBE-RF Research Report No. 47/13. Nairobi, Kenya.*
- Kothari, C. R. (2004). *Research methodology: Methods and techniques*", New Age International Publishers: New Delhi.

- Kuratko, D. F. (2009). *Introduction to entrepreneurship*, (8th Ed.). Southwestern Cengage Learning, UK.
- Lapenu, C. & Zeller, M. (2001). *Distribution, Growth, and Performance of Microfinance Institutions in Africa, Asia, and Latin America*. Food Consumption and Nutrition Division Discussion Paper No. 114. International Food Policy Research Institute. June 2001.
- Lundstrom, A. & Stevenson, L.A. (2005). *Entrepreneurship Policy: Theory and Practice*. New York: Springer Science and Business Media.
- Marcucci, P. N. (2001). *Jobs, Gender and Small Enterprises in Africa and Asia: Lessons drawn from Bangladesh, the Philippines, Tunisia and Zimbabwe*. Geneva: ILO.
- Mikkola, A. (2005). *Role of Gender Equality in Development*. Literature review department of economics, University of Helsinki, RUESG and HECER.
- Ministry of Planning and National Development, Kenya (2007) *Kenya Vision 2030: A Competitive and Prosperous Kenya*, Nairobi, Government Printer.
- Mugenda, O. & Mugenda, A. (1999). *Research Methods: Quantitative and Qualitative approaches*. Nairobi. African Centre for Technology Studies Press
- Mugenda, O. M. & Mugenda, A.G. (2003). *Research Methods: Quantitative and Qualitative approaches*. Nairobi. African Centre for Technology Studies Press
- Mutugi, B. K. (2008). *Barriers Faced By SME Entrepreneurs in Accessing Credit/Loans*, Unpublished Thesis, University of Nairobi.
- National Baseline Survey (1999). *National Micro and Small Enterprise Baseline Survey*. Nairobi: ICEG and K-REP.
- Ngina, T. K. (2011). *Factors influencing utilization of women enterprise fund: A survey of Buuri Division of North Imenti Constituency, Kenya*
- Njoroge, W. Z., Kariuki, W. J & Ogollah, K. (2014). Factors Leading to Disparity in Women Enterprise Loan Repayment in Selected Rural Constituencies in Kenya. *European Journal of Business Management*, 1 (11), 275-298
- Oduk, C. A. (2010). *An investigation into the challenges facing women enterprise fund in Kenya*
- Omonywa, T. N. & Muturi, W. M. (2015). *Factors affecting loan repayment by women entrepreneurs: A case of Kisii County-Kenya*
- Republic of Kenya, (2010). *The Constitution of Kenya*. Government Printing Press

- Schumpeter, J. A. (1934, 1980). *The theory of Economic Development*. Oxford University Press: London.
- Schumpeter, J. A. (1949). *Economic Theory and Entrepreneurial History-Change and the Entrepreneur; Postulates and Patterns for Entrepreneurial History*. Harvard University Press: Cambridge, MA.
- Stevenson, L. & St-Onge, A. (2005a). *Support for Growth-oriented Women Entrepreneurs in Kenya*. Geneva: ILO
- Stevenson, L. & St-Onge, A. (2005b). *Support for Growth-oriented Women Entrepreneurs in Ethiopia, Kenya and Tanzania: An Overview Report*. Geneva: ILO.
- Tavakol, M., & Dennick, R. (2011). Making sense of Cronbach's alpha. *International Journal of Medical Education*, 2, 53-55.
- Thematic Hearing on Women report 2012- Truth Justice and Reconciliation commission
- United Nations Conference on Trade and Development (UNCTAD) (2002). *Proceedings of the Symposium on Modalities for Financing SMEs in Uganda*, United Nations, Geneva.
- UNDAW & UNDP (2009). *The impact of the implementation of the Beijing Platform for Action on the achievement of the MDGs*, [Online] Available: <http://www.un.org>
- UNECA (2005). *Economic Report on Africa: Meeting the Challenges of Unemployment and Poverty in Africa*. Addis Ababa. UNECA
- Weveti, M. P. (2014). *Challenges facing women in accessing the constituency women enterprise fund in Manyatta Constituency, Embu County-kenya*
- Wilkinson, R. G. & Pickett, K. (2010). *The Spirit Level: why greater equality makes societies stronger*, New York: Bloomsbury Press.
- Women Enterprise Fund (2009). *Women Enterprise Fund Strategic Plan (2009 – 2012)*, Nairobi.
- Women Enterprise Fund (2013). *Status of Women Enterprise Fund, 2012*. Ministry of Gender, Children and Social Development, Nairobi.
- Women Enterprise Fund (2013). *Women Enterprise Fund Strategic Plan (2013/14-2017/18)*, Nairobi.
- World Bank (2001). *World Development Report 2000/01: Consultations with the Poor*. Washington: World Bank.
- World Economic Forum (2005). Women's Empowerment: Measuring the Global Gender Gap. *Academy of Management Journal*, 33, 233-258.

Yunus, M. (2003). Halving Poverty by 2015-We can actually make it happen. Commonwealth
Lecture, Commonwealth Institute, London, March 11, 2003.
<http://www.lendwithcare.org>. Accessed on 30th June, 2013 at 17.05p.m