

**EFFECT OF WOMEN PARTICIPATION IN SMALL-SCALE BUSINESS ON
THEIR SOCIO-ECONOMIC STATUS IN SIMUR-KONDIEK SUB-LOCATION,
SIAYA COUNTY, KENYA**

BY

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ABSTRACT

Small-Scale Businesses (SSB) play key roles in socio-economic development. Over the past decades, women participation in SSB has been limited by lack of financial support, knowledge and skills. Since 2006, the government of Kenya has put emphasis on the informal sector with special regard to women participation in SSB by creating a sustainable Kenya-based loan provision (The Youth and Women Enterprise Fund) for women to get trainings, access loans and banking services. Despite this new government initiative, it is critical to understand the influence this approach has towards attracting more women to participate in business and potential social and economic benefits they derive therein. This study therefore, examines the effect of women participation in small-scale business, in Simur-Kondiek Sub-Location Siaya County. Specific objectives are, to examine sources of financial services accessed by women participating in small scale business, to investigate the social and economic benefits women derive from participating in small scale businesses and to analyse the challenges faced by women from participating in their SSBs in Simur-Kondiek Sub-Location. The study was guided by Blumberg's (1984) empowerment theory which states that by increasing the strength of a peoples' control over resources improves the economic and social independence is the surest way of improving their well-being and that of the nations. The study population was 1491 women involved in SSB and using Glen Israel's formula of year 1992, a sample size of 94 was drawn. Systematic random sampling technique was used to select the respondents. The research adopted both cross-sectional and descriptive study design. The key research approach adopted both quantitative and qualitative data. Primary data included key informants, two groups of ten members for focus group discussions and a direct observation. Key informants were purposively selected and interviewed using a key informant guide and women in focus group discussion (FGD) were taken through an in-depth interview. Questionnaires data were analyzed using descriptive statistics (SPSS) and presented using tables, percentages and frequencies. Qualitative data was analyzed using content analysis to generate themes which were also supported by verbatim quotations. The study results found that involvement and participation in SSB has improved access to basic financial services as denoted by the initial saving mechanisms preferred and the participation in SSBs at present. It also revealed an improvement in the perception of the women's social standing and ability to meet their recurrent and emergency obligations without necessary seeking for assistance. In conclusion, the government financial trust funds initiated scheme was the surest way of influencing women to take up business opportunities and to ensure financial stability. It was evident that less business opportunities arise due to the small amounts or sums of money involved hence a major challenge experienced by SSB women. The study recommends that if such a model was developed and explored, and new strategies devised not only to meet the Kenyan Government's objectives in the field of small business, but also to impact the progress of women, then this is the surest way to ensure that women reach their full potential.

CHAPTER ONE

INTRODUCTION

This chapter is discussed under the following sub-sections namely, background of the study, statement of the problem, research questions, objectives of the study, justification of the study, scope of the study and theoretical framework of the study.

1.1 Background of the Study

Women entrepreneurship is significant in the socio-economic empowerment and the general economic growth of a country (Beck, Kunt & Honohan 2009). SSBs, reference is made to some quantifiable measures such as: number of people employed by the enterprises (in this case mostly family members), investment outlay, the annual turnover (sales) and the asset value of the enterprise. Women in advanced market economies own more than 25% of all businesses. In Japan, 23% of private firms are established by women while Russia, has 64% of firms employing 10 people or more women whereas China, women founded 25% of the businesses since 1978 (UN, 2004). In Germany, women have created one-third of the new businesses since 1990 representing more than one million jobs in comparison to Europe and Newly Independent States Transition Economies, women are 25% of the business owners while in Hungary, women started more than 40% of all businesses since 1990 as Poland, where they own 38% of all businesses. In Mexico, 32% of women-owned businesses were started less than 5 years ago as for France, they head one in four firms and in USA, women own 38% of all businesses (UN, 2001).

Further in the Lao People's Democratic Republic and Vietnam, reports indicated that women in small businesses were growing at a fast rate, particularly since the advent of economic reforms and were increasingly contributing to the economy (Indochina Plan of Action, 2002). Evidence also suggests that women who are particularly affected by the privatization of state-owned enterprises and the structural unemployment resulting from transition to market economies are increasingly turning to their own small businesses (Mammem & Paxson, 2000).

In Cambodia, the number of small and medium enterprises (SMEs) has been estimated to be around 50,000 with about half in the rural areas. For the purpose of this report, women

in small businesses in Cambodia range from self-owned businesses, traders to micro-enterprises especially in the rural areas. There is a tendency for Cambodian women rather than men to engage in small business activities and undertaking own account work seemed to be more popular among urban women with more than three-fourths of the urban female workforce in the informal sector rather than the organized sector (Estes, 1999). However, even in the rural areas, women are involved in small business activities which form an important aspect of additional income generation. It has been estimated that in the rural areas, agriculture produces only 43 percent of monthly household income, whilst business enterprises contribute 41 percent (World Bank, 2003).

According to Beck, Kunt and Honohan (2009), access to such financial services has a potential to make a difference to a small scale business woman to achieve high level household livelihood security. According to Kibaara (2006), financial services help the rural women and low income households to lessen risk, smoothen consumption, plan for the future, increase democratic space and invest in good quality education and health needs. However, promoting efficient, sustainable and widely accessible rural financial systems remains a major challenge in developing countries like Kenya (Islam & Tenaw, 2009). Enhanced access to financial services in the rural areas is a necessity in achieving improved living standards. The social, economic and political goals are aimed at transforming Kenya to an industrialized, middle-income country by providing a high quality life to all the citizens and will help achieve Kenya Vision 2030 (Beck, Kunt & Honohan, 2009).

The economic empowerment of women has long been recognized as a central tenet for improving the status and welfare of women. In Indochina, like many of their counterparts in the Asia-Pacific Region, women have become increasingly involved in starting their own businesses in order to gain economic advancement within the context of their countries economic reform (Indochina Plan for Action, 2002). As a consequence, women-owned or women-managed small businesses have been able to make a very significant contribution to the Indochinese economies. These has helped in such ways as promoting employment, reducing poverty, fostering economic development, enhancing inter and intra-sectoral linkages and entrepreneurship development (UN, 2005).

It is widely recognized by planners and development practitioners that access to financial services can play an important role in helping people especially the women to widen their economic opportunities by increasing their asset base and reducing their vulnerability to external shocks, government intervention, competitors and others. Beck, Kunt & Honohan (2009), argue that improving access to financial services is the surest way of supporting household livelihood security and economic growth. In the sub-Saharan Africa, one in three household has access to formal financial services (Beck, Kunt & Honohan 2009). Expanding access to financial services therefore remains a challenge across the world. Despite all the difficulties, women still make a significant contribution to the entrepreneurial advantage of nations though not as men and women-owned businesses are critical to economic prosperity (Beck, Kunt & Honohan 2009).

Although women's participation in income-generating activities has been looked at from the 1970's and 80's, the Kenyan government's boost for the sector and particularly women, especially the introduction of Women Enterprise and Development Fund by the Government in December, 2006 and subsequent allocation of Ksh.1 billion in the fiscal year of 2007/2008 is a clear indication that the government is committed to see success in women's economic and social empowerment (GOK, 2009). The increased access to loans and banking services from the financial institutions like micro-finance institutions (MFIs), and other activities at reasonable interest rates without the requirements of cumbersome sureties and other bureaucratic processes and training among others (GOK, 2009).

Women in Ukwala, Ugenya District, - just like other Kenyan women SSB owners have been exposed to a wide range of financial services which they have to exploit to bring in much-needed income for the prosperity of their businesses. The fund will allow women to have multiple short-term loans to cater for both businesses and social needs. Kinyanjui, (2006) adds that women entrepreneurs have both financial and social demands that compete with business capital, leading to a diversion of capital away from business needs. However, the impact of this initiative will only be effective with improved innovation and participation of women in entrepreneurial activities and effective management of the fund (GOK, 2005). Small-scale business has a small number of employees (mostly family members) and relatively low volumes of sale. Due to their small size, they may still

experience a number of problems for instance, family setbacks, lack of technical knowhow and illiteracy. Participation in similar businesses hinders greater opportunities of income as women compete for customers, hence no benefits. Issues of unsustainable businesses may be when they are too small to pay back the loan which consequently may lead to auctioning of their property and scaring many of them from seeking the loan (Haynes & Hayes, 2008).

A study by (Asenso-Okyere, 1993) reveals that promotion of efficient, sufficient and widely accessible rural financial service forms a fundamental basis on which many of the other essential interventions depend and plays a critical role in helping the SSB community to widen their economic opportunities, increase their asset base, and moreover, improvements in healthcare, nutritional advice and education can only be sustained when households have increased earnings and greater control over financial resources by the women (Asenso-Okyere, 1993). This study is relevant and in the facet of Okyere's argument that accessibility of finances by the women in business and proper utilization of those funds is the surest way of fulfilling the Kenyan Government's dream of improving the socio-economic status of women.

1.2 Statement of the Problem

Globally, SSB plays a key role in socio-economic development. Over the past decades, the studies have reported that women's participation in small scale business is limited due to lack of financial support, knowledge and skills and training. Currently, the Kenya government emphasizes on the informal sector with special regard to women's participation by increasing training, access to loans and banking services.

The introduction of Women Enterprise and Development Fund by the Kenya Government in December, 2006 and subsequent allocation of Ksh.1 billion in the fiscal year of 2007/2008 and additional allocation of Ksh.6 billion Uwezo Fund of 28 October, 2013 is a clear indication that the government is keen on boosting women's small scale enterprises. However, despite all these new government approaches, women have been excluded from the formal financial services and especially the rural women are more disadvantaged than their urban counterparts and few documents exists to show how these initiatives have attracted more women to be involved. Subsequently, it is significant to

understand the challenges which women may still be facing while participating in small-scale businesses irrespective of the government financial support.

1.3 Research Questions

The study was guided by the following research questions

- i. What sources of financial services do women participating in small-scale businesses access in Simur-Kondiek Sub-Location?
- ii. What social and economic benefits do women derive from participating in small-scale businesses in Simur-Kondiek Sub-Location?
- iii. What challenges do women participating in small-scale businesses face in Simur-Kondiek Sub-Location?

1.4 Objectives of the Study

The overall objective of the study is to examine the effect of women participation in small scale business on their socio-economic status in Simur-Kondiek Sub-Location, Siaya-County Kenya.

Specifically, the study sought to:

- i. To examine sources of financial services accessed by women participating in small-scale businesses in Simur-Kondiek Sub-Location.
- ii. To investigate the social and economic benefits women derive from their small-scale businesses in Simur-Kondiek Sub-Location.
- iii. To analyze the challenges facing women participating in small-scale business in Simur-Kondiek Sub-Location.

1.5 Justification of the Study

This study is linked to Strategic Economic Recovery Development Plans, especially the third Millennium Development Goal (MDG) goal which states that Women Empowerment and Gender Equality (Kenya Vision 2030, 2007) and the New Economic Partnership for African Development (NEPAD) that is a contingent on gender equity and women empowerment (NEPAD, 2006). Kenya ensures that all partners are linked to the Millennium Development Goals (MDGs) and other agreed development goals and targets such to accelerate the empowerment of women. The Kenya's Vision 2030 is based on the

pillars of Social, Economic and Political base aimed at transforming Kenya to an industrialized, middle-income country by improving the quality life to all Kenyan citizens. The women involved in small scale business has the option of seeking an alternative sources of capital and business training if Kenya were to achieve an appreciable success in attaining the MDGs by 2015, one of the sure ways would be to vigorously pursue the role of women in the development of its small scale business hence empowering women to participate more in economic growth activities (Reynolds, Bygrave & Autio, 2004).

The study findings may be used to put in place affirmative action programs to empower women and implementing the land laws allowing women to own land and property that will act as a security in loan acquisition. The participation will benefit women by giving quality education to children; afford good health services and economic decisions. This study may contribute to the body of knowledge on women entrepreneurs on the management of business operations. The study findings may form a basis for further academic research in informal sector.

1.6 Scope of the Study

The study was conducted in Simur-Kondiek sub-location, Siaya County, Kenya. The study mainly targeted 94 women entrepreneurs especially those involved in the production of light consumer goods that are primarily related to food and beverages and has the ability to initiate, organize and operate a business enterprise. Economic and sociological combination measures the women's work experience as an individual or family's economic and social position relative to others, based on income, education and occupation since 2006 when the government initiated the Women Finance Trust.

The main limitation of the study is that in Simur-Kondiek sub-location in Ugenya District of Siaya County in Kenya there is no documented evidence concerning women participation in small scale business and that Ukwala town council records had nothing substantial on the rate of improvement or stagnation and issues of diversification on women participation in small scale businesses. Another issue limited to this study is that the findings may not be used to make generalization due to its small sample size.

1.7 Theoretical Framework

The study was guided by Blumberg's (1984) Empowerment Theory. This theory refers to increasing economic and social strength of an individual and community that is how money is earned and decision on how it is spent. The main tenet of the theory is that with the provision of supplementary services such as training, education, access to loans and banking services, and increased control over resources by a woman improves the economic and social independence of a woman and the well-being of nations (Blumberg, 1984). Business development services comprise non-financial services that are aimed at capacity building. They include training services, marketing and institutional support. Management training of MSEs focuses on building the capacity of entrepreneurs, by transferring relevant knowledge and skills needed to successfully run the enterprise. These include skills in financial management, marketing, human resources management and entrepreneurship training.

Training is one of the factors that impact positively on growth of firms (King & McGrath, 2002). Those entrepreneurs with larger stocks of human capital, in terms of education and (or) vocational training, are better placed to adapt their enterprises to constantly changing business environments (King & McGrath, 2002). Infrastructure as it relates to provision of access roads, adequate power, water, sewerage and telecommunication has been a major constraint in the development of SMEs (Bokea, Dondo & Mutiso, 2002).

The greatest barrier facing women entrepreneurs in Kenya is access to finance which is a major issue due to collateral requirements. In Kenya only 1% of women own property and that makes it very difficult for women to provide collateral for banks. Most women who venture into businesses in rural areas and need financing lack the needed collateral needs to enable them secure bank loans. Responsibility of entrepreneurs for dependants has limited opportunities to make savings or undertake business expansion and diversification (Athanne, 2011). The financial aspects of setting up a business are without doubt the biggest obstacles to women (Zororo, 2011).

Women entrepreneurs often lack information about how to obtain a loan, lack the necessary collateral to obtain one and or face discriminatory laws or practices related to finance and credit (Commonwealth secretariat, 2002). Finding the finance to get a new

business going, or to grow an existing one is a difficult challenge (Blumberg, 1984). This theory is relevant in the sense that with controlled income, women gain self-confidence, which helps them to obtain “voice and vote” in household decisions, such as domestic well-being decisions (women tend to use income clout for more equitable decisions about the children’s diet, take their children to the school of their choice to get good quality education, afford good health services), economic decisions (acquiring, allocating, and selling assets) and fertility decisions (most women use their income clout to lower it). Women gain relative freedom of movement without heavily relying on men. Further economic powers among women tend to influence (often indirect) the community’s affairs and ultimately, more protection from male violence. Women who control their own income tend to have fewer children and the fertility rate is inversely related to national income growth (Hess, 1988).

The major proponent of this theory is the United Nations Population Fund (UNFPA) that is committed to actions that support poverty and powerlessness, especially among women. The (UNFPA) has developed strategies to provide women with economic opportunities by supporting economic empowerment and micro-credit initiatives in Kenya, Chad and Bangladesh (GOK, 2009). This theory is supported by the SSBs model which states that financial accessibility should be ensured and enhanced especially among the women in order to contribute to improving standards of living of majority rural households.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents a discussion on financial services accessed, social and economic benefits derived and possible challenges faced. The role of women in the development of the Kenyan economy cannot be underemphasized. In virtually all spheres of life, women are seen to be contributing to the overall output of the economy. Indeed, their ability to blend household demands with business activities has been a remarkable phenomenon, one that has attracted the attention of an emerging literature on gender dynamics. This study, may attempt to add to this growing literature, sought to model participation of women in small scale business in Kenya with a focus on the role of education using demographically enriched household living standard surveys. Studies have shown that women in small scale business participation rates are quite high in the Kenyan economy. The type of sector women find themselves in tends to be associated with their level of education, the majority being in self-employment as evidenced from the 2006 Economic Micro and small Enterprises survey standing at 612,848 women in MSE in Kenya accounting for 47.4% (Government of Kenya, 2005).

2.2 Women's participation in small scale businesses and financial services

The global impact of women entrepreneurs is just beginning to gain intensity. Worldwide, the number of female business owners continues to increase steadily (Estes, 1999). For example, women produce more than 80 percent of the food for Sub-Saharan Africa, 50-60 percent for Asia, 26 percent for the Caribbean, 34 percent for North Africa and the Middle East, and more than 30 percent for Latin America. A recent United Nations 2005 report on the "Role of Women in Development World Survey" concluded that economic development is closely related to the advancement of women more specifically in nations where women have advanced, economic development. By contrast, in countries where women have been restricted, the economy has been stagnant. Women entrepreneurs are significantly affecting the global economy. Women in advanced market economies own more than 25% of all businesses (Estes, 1999). In Great Britain - women are one-fourth of the self-employed sector. In the EU - one-third of new businesses are started by women.

In Swaziland - Women account for about 70% of micro, small, and medium enterprises (Estes, 1999).

Africa's regional economic growth averaged just over four percent between 2000 and 2007 African Development Bank (ADB, 2005-2009). This economic performance can be primarily attributed to the implementation of a number of important macro and micro-economic reforms basically touching on women's welfare over the past decade, in an effort to improve the investment climate (Mayoux, 2006). There are also new home-grown initiatives aimed at fostering economic growth and social development, such as the New Economic Partnership for African Development, which have proven effective in increasing investment (NEPAD, Kenya 2006).

Women often seek their livelihoods for themselves and their dependants in the informal sector. The choice of starting own business is often not the result of a lofty entrepreneurial desire, but rather a necessity (Mayoux, 2006). This could be dictated by a number of factors including access to financial services. Working informally provides women and their families' much-needed income. Many households, in particular poor households, depend on women's informal livelihoods for the majority of their income. Women's informal employment, in both agricultural and non-agricultural sectors, contributes significantly to many national economies in the region (Abu-Ghaida, 2002). For example, in Ghana, women working in the informal sector contribute up to 46 percent of the agricultural Gross Domestic Product GDP. Similarly, in Kenya, women's informal work accounts for over 50 percent of GDP. Consequently, the women working in informal economies are likely to have less access to basic health care, education, financial capital, political appointments, employee rights and landownership (Beneria, 2005).

In Kenya according to the 2006 Economic MSEs Baseline Survey, women in MSEs were 612,848, accounting for 47.4 per cent of all those in MSEs. The results showed that women tended to operate enterprises associated with traditional women's roles, such as hairstyling, restaurants, hotels, retail shops and wholesale outlets (Kenya National Plan of Action, 2009). According to the Department of Micro and Small Enterprise Development in Kenya's Ministry of Labour and Human Resource Development, there were about 2.8 million MSEs in Kenya in 2002, employing about 5.1 million people. In 2003, there were

5.5 million people in MSEs and, in 2004, there were about 6 million (5.97) employed in MSEs in Kenya (GOK, 2005).

Over the past decades, the GOK, 2005 Economic Survey has reported that women's participation in small scale business is limited due to lack of financial support, knowledge and skills. Currently, the government emphasizes on the informal sector with special regard to women's participation by increasing trainings, access to loans and banking services. The introduction of Women Enterprise Fund (WEF) was conceived by the Government of Kenya in December, 2006 and officially launched in 2007 and subsequent allocation of Ksh.1 billion in the fiscal year of 2007/2008 (GOK, 2009). The objective of the fund is the economic empowerment of women. Women Enterprise Fund loans reach the target beneficiaries through the partner financial intermediaries and direct through Constituency Women Enterprise Scheme (C-WES). This fund is aimed to enable the government realize the third Millennium Development Goal (MDG) on "gender equality and empowerment of women". In recognition of the critical role women play in socio-economic development, the WEF has been identified as a flagship project under the social pillar in the Vision 2030. It is expected that the fund will play a catalytic role in mainstreaming women in the formal financial services sector. Although women constitute 52 percent of the total Kenyan population, majority of them have been excluded from the formal financial services for example, few have bank accounts, can access loans, money transfer services. The rural women are more disadvantaged than their urban counterparts. The fund is designed to address the perennial challenges women face in their desire to venture in income generating activities (GOK, 2009).

Regional equity issues should also be clearly spelt out in the manner of disbursement and management of these funds. Moreover, it should be noted that not all women are in need of these funds thus appropriate targeting strategies particularly singling out poor, single and unemployed mothers, widows, HIV/AIDS widows will enhance the effectiveness of this women enterprise fund (GOK, 2009).

2.3 The economic benefits women derive from participating in small scale business

The small business sector is recognized as an integral component of economic development and a crucial element in the effort to lift countries out of poverty.

(Wolfenson, 2001). Small-scale businesses are driving force for economic growth, job creation, and poverty reduction in developing countries. They have been the means through which accelerated economic growth and rapid industrialization have been achieved (Hammer et al., 1994). Furthermore, small-scale business has been recognized as a feeder service to large-scale industries (Fabayo, 2009). Many people have observed that self-employed women are contributing in significant ways to economic health and competitiveness in countries around the world. While specific theories about women entrepreneurs have not been fully developed, theories about business ownership in general are well advanced and accessible. The literature review touches upon the nature of small scale businesses in which women participate. Women's motivations for starting a business are related to their need to be independent, achieve job satisfaction, attain personal accomplishment and fulfillment, and be creative and economically self-sufficient Organization for Economic Co-operation and Development (OECD, 1998).

According to an International Labour Organization (ILO) study carried out by (Stevenson & St-Onge, 2005), there are three profiles of women entrepreneurs operating MSEs in Kenya, namely those in Jua Kali micro-enterprises, "very small" micro-enterprises and "small-scale" enterprises. These are differentiated by their demographic profiles, extent of previous business experience, needs, access to resources and growth orientation. For women's welfare and production to be improved, planners and funding agencies need to take into account the household resource use and control. Women's incomes and spending patterns are better indicators of the welfare of household members, since women spend more of their increased earnings on food, medicine and education for their children and other dependants. Improving women's incomes becomes both a matter of equity and a prerequisite for child survival and welfare (Alvarez, 2000).

The Jua Kali micro-enterprises are identified as owners of unregistered (informal) businesses who have little formal education (usually less than secondary school level) and lack entrepreneurial and business know-how. These people also have little access to credit, with limited awareness of markets and market opportunities (GOK, 2005). The women are constrained by their household responsibilities and marital status (for instance, having to obtain permission from their husbands to travel out of town for training or trade fairs (GOK, 2005). The majority of women entrepreneurs with disabilities are reported to

be concentrated in this group and engage in unregistered hawking businesses. Some of them belong to Disabled Persons' Organizations or the Disabled Hawkers' Association, normally used as lobby groups (Ministry of Gender, Sports, Culture and Social Services, 2004).

This category of entrepreneurs is disadvantaged, firstly because of their gender and secondly, because of their disabilities. The "very small" micro-enterprisers are identified as those registered, operating from legitimate business premises and employing 6 to 10 workers. "Small-scale" enterprisers are identified as being registered, operating from legitimate business premises and employing over 10 workers and the enterprisers at least have secondary level of education with some previous experience as employees. Occasionally, women entrepreneurs in this category have supportive husbands who may also be directly or indirectly involved in the enterprise. This segment is constrained by lack of access to finance for various reasons, including having no land/property title deeds to be used as collateral for large loans (GOK, 2005). The study concluded that to develop their businesses, entrepreneurs require targeted schemes, programs or mechanisms to suit their particular needs (Stevenson & St-Onge, 2005).

In general, women tend to operate smaller enterprises than men, with the average number of employees in a women-owned/managed MSE being 1.54 versus 2.1 in men-owner/managed MSEs. In women-owner/managed MSEs, about 86 per cent of the workers were women owner/managers themselves, 4 per cent were hired workers, with the remainder made up of unpaid family members and/or apprentices. Whereas, in men-owner/managed MSEs, only 68 per cent of the workers were men owner/managers themselves, 17 per cent hired workers and the remainder made up of unpaid family members and/or apprentices. The survey also indicated that women tended to operate smaller MSEs than men and made less income than them, with women making an average gross income of KES4,344 per month compared to KES 7,627 for men (Government of Kenya, 2005). As noted earlier, the 1999 Baseline Survey indicated that about half (52.6 per cent) of all employees are men and 47.4 per cent are women. This compared to the national employment statistics of 2003 and 2004 which indicated that only 30 per cent of the total workforce was made up of women. The MSEs sector, therefore, holds more promise for women in providing and accessing employment opportunities. Due to lack of statistics, it is not possible to outline the characteristics of disabled women entrepreneurs in MSEs. Studies have established that most of the

disabled women are concentrated at the lower end of MSEs, dealing mainly in hawking and petty trade. It can, therefore, be inferred that they earn less than the average incomes earned by women entrepreneurs in MSEs (Government of Kenya, 2005).

2.4 The social benefits women derive from participating in small scale business

In many societies Kenya for instance, women never belong wholesomely to themselves; they are the property of men throughout their lives. Their physical well-being – health, security and bodily integrity – is often beyond their own control. Where women have no control over money, they cannot choose to get health care for themselves or their children and worst of all to be educated and to educate their children (World Bank, 2003). Therefore, a focus on women's involvement in small scale business offers a pathway out of extreme poverty since of the 1.3 billion people who live in absolute poverty around the globe, 70 percent are women. For these women, poverty does not just mean scarcity and want. It means rights denied, opportunities curtailed and voices silenced (IFAD, 2001; World Bank, 2003, 2005) and towards dignity and security – for women, their families and whole communities by empowering women to challenge and change the contexts in which they live. Our understanding of empowerment reminds us that change – in this case, improvement in the physical, economic, political or social well-being of women (World Bank, 2001).

In the early 1990s, CARE was determined to help extremely poor women in rural Niger accumulate money that they could then invest in income earning activities – impossible for those who must devote every penny to daily survival. They devised a simple methodology in which groups of 20 or so women pool their savings and make the tiniest amounts – pennies per woman per week – grow into important sums. When group members borrow from the pool, they can start or expand small enterprises, from livestock rearing to market trading Grant & Allen (2002). Members repay their loans with interest, and the savings grow. The formation of a women's savings group is a months-long process. A CARE staffer trains members in all aspects of group governance and funds management, slowly building skills and confidence until women can manage their group independently. But they also included other types of training: Women gained new information on human rights, health and nutrition, childcare, food production and business skills. (Grant & Allen, 2002) argues that if members agree, associations are free

to liquidate all or part of their fund and make a pay-out to members, proportionate to their savings investment.

The *Mata Masu Dubara* (MMD) (“women on the move”) program today counts well over 150,000 Nigerian women as members and, as a vehicle for individuals’ economic security, MMD has been an unparalleled success. But the personal strength that grows as CARE trains women to collectively manage their resources and govern their groups, and the confidence that blooms as women accumulate assets and gain new knowledge, have been the parallel boons of MMD (Grant & Allen, 2002). It turns out that a savings group can be an ideal forum for women to identify and address other important issues in their lives. Women get the opportunity to gain social, political and economic skills and savvy, which opens a greater field of action. Considering Blumberg’s (2001) theory of economic empowerment and the situation that obtains in rural areas in Kenya, it is worthwhile to enhance access to financial services to small scale business women through promotion of savings-led and community managed models of microfinance in order to economically empower women and household and improve their social standing.

Increases in income and assets and decreases in vulnerability of microfinance clients are well documented (Islam & Tenaw, 2009). Empirical evidence also shows that, among the poor, those participating in SSBs who had access to financial services are able to improve their well-being for instance, they could access better education for their children, access business training for better management, improve the business capital base, expand the business and improve their living standards both at the individual and household level much more than those who do not have access to financial services (MkNelly & Dunford, 1999). Kabeer (1998) found that in microfinance programs, changes occurred at a personal level in the form of increased self-worth. At the household level, women’s increased contribution of resources led, in a majority of cases, to declining levels of tension and violence. Women often reported feeling an increase in affection and consideration within household with longer program membership.

General economic and social development would benefit both women and men greatly. The participation in business gives women economic independence in terms of movements, decision-making, voting and voice space, ‘which merry-go-round’ to join, which school to take the children and nutrition for boys and girls. Nonetheless, there are a

number of reasons for focusing on women in devising development policies and programs (Beneria, 2005). Women are the primary care-givers in the family. Thus efforts to lower the vulnerability level of women depend to a large extent on the involvement of women. To be successful, health and education, programs must enlist the active participation of mothers (Schultz, 1994). It was seen in the country studies that sizeable numbers of households are headed by women. Thus, in many cases women are almost solely responsible for the survival and well-being of their family members (McCabe & Rosenzweig, 1997).

2.5 The challenges facing women in small-scale business

The impact of HIV/AIDS, gender inequalities, food insecurity and malnutrition, unemployment and other human insecurity threats are testimony of challenges faced by households in Kenya. Access to financial services is recognized as one of the key inputs essential for increased business production and fighting poverty by the Kenyan Government (Kibaara, 2006). However, access to financial services has been identified as a major problem experienced by many in attempt to do business in Kenya. Though it is true that credit in formal banking institutions has grown steadily over the years, the same is not available to the people in rural areas. Although there are over 800 branches of financial institutions in Kenya, their location is heavily biased towards the urban areas, with Nairobi and other towns having the bulk of the branches. The rural coverage of financial services is estimated at 10 per cent (Mutua & Oyugi, 2006).

Despite the constrains, Kenya still has a range of actors offering financial services such as banks, building societies, micro finance institutions and savings and credit co-operative societies (SACCO'S) regulated under the Banking, Building Society, Post Bank and Cooperative Societies Acts. Savings and Credit Cooperatives (SACCOs) presence in the country dates back to the years 1965-70 (Mutesasira, 2000).

The recently operationalized Micro Finance Act, 2006 was an intermediation efficiency for the marginalized rural populace coupled with joint effort of informal actors who are mostly individuals, friends, family, relatives, money lending services, Rotating and Savings and Credit Associations-(ROSCAs) or merry-go-rounds among others (Mule, 2002).The above are quite prominent in both rural and urban areas contributing to both productive and consumption needs. The small scale businesses have potential for growth

as well as entry into international markets, and some are already in the export trade (Stevenson & St-Onge, 2005).

Another challenge that women entrepreneurs in Kenya face is discrimination. Even when women entrepreneurs do approach banks for financing, they tend to face discrimination. Women report that bank officials tend to ignore them in meetings and prefer speaking to their husbands or male business partners. The fact that banks engage in gender bias prevents many women from even approaching them (Gakure, 2003).

Some women get so discouraged that they do not bother to seek bank financing and turn instead to informal savings groups. City council has proved to be a very big challenge to women entrepreneurs in Kenya. The licenses are too many and cost too much. Being a woman seems to exaggerate that fact since most women are harassed by the city council officials when they come to inspect the business premises. Moreover, women may be less likely to meet and negotiate bribes with the predominantly male council officials. Business licensing is an issue for many women entrepreneurs who perceive the process as lengthy and complex (Athanne, 2011).

One other challenge is the responsibility of providing for the extended family and relatives. Most micro-enterprise financial resources are not usually isolated from personal finances and hence these family obligations are met from resources earned in the business. Their demands tend to drain the savings and income made by the business, since such finances would otherwise have been used in the enterprise for expansion and growth. Though some of them do assist in providing services in the enterprise (or in the family), the financial obligations in supporting them usually exceeds the services they provide (Ahmad & Mohan, 2011).

Lower education levels puts women entrepreneurs in Kenya at a disadvantage compared to men. While gender gap in primary education in Kenya has decreased in recent years, the gap remains high at secondary and tertiary education levels. Lower education does not emphasize entrepreneurship skills. It decreases the chances that women will have the knowledge needed to excel in business, and thereby contribute to the country's overall economic growth (Stevenson & St-onge, 2005).

Managing employees is another challenge that women entrepreneurs in Kenya face. Finding and retaining good employees is essential for the success of a business, but can be difficult for women entrepreneurs in Kenya. Since women owned-businesses tend to be smaller, they are often less likely to benefit from formal financial services based on lack of collateral requirements needed for one to access any financial help. Some women find that they are not taken seriously by their employees, especially in non-traditional sectors, and have to make a special effort to win their respect (Athanne, 2011). This study was intended to ensure that with control over resources and financial clout by women, is the surest way towards women social and economic empowerment.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents a discussion on the study design, study area, study population, sample size and technique, methods of data collection, data analysis and ethical considerations.

3.2 Study Design

The study adopted descriptive research design. It is a fact finding mission or activity. The focus was to examine women participation in small scale business. Descriptive research design enabled observing the subjects in their natural environments without affecting or influencing them in any way. It enables collecting both qualitative and quantitative data (Ng'ang'a, 2009).

3.3 Study Area

The study area is Simur-Kondiek Sub-Location in Ugenya District of Siaya County in Kenya. The District lies between latitudes 0655000 Northing and longitudes 0620000 Easting. The area is in the uplands geomorphologic which is suitable for crop farming and livestock keeping. It receives high rainfall ranging from 800-2000mm. The long rains fall between March and June, while the peak is realized in April and May whereas the short rains are between August and November (GOK, 2008).

The socio-economic activities prevalent in the area are mixed farming, trading, dairy farming, quarrying, fish farming, fishing and waged labor. The study area was chosen by first putting into consideration the various studies that have been done by CARE Kenya in Simur-Kondiek Sub-Location on household livelihood security majorly on Water and Sanitation, Savings and Micro-Finance to address poverty related issues (GOK, 2008). Thus, there is need for a study of this nature to fill in the existing gaps and examine the rate of women's participation in small-scale businesses, the benefits derived, the challenges experienced and the possible mechanisms for addressing those challenges.

3.4 Study Population

The study population was 1491 women participating in small-scale business and who reside in Simur-Kondiek sub-location, together with other nine groups of people including two Kenya Women Finance Trust staff, two social workers, one community leader, two bank staff, one Maendeleo Ya Wanawake Organization member and one Town council staff were interviewed using a key informant interview guide and two groups of ten women in SSB formed a focus group discussion using a guide as a tool. The study unit of analysis was individual women who participated in small-scale businesses in Simur-Kondiek (Kenya Women Finance Trust KWFT), 2010 Ugunja branch.

3.5 Sample Size and Sampling Technique

This study will be sociological in nature with a manageable sample of 94 respondents based on a percentage error of ± 0.1 . This has been arrived at using Glen Israel's (1992) formulae. This study will employ the systematic random sampling technique to sample women engaging in small scale business. The systematic sampling is a statistical method involving the selection of elements from an ordered sampling frame (Israel, 1992). The most common form of systematic sampling is an equal probability method in which every k^{th} element in the frame is selected, where k , the sampling interval (known as the skip), is calculated as $k = N/n$ where n is the sample size, and N is the population size (Mugenda & Mugenda, 1999). Using Glen Israel's formula of 1996, simple sample calculation, a sample of 94 women were drawn where $k = N/n$ that is, $1491/94 = 15.8$. Therefore, 16 homes interval was realized from one home where a group of women engage in small scale business. This will eliminate sampling bias and will ensure that business women in the sub-location have an equal chance of being selected. The key informants who are subjects with special expertise will be actively selected using purposive sampling to answer research questions. Purposive sampling ensures that only those with the relevant information are selected for the study (Dane, 1990).

To determine the sample size; Glen (1992) formulae will be used

$$n = \frac{N}{1 + N(e)^2}$$

n = Sample size

N = Total population of women in business in the sub-location e = Error (0.1)

Sample size calculation for businesswomen therefore,

$$n = \frac{N}{1 + N(e)^2} = \frac{1491}{1 + 1491(0.1)^2}$$

$$n = \frac{1491}{1 + (1491 \times 0.01)} = 14.91$$

n=1491/1+14.91

n=1491/15.91

n=93.7146

n=94

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The sample for this study was 94 women participants. In addition, nine key informants were also included in the study. Based on lack of real statistics amount about the number of women participating in small scale business in Ukwala Town Council records, error (0.1) presents a helpful lead for calculating the sample size. Therefore, Glen, (1992) provided a simplified formulae that was used to calculate the sample size.

3.6 Data Collection methods

3.6.1 Questionnaire

Questionnaires enable researchers collect information from a large number of respondents with minimal bias by eliminating the ability of the interviewer to influence responses either intentionally or inadvertently (Tuckman, 1987). Questionnaires that have both closed and open ended questions will be administered to 94 women. The questionnaires cover socio-demographic characteristics and questions touching on businesses women engage in to achieve the objectives of the study. (Leeds, 1980) writes that a questionnaire is preferred in data collection because it is easier to administer to a good number of respondents who respond in private setting. A questionnaire is a way of getting data about persons by asking them rather than watching on how they behave (Tuckman, 1987).

3.6.2 Focus Group Discussion

A focus group discussion is a data collection technique that helps to collect in-depth information about a problem or an issue of interest and increase understanding of the experiences and outlook of the respondents (Morgan, 1993). Questions are asked in an interactive group setting where participants are free to talk with other group members (Morgan, 1993). Two separate focus group discussions of ten SSB women participants were conducted. Focus group discussion guides were used to probe emerging issues of female business openings, leadership, financial credit facilities, business relations and economic issues on borrowing/ lending and repercussions from participants. The key issues were written down by a note-taker to avoid missing out on important ideas and the proceedings will be tape recorded and later transcribed.

3.6.3 In-depth Interviews

This research technique involves conducting intensive individual interviews with a small number of respondents to explore their perspectives on particular idea for instance small scale business participation (Kerlinger, 1973). From the observation of women in their natural setting, (selling) or participating in (SSB), one out of three can be purposively identified for an in-depth interview since these people's experiences and expectations in relation to being involved in small scale businesses. Those who cannot freely give information in group set up can then give it separately in a private setting. Ten women will be in an in-depth interview so that the details triangulate the data obtained from questionnaires and focus group discussions (See Appendix 11).

3.6.4 Key Informant Interviews

Key informant interviews are used to collect information from a wide range of people including community leaders, professionals, or residents who have first hand knowledge about the community. These community experts, with their particular knowledge and understanding, can provide insight on the nature of problems and give recommendations for solutions (McKillip, 1987). Knowledgeable key informants interviewed consists of two Kenya Women Finance Trust staff, two social workers, one community leader and two Kenya Commercial Bank staff Ugunja branch, one Maendeleo ya wanawake organization member and one town council staff. A key informant interview guide will be used (See Appendix 1).

3.6.5 Observation

Direct observation enables the researcher to observe behaviours of participants in their natural setting (Benard, 1995). The data obtained through observation served as a check against participants subjective reporting of what they believe and do. The information was useful for gaining an understanding of the physical, social, cultural and economic context in which study participants lived; the relationship among and between people, contexts, ideas, norms, and events and people's behaviours and activities. This was laid in a juxtaposition way the participation and the benefits derived (Jorgensen, 1989).

3.7 Data Analysis

For the purpose of this study, the data was transformed into useful information, suggestions were drawn and conclusions made in support of the objectives in order to answer the research questions. Descriptive statistics was used to describe the basic features of the data in a study. The data on the questionnaires were coded and entered in the Statistical Package for Social Scientists (SPSS) version 21 July 2009 software was used to run the frequencies (Bryman & Cramer, 2008). The results were presented using tables produced using Microsoft excel, graphs, charts and percentages. The qualitative data obtained from the field were edited, categorized and coded. Thematic analysis areas included questionnaires response rate, key informant response rate, demographic characteristics and type of financial services accessed. The content analysis and description responses produced the interim report of this study.

3.8 Ethical Consideration

In accordance with the laws governing research work in Kenya, an introduction letter was sort from Maseno University which allowed the researcher obtain another letter from the District commissioner of Ugenya District to conduct research. The researcher sought the respondents' informed consent to participate voluntarily. By being licensed to conduct research in the community and Government institutions in the district, the researcher gained access to confidential data and that was obliged to have professional respect to the conditions as set in the research clearance permit.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter presents the research findings which have been discussed under thematic sub-sections in line with the study specific objectives. The sub-themes include: response rate of the study, demographic characteristics of respondents in small-scale business and access to financial services, benefits derived by women participants in small-scale business and ways of addressing challenges experienced by women participating in small-scale businesses.

4.2 Response Rate Return

This section presents the response rate of the different categories of respondents that were targeted during the study. Quantitative data was sourced through administration of questionnaires with women subjects participating in small-scale businesses. This data was collected by the researcher who directly administered questionnaires to respondents.

The response rate was illustrated using table 4.1 as follows:

Table 4.1: Questionnaire Response Rate

Category	Respondent class	Target Size	Respondent	Percentage
Women	Participants in SSB	94	94	100%
Total		94	94	100%

Source: Field data

Out of the 94 interviewees targeted in this category, 94 (100%) responses were obtained. This means that every woman in SSB as a participant targeted in this category responded to the study questionnaire. This was achieved because the study made callbacks to respondents targeted to ensure that each and every one of them participated in the study as was envisaged. Mugenda and Mugenda (1999) argued that response rate of 75% is acceptable for academic surveys. This quantitative data analyzed, presented and discussed is based on this category of respondents. In-depth interview schedules targeting key informants were used to elicit detailed quantitative data from community members consisting of Kenya Women Finance Trust, Social Workers, community leader, bank

staff, town clerk and sought to elicit information relating to the socioeconomic characteristics of participating member's households.

The study indicated that the KWFT staff posted a reply of 1(50%) out of the targeted 2 in the KWFT category. The table 4.1 also shows 1(100%) response from Maendeleo ya Wanawake's, Town Council Clerk and local Chief out of the targeted 1 each. The social workers and Bank staff registered 50% each out of the targeted 2 hence KWFT, Bank and Social work registered the least response rate with 1(50%). The in-depth interview responses, opinions, insights and discussions are based on this category of respondents.

Overall, a response rate of 94(100%) was realized for the participation of women in SSB to whom questionnaires were administered and 6(67%) out of 9 for key informants in this study. The response rate was considered above average. The researcher made a decision to analyze the data based on this response rate as it was considered to depict a true picture of the study variables interacting with the population with minimal non-response error.

The response rate was illustrated using table 4.2 as follows;

Table 4.2: Key Informants Response Rate.

Category	Respondent Class	Target size	Respondent	Percentage
KWFT	Staff	2	1	50%
Maendeleo ya wanawake	Member	1	1	100%
Town Council	Staff	1	1	100%
Community Leader	Chief	1	1	100%
Social Workers	Staff	2	1	50%
Banker	Staff	2	1	50%
TOTAL		9	6	66.6%

Source: Field data

4.3 Demographic Characteristics of Respondents

The study sought to assess the relationship between socio-demographic characteristics of women participating in SSB and their socioeconomic development. This section presents the demographic characteristics of the study's respondents outlined in relation to their ages, marital status, household head, level of education and occupation. This information is presented in tables 4.3 since it is mainly descriptive and is significant because these characteristics are used to establish the relationship between the dependent and the

independent variables. Such information was necessary to put the study within context so that only the target women respondents would respond to set questions.

4.3.1 Respondents Age, Marital Status and Relation to Household Head

It was very important to establish the marital and relation to household head status of the respondents in order to comprehend the responsibilities that come with that status and determine whether there is a link between these responsibilities and financial services seeking behaviour or the desire to access financial services by participating in SSB. To achieve this, respondents who participated in the study were asked to state their age, marital status and the relation to their household head. Out of the 94 respondents, 20(21.3%) were below 30 years of age, 22(23.4%) were between the ages 31-40 years, 25(26.3%) were between the ages of 41 – 50 years, 14(15%) were between the ages of 51–60 years and 13(14.0%) were above 61years of age.

Table 4.3 shows that women of all ages participate in small-scale businesses (SSBs) with the most active participants belonging to the (41-50) years age bracket (26.3%) and the least active being women over 61 years of age(14.0%). These findings were subjected to further statistical analysis which revealed that the mean age was 45 years with the overall age profile suggesting that it was slightly above middle aged women (41-50 years old) who were majority participants. 67(71.0%) of the total participants were 50 years or below. The minimum age was 22 years and the maximum age was 96 years.

Out of the 94 interviewees, women participants in SSB 66(70.2%) were married and 18(19.1%) were widowed, cohabitating were 6(6.4%) and singles were 4(4.3%). It was established that 23(24.5%) of the respondents were head of the house in their residences while 70(74.5%) were spouses of their household heads. This was illustrated using table 4.3 as follows

Table 4.3: Demographic Characteristics of Respondents.

Age of Respondents	Frequency	Percent
Below 30 yrs	20	21.3
31-40 Yrs	22	23.4
41-50Yrs	25	26.3
51-60Yrs	14	15.0
Above 61Yrs	13	14.0
Marital Status		
Single	4	4.3
Widowed	18	19.1
Cohabiting	6	6.4
Married	66	70.2
Relationship to Household		
Head		
Head	23	24.5
Spouse	70	74.5
Other Relatives	1	1.1
No. of Dependent children		
Below 3	66	70.0
4- 6	28	30.0
No Dependants	24	25.5
Total	94	100.0

Source: Field data

These findings reveal that women of different backgrounds participate in SSB and validate the assertion by Blumberg (2001) that for their household status and assumed responsibilities, women is becoming the preferred clients of majority of financial service programmes.

4.3.2 Number of dependent children

The study sought to determine the number of dependent children that respondents had in their families. This was critical in establishing the responsibilities that SSB participants have and how these (access to funds) influences their socio-economic (livelihood) development. Out of 94 respondents, 5(5.3%) had 6 dependant children, 23(24.5%) had between 4 and 5 dependent children and 42(44.7%) had 3 and below children depending on them. Of 94 respondents, 24(25.5%) did not have dependent children.

This finding was subjected to further statistical analysis which revealed that there is an average of 2 dependants per study respondent with a maximum of up to 6 children. This implies that the number of dependent children in the respondents' household is small. This is inconsistent with the findings by Beneria, (2005) that the typical extremely poor

family tends to be rather large. Contrarily as evident only 5(5.3%) had 6 dependent children, a scenario that can lead to improved lifestyle for SSB women.

4.3.3 Level of Education and Occupation

In order to determine level of education and occupation of SSB women participants, the respondents who participated in the study were asked to state the highest level of education that they had attained and what they do daily to earn a living. Out of 94 respondents, 8(8.5%) had attained university/college level of education, 31(33.0%) indicated that they had attained secondary education, 42(44.6%) had primary education as the highest level attained and 12(12.8%) indicated that they had not had any form of education. It was also found that an exceptional few, specifically 1(1.1%) out of 94 had attained adult level of education

The study found out that majority of women in SSB had attained at least primary education and significant number 31(33.0%) of the total attained secondary education, though still 12(12.8%) of the total had no any form of formal education. The percentage of members with no formal education 12(12.8%) cannot be ignored. The study did not establish whether the women who had not attained any form of education engaged in adult education later. This was illustrated using table 4.4 as follows.

Table 4.4: Level of Education and Occupation of Respondents.

Education level	Freq	Percentage
None	12	12.8
Primary up to 4	10	10.6
Primary 5-8	32	34.0
Secondary form (1-2)	6	6.4
Secondary form 3-4	25	26.6
University/college	8	8.5
Adult Education	1	1.1
Occupation		
Farmer	38	40.4
Casual Labourer	10	10.6
Self employed	28	29.8
Civil Servant	3	3.2
Housewife	6	6.4
Employee private sector	9	9.6
Total	94	100.0

Source: Field data

Farming was the primary activity with regard to the women's occupation, of which 38(40.4%) of the respondents in the study were involved directly. 28(29.8%) of the respondents, mentioned self-employment as an occupation, signifying the informality associated with small-scale businesses. 10(10.6%) indicated that they were casual laborers, 9(9.6%) were employed in the private sector, 6(6.4%) were housewives and 3(3.2%) were civil servants,

This finding underscores the fact that most rural residents engage in subsistence farming which does not give them enough income making them to supplement with being in SSB. The finding also underlines the fact that the area of residence has a great effect on the type of occupation and income and as expected therefore, the primary income of households in this area tend to come mainly from agriculture and self employment. However, even in the rural areas, women are involved in small business activities which form an important aspect of additional income generation. It has been estimated that in rural areas, agriculture produces only 43 per cent of monthly household income, whilst business enterprises contribute 41 percent (World Bank, 2003).

4.4 Sources of Financial Services

Access to financial services is recognized as one of the key inputs essential for increased business production and fighting poverty by the Kenyan Government (Kibaara, 2006). However, access to financial services has been identified as a major problem experienced by many in attempt to do business in Kenya. Though it is true that credit in formal banking institutions has grown steadily over the years, the same is not available to the people in the rural areas for instance in Simur-Kondiek sub-location. Although there are over 800 branches of financial institutions in Kenya, their location is heavily biased towards the urban areas, with Nairobi, Kisumu and Mombasa towns having the bulk of the branches. The rural coverage of financial services is estimated at 10 per cent (Mutua & Oyugi, 2006).

Kenya today has a range of actors offering financial services such as banks, building societies, micro finance institutions and savings and credit co-operative societies (SACCO'S) regulated under the Banking, Building Society, Post Bank and Cooperative Societies Acts (Mutesasira, 2000).

4.4.1 Financial Services Accessed by SSB Women Participants

Access to financial services forms a fundamental basis on which many essential development interventions depend and plays a critical role in helping the poor widen their economic opportunities, increase their asset base, and diminish their vulnerability to external shocks. One of the objectives of this study was to investigate the economic benefits women derive from their small scale business participation. To achieve this objective, respondents were asked to indicate the type of financial services that they access by participating in SSB.

Out of 94 respondents interviewed, 62(66.0%) reported that they only access savings services as SSB participants. 15(16.0%) had benefited from loans and services, 13(13.8%) benefited from social fund services and 2(2.1%) had accessed savings and lending services. The responses are illustrated using table 4.5 as follows:

Table 4.5: Types of Financial Services Accessed by Women in SSB

Financial Services	Freq	Percentage
Savings	62	66.0
Loans	15	16.0
Savings and lending Money	2	2.1
Social Fund	13	13.8
Private collector	2	2.1
TOTAL	94	100.0

Source: Field data

This particular response revealed that by participating in SSB, respondents were accessing either saving services alone or savings and the rest of the services. This is because SSB is a saving-led methodology in which loan fund is build from cumulative savings and for that reason most respondents exposed to loans and the social fund have to be saving. This corroborates the contention by Aryeetey and Udry (2000) who claimed that there exists an informal sector that provides a heaven for many savers and whose full potential is yet to be reached.

From the findings, 62(66.0%) of the 94 respondents had not contracted a loan from the bank due to high interest rates and cumbersome sureties. This implies that a respondent could be saving but not taking loans or has benefited from the social fund. Subsequently, not benefiting from the social fund within the SSB context does not mean that participants do not have access to the services. On the contrary, it suggests that unforeseen situation findings are also in conformity with the outcome in the Sahel in Niger where it was found that savings from participants are used to offer interest-bearing loans to participants to access in case of emergencies (Grant and Allen, 2002).

4.4.2 Savings, Loans and Social Fund Services

The study further sought to examine the different modes of saving available and used by the SSB Women participants. To accomplish this, respondents were asked to indicate in general the ways in which they save their money. Out of 94 respondents, 28(29.8%) cited keeping savings in the house, 20(21.3%) saved their money with the bank whereas 18(19.1%) respondents saving relates to Rotating savings and credit (ROSC) 8(8.5%) mentioned SSB savings while 5(5.3%) mentioned MFI. 4(4.3%) associated with saving in a club and loaning scheme while 4(4.3%) saves with local traders and 3(3.2%) save with cooperative societies and 2(2.1%) mentioned using private saving collector. This is illustrated using table 4.6 as follows:

Table 4.6: Modes of Savings by SSB Participants

Mode of savings	Freq	Percentage
Rotating savings and credit (ROSC)	18	19.1
Keeping with local traders	4	4.3
In the house	28	29.8
Private savings collector	2	2.1
Savings club	4	4.3
SSB savings and loaning	8	8.5
Co operative	3	3.2
Bank	20	21.3
Microfinance Institutions	5	5.3
None	2	2.1
Total	94	100.0

Source: Field data

From the responses, it is clear that most of the women use more than one mode to save their money. The study findings confirmed that for the women respondents, the basic mode of savings is in the house 28(29.8%). In terms of accessing savings services therefore, it is no doubt that respondents still need more information on benefits that lies on saving in a given institution and the future prospects in terms of business development.

More still, of the modes mentioned, 18(19.1%) related to keeping their money with rotating savings and credit associations commonly referred to as merry go round. It is worth noting that this model is popularly acceptable saving-led in the community, based on its flexibility since a lot of savings discussions occurred in the market place where SSB participants operate. Moreover, it was arguable that belonging to and participating in Rotating and Savings and Credit did not deter women from engaging in or using other modes of saving money for example 20(21.3%) women still saved money with the bank. However, accessing other modes of saving was third option after the two community based popular modes of saving that is – keeping money in the house and using ROSCAS. Aryeetey et. al., (2002) have discussed a number of structural and institutional constrains to the mobilization of savings particularly from poor household SSB. They suggested that financial markets in Africa are highly fragmented and that the high transaction cost for economic agents of trying to move across different segments act as a disincentive in saving mobilization. They noted that saving mobilization from rural areas is very costly and that banks have not been designed to counter this through innovating approaches in savings mobilization. During in-depth interviews with key informants, it was established that savings is the only surest way of business financial stability done according to agreed set of rules.

The qualitative interviews also found out that there is a facility called social fund. This is a micro-insurance kind of provision in which members contribute a fixed sum of funds periodically. This service is for purpose of supporting members who incur unexpected expenditures associated with unforeseen mishaps such as death of a household member. The facility is to guard against diversion of savings and local funds during misfortunes.

Table 4.7: Person correlations for saving and loan amount

	Amount of money saved	Total amount of loan granted
Amount of money saved	1	.114**
Pearson Correlation		
Sig. (2-Tailed)	.94	.25
N		
Total amount of loan granted	.114	1
Pearson Correlation		
Sig. (2-Tailed)	.587	
N	25	25

*Correlation is significant at the 0.01 level 2(tailed). R value is .114**

Persons' r value is 0.114, an indication of a positive correlation. This means that there is a positive relationship between amount saved and amount borrowed even though the relationship is weak. This implies that as the amount of savings increases, the amount of loan borrowed from the bank also goes up. This validates arguments by Holt, (1991) that the only reliable medium of ensuring access to financial services by SSB is by facilitating saving mobilization and matching this by credit services.

Promoting efficient, sustainable and widely accessible rural financial system remains a major development challenge in rural Kenya. Women need a range of services to meeting different needs with most of them living in rural areas and experiencing a high incidence of rural poverty, improved access to financial services is crucial in contributing to women's social welfare growth and development. This study sought to explore the saving modes used by respondents before starting small scale business and whether participation in small scale businesses had improved access to financial services. To achieve this, the respondents were asked to state the saving mechanisms that they used before starting business. 36(38.3%) out of 94 respondents were saving with ROSCA/Merry go round and 30(31.1%) were saving at home under the bed before starting business. Of the 94 respondents, 19(20.2%) were saving with Post Bank before starting SSB, 5(5.3%) with SACCO/Cooperative society, 2(2.1%) with saving and credit groups.

These findings revealed that a majority of the women respondents used to save with user owned and community based systems before starting own business. This reinforces the earlier position regarding the recognition of the community managed approach to saving. It also indicates that involvement and participation in SSB has improved access to financial services as denoted by the initial saving mechanisms preferred and the participation in SSB at present. Moreover, of the 94 interviewees involved in the study 2(2.1%) mentioned that they never used to save before starting SSB. This means that their first experience with saving money was through participation in SSB greatly improving access to basic financial services. This is illustrated using table 4.8 as follows

Table 4.8: Saving modes Accessed before starting Small Scale Business

Valid	Freq	Percentage
Never saved	2	2.1
Saving/credit groups	2	2.1
Post Bank	19	20.2
SACCO/Coop society	5	5.3
ROSCAs/Chamas	36	38.3
Home/Under-bed	30	31.9
Total	94	100.0

Source: Field data

In Zanzibar, empirical evidence by Mutua et.al (2006) have shown that women have benefited and appreciated the opportunity to save in the present schemes and have accumulated money in affordable amounts and the opportunity to get lump-sum payouts with profits at the end of the cycle for consumption or investment.

4.4.3 Access to Loan Services

To determine whether there is access to loan services with participation in small-scale business, respondents were asked to state if they had contracted any loan during the previous twelve months. Of the 94 respondents interviewed, 25(26.6%) had contracted at least a loan in the previous twelve months whereas 69(73.4%) had not. The facts that a large segment of business women used to keep their money under their beds and in merry

go rounds 66(70.2%) and the loan one gets is correlated with loan amount, this explains the scenario. This was illustrated using table 4.9 as follows:

Table 4.9: SSB Women Contracting Loans in the last 12 months

	Freq	Percentage
Yes	25	26.6
No	69	73.4
Total	94	100.0

Source: Field data

This shows that despite the government's initiative to introduce Micro Finance Act 2006 and Women Enterprise Development Fund 2006 to allow women borrow money to engage in business and other activities at very reasonable interest rates without the requirements of cumbersome sureties and other bureaucratic processes, the study finds out that women participants in small scale business in Simur-Kondiek sub-location has not taken advantage of these initiatives to improve their businesses as a surest way of promoting women equality and empowerment. This was critical in the sense that those who contracted loans 25(26.6%), the greater amount 25(26.7%) was used to realize social expenses and only 5(5.3%) was for boosting or opening new businesses.

4.4.4 Sources of Loan

It was critical to determine the different sources of loans that women in SSB had contracted in the last twelve months. The study therefore sought to determine the sources of the loan that had been contracted and for what purpose. To achieve this, respondents were asked to state the source of loan that they had contracted in the last twelve months. This was illustrated using table 4.10 as follows:

Table 4.10: Sources of Loan for Women Participants in SSB

Source of Loan	Freq	Percentage
Saving/ credit groups	1	1.1
Formal Bank	7	7.4
ROSC/Merry go round/Chama	5	5.3
MFI	1	1.1
SSB Savings + Loaning	5	5.3
Money lenders	5	5.3
Supplier Credits for input (Agric)	1	1.1
Total no contracted loan	25	26.6
No loan	69	73.4
Total	94	100.0

Source: Field data

Of the 94 respondents interviewed, 7(7.4%) sourced loans from the formal bank whereas 5(5.3%) obtained their loans from ROSCAS/Merry go round, money lenders, SSB savings and loaning and 1(1.1%) obtained their loans from MFI, supplier credit for input (Agric) and saving/ credit groups.

In-depth interviews with key informants revealed that there is accessibility to loans that in most cases are usually given by banks on accounts of a strong pay slip or solid financial status with assets being provided as collateral certain times. According to Kabeer (1998), similar studies of saving and credit groups have rarely established definite lending patterns. This shortcoming has often led to the inability to determine whether all the business participants access loans.

4.4.5 Loan Purpose

Having dealt with the sources of loans, the study sought to find out the purpose for which the funds were sourced. This information was found very vital to help understand the purpose for which the women household seek credits and to determine the reasons for which rural lenders are willing to lend. The respondents were asked to indicate the purpose for which the loan was sourced. Of the 94 respondents who had contracted loans interviewed, 12(48.0%) indicated that the loan was for paying school fees. 5(20.0%) said that the loan was for boosting existing or opening new business. 4(16.0%) mentioned that

the loan was for payment of hospital bills or medical expenses, 1(4.0%) stated that the loan was for burial expenses and housing respectively. The responses were illustrated using table 4.11 as follows

Table 4.11: Loan Purpose for Women Participants in SSBs

Loan purpose	Freq	Percentage
School fees	12	48.0
Hospital bill/Medical expenditure	4	16.0
Bought utensils/furniture	2	8.0
Boost/open business	5	20.0
Burial/funeral expenses	1	4.0
Housing	1	4.0
Total	25	
No loan	69	100.0
Total	94	100.0

Source: Field data

The study found that though the loan contraction was still low at 7(7.4%) from the formal banks, the amount is based on the person's ability to repay but with the introduction of the government to try to bail women to be able to do business by acquiring loan without any sureties and other bureaucratic processes.

4.5 Socio – Economic Status of Small-Scale Business women

With the situation that obtains in rural areas in Kenya, it is worthwhile to enhance access to financial services in order to economically empower women and household to improve their social standings. Small business and microenterprise are important because of their role in the economy and their economic development and self-sufficiency objectives. Part of the Kenyan Economic Policy is financial security, and starting a small business provides a pathway for opportunity and achievement. Entrepreneurial spirit is highly value in Simur Kondiek, partly because a successful small business will endure for generations to come. In Simur Kondiek, nearly all businesses are small, and small businesses employ half of all workers. One of the objectives of this study was to

investigate the benefits women derive from their small scale businesses that has influenced women's socioeconomic status consisting of ability to save from their IGA undertakings.

4.5.1 Income Generating Activities

The study sought to establish the nature of income generating activities, the respondents were engaged in and if there had been business growth. To achieve this, respondents who participated in the study were asked to state the nature of income generating activity (IGA) that the respondent had increased her business capital fund during the last 12 months and if so by how much and whether the IGA had realized profit in the last twelve months. Out of the 94 respondents talked to 19(27.1%) were engaged in milk vending and 19(27.1%) had realized profits in the last twelve months. 13(18.6%) were engaged in selling vegetables and out of these only 2% did not realize profit within a period of twelve months. 1(1.4%) of the women participants in SSB was engaged in selling cooked food and realized a profit 8(11.4%) were engaged in selling fish and had benefitted during the last twelve months. Of the number interviewed, 12(17.1%) of the women were involved in trade in cereals, of which 12(17.1%) had benefitted during the last 12 months. 1(1.4%) was engaged in selling sugarcane. The 1(1.4%) had realized a profit in the last twelve months. Of the 94, 8(11.4%) were engaged in selling dried cassava of which they realized profits in the last twelve months. 3(4.3%) of the respondents were involved in other businesses. This was illustrated using table 4.12 as follows:

Table 4.12: Nature of IGA and Profits Realized in Last Twelve months.

Nature of IGA	Freq	Percentage
Milking vending	19	27.1
Selling vegetables	13	18.6
Selling fish	8	11.4
Selling cooked food	1	1.4
Selling juice/fruit products	3	4.3
Dry/pilled potatoes	2	2.9
Dried cassavas	8	11.4
Selling cereals (maize,beans,peas,millet,sorghum & rice)	12	17.1
Selling sugarcane	1	1.4
Other businesses	3	4.3
Total	70	
Did not participate in IGA	24	100.0
Total	94	100.0

Source: Field data

The study findings revealed that those who were involved in selling vegetables, two were aged 60 and 65 and were both widows did not realize any profit in the last twelve months. The study established that SSB women engaged in wide range of incoming generating activities and realized profits 68(72.3%) in varied amounts. According to Blumberg (2001) women are astute about running their little businesses, if they access loans and tend to be more responsible about using it for its intend purposes and are known for entrepreneurial spirit if they can access the much – needed short – term working capital. Capital computation. Initial value =>Capital + increase and Final value => Income charge*12

Table 4.13: Paired Samples Statistics.

NO.	Business Capital Fund Value		N	Std Dev.	Std Error
	Mean	Mean			
Pair 1 5419.91	Milk Vending Initial value	14435.78	19	23624.87	8197.23
	Final Value	30568.42	19	35730.92	
Pair 2 10203.79	Selling Vegetables Initial Value	17289.84	13	36790.28	60636.90
	Final value	109384.61	13	2.18629E5	
Pair 3 2505.67	Cereals Capital Value Initial Value	6819.1667	12	8679.92	3541.13
	Final Value	13280.00	12	12266.85	

The study additionally sought to determine if there was a difference in the mean values of the initial business capital fund and the current business capital for milk vending, selling vegetables and cereals IGAs. This was illustrated using table 4.13 as illustrated above.

The initial value mean for milk vending was Ksh.14, 435.78 while for the final capital was Ksh.30568.42. The initial capital fund mean for selling vegetables was Ksh.17289 while for the final value was Ksh.109384. The initial value mean for selling cereals was Ksh.6819 while that for final value was Ksh.13280. The study found out that the statistical business mean capital fund value for vending milk, selling vegetables and cereals paired categories was higher when comparing the current to the initial situation. This implies that there was growth in the business capital value. Littlefield, et.al. (2003) found that with access to financial services, there was a marked shift income patterns of participating SSB women from irregular low income to diversified sources of earnings, increased and strong family reliance on small business.

4.5.2 Correlation of Initial and Final Capital Fund Value

The study further sought to determine the nature of relationship between the initial value fund and the final value capital fund for milk vending, selling vegetables and cereals IGAs. To achieve this study correlated initial values and final values for milk vending, selling vegetables and cereals. This was illustrated using table 4.14 as follows:

Table 4.14 Paired Samples Correlation

	N	Correlation	Sig.
Pair 1 Initial value and Final Value	19	.918	.000
Pair 2 Initial Value and Final Value	13	-.156	.611
Pair 3 Initial Value and Final Value	12	.928	.000

Values T: Test

The correlation value for initial business value for milk vending and final business value for milk vending was 918. The correlation value for initial business capital fund value for selling vegetables and final business capital fund value was 156. The correlation value for initial business capital fund value for selling cereals was 928. The correlation study findings confirmed that there was a strong correlation between the initial and final business capital fund for vending milk (918). It also revealed that there was a very good correlation between the initial and final business capital fund value for selling cereals (928). The findings demonstrated a very weak (-) correlation between initial and final business fund capital for selling vegetables (-156).

This means that there was business capital fund values growth for the women SSB participants engaged in IGAs based on increased earnings and improved control of financial resources for milk vending and cereals respectively and a negative for vegetable selling. This means the business did not register a profit and that the capital may have been used for other purposes other than boosting the business. (Mule, 2002) found that prominence of financial services in both rural and urban areas contributing to both productive and consumption needs.

Table 4.15: Paired Samples T Test

		95% Confidence Interval of the Difference					
		• Mean	Std. Dev.	Std.	Lower	upper	
		t	df	sig. (2-tail)			
				Dev.			
				Error			
Pair 1	Initial value – Final value	-16132.631	16889.109	3874.627	-24272	-7992.341	-4.164
18	.001						
Pair 2	Initial value – Final Value	-92094.769	2.27286E5	63037.737	-2.2944E5	45252.662	-1.461
12	.170						
Pair 2	Initial value – Final value	-6460.83	5318.91	1535.43	-9840.309	-3081.356	-4.208
11	.001						

The t values were -4.164 for the milk vending initial and final business capital fund pair, -1.461 for the selling vegetable initial and final business capital fund pair -4.208 for the cereals initial and final business pair. The degrees of freedom were 18 for milk vending initial and final business capital fund, 12 for the vegetable initial and final capital funds and 11 degrees of freedom for the cereals initial and final business capital fund. The significance value was .001 for milk initial and final business capital fund, .170 for vegetables initial and final business capital fund and .001 for the cereals initial and current business capital fund. In two scenarios the significance value is less than .05 except in vegetables where the significance value was .170. In the two scenarios where the significance value was .001 therefore meaning that the difference is statistically significant for vegetables, milk and cereals sales implying there is a change between final

and initial capital. Though the relationship is weak in vegetables because it registered a negative initially.

4.5.3 Use of Accumulated Savings

The study sought to find how SSBs uses different the accumulated savings, the respondents who participated in the sturdy were asked to state the use to which they had put their savings from the SSBs. Of the 94 respondents 20(21.3%) used their savings for consumption whereas, 17(18.1) used their savings for social ceremony while 15(60.0%) had used their savings to purchase or increase their stock. 14(14.9%) used their savings for medical expenses 10(10.6%) had used their savings for school expenses. 8(8.5%) used their savings to debt payment. Another 5(5.3%) used their savings for agricultural purposes and 2(2.1%) had used their savings to purchase a plot. This is illustrated in the table 4.16 below

Table 4.16: Uses of Accumulated Savings for Women in SSB

Saving use	Frequency	Percentage
Purchase of plot	2	2.1
School expenditures	10	10.6
Loan/debt repayment	8	8.5
Agric purposes	5	5.3
Increased household assets	3	3.2
Purchase/increase stock	15	16.0
Medical care	14	14.9
Social ceremony	17	18.1
Food for household	20	21.3
Total	94	100.0

Source: Field data

An analysis of household level data demonstrated that access to financial services enabled Bangladesh Rural Advancement to Community clients (BRAC) to reduce their vulnerability through smooth consumption and building assets. This study also established that a significant number of respondents had used their savings for social ceremonies examples, medical care, and education expenses respectively. (Kabeer, 1998)

in a study of SHARE clients in India found that three-fourths of people who participated in the financial services program for longer periods saw significant improvements in their economic well being based on sources of income ownership of productive assets and housing condition.

In-depth interviews divulged that women who participate in SSB tend to be better in the sense that they can acquire household assets among other things with the lump sum obtained from their savings. In depth interviews again revealed that women have benefited from saving services offered by MFI like KWFT and FAULU. Majority have taken opportunity to save. Key informants were agreeable that their ROSCAS offer chance to accumulate money in affordable amounts and the opportunity to get lump-sum payouts with profits at the end of the cycle for consumption or investment similar findings were recorded by Mutua & Oyugi, (2006).

4.5.4 Value of Investment and Expenses

It was deemed important for the study to establish the value of the investment undertaken and expenses incurred by the respondents with regard to household's children's education, household members' medical expenses, and clothing expenses for household member's special events like birth or weddings and general improvements of the house in the last twelve months.

This was meant to give an indication of the nature of everyday expenses the households of women SSB participants were occupied with and the average amounts involved. To achieve this the respondents were asked to state the amounts in Kenya shillings that they had put in education, mechanical, clothing, special events and the house improvement in the last twelve months. The responses were illustrated using the table 4.17 as follows:

Table 4.17: Average Expenses of SSB Women Participants

Nature expenses	Statistical Mean (Kshs)
Education	31,286
Medical	34,066
Clothing	27,346
Special events (wedding, birth)	37,035
House improvement	21,292

Source: Field data

Special events recorded expenses with a statistical mean of Ksh.37,035. This was followed by medical expenses with a mean of Ksh.34,066 children's education recorded a statistical mean of Ksh.31,286. Clothing expenses had expenses of Ksh.27,346 and house improvement came last with an expenses of Ksh.21,292. Household's special events expenses were reported way beyond all other expenses. In comparison to investment in children's education that registered a decrease in contrary to the initial reflection in the proportion of respondents putting their savings in school expenditures.

4.5.5 Improvement in Monthly Income

This study sought to establish if there had been an improvement in the monthly income of women. To achieve this, the respondents were asked to state if there had been a change in their average monthly income and indicate by how much. Out of the 94 respondents who participated in the study, 76(80.9%) agreed that there was a change in their average monthly income as opposed to 18(19.1%) who said there was no change. This was illustrated using table 4.18 as follows.

Table 4.18: Change in Average Monthly Income

Category	Freq	Percentage
Yes	76	80.9
No	18	19.1
Total	94	100.0

Source: Field data

This response was clear given the overall pointers to other indicators indicating a degree of responses based on the comparison with other more objective indicators being collected.

4.5.6 Cross Tabulation and Chi-square Test

To bring this to perspective, the study sought to establish the relationship between obtaining a loan and change in monthly income. To achieve this, use of chi-square test was employed in preparation of cross tabulation between and change in average monthly variables to generate significant test results. This was illustrated using table 4.19 as follows:

Table 4.19: SSB Source of Loan and Change in Average Monthly Income (Income Change *12)

Cross tabulation

Sources of loan											
Groups	6000	12	14400	18	24	30	36	42	60	120000	Total
Managed sav./credit	1	0	0	0	0	0	0	0	0	0	1
GPS											
Formal Bank	0	1	0	0	1	0	0	0	2	3	7
ROSCAS/Merry go round/Chama	0	0	0	2	1	0	2	0	0	0	5
SSB Savings + Loaning	0	0	3	0	0	2	0	0	0	0	5
Moneylenders	0	0	0	0	1	0	0	3	1	0	5
Supplier Cred. For Input (Agric)	0	0	0	1	0	0	0	0	0	0	1
Total	1	1	3	3	3	2	2	3	3	3	24

Person chi-square can test independence or relationship between variables. A test of independence assesses whether paired observations on two variables, express in a table are independent of each. For the test of independence, a chi-square statistic being at or larger than the 0.05 critical points, is commonly interpreted as justification for rejecting the relationship. Therefore, chi-square closer to 0.0 shows no relationship between the two variables and close to 1(0.9) shows existence of relationship between the two variables. For this study, the chi-square test was used to establish whether access to loan had contributed to change in average monthly income.

The study found out that:

There is no statistical association between access to loan from (Formal Bank) and change in average monthly income respondents. The test results were illustrated using table 4.20 as follows:

Table 4.20: Chi-square Tests.

	Value	Df	Asymp.(2-sided)
Person Chi-square	1525.000a	875	.000
Likely hood Ratio	374.278	875	1.000
Linear- by- linear association	5.339	1	.021
N of valid cases	61		

- a. 936 cells (100.0%) have expected counts less than
- 5. The minimum expected count is 0.2

The person chi-square value for this test is denoted by 0.000. This is close to 0.0 and shows that there is no relationship between the two variables. The alternative association is therefore rejected. This implies that there is no relationship.

4.5.7 Social (Self Esteem) and Perception of Social Status

This study sought to explore the relationship between participation in SSB and change in social standing and self esteem of the women. To achieve this, the respondents were asked to rate certain statements based on how they felt the statements applied to their particular situation with regard to self esteem and perception of social standing. The responses were categorized in a scale of 1-4 with 1 being strongly disagree and 4 being strongly agree. Out of 94 respondents who participated in the study, 63(67.0%) strongly agreed, 22(23.4%) somehow agreed, 7(7.4%) somehow disagree and 2(2.1%) strongly disagreed that they can resolve problems on their own. Of the 94, 56(59.6%) strongly agreed, 29(30.9%) somehow agreed, 8(8.5%) somehow disagreed that they always find some way to deal with their problems. Out of the 94 respondents, 37(39.4%) strongly disagreed, 27(28.7%) somehow agreed, 10(10.6%) somehow disagreed that they can influence their husband's decision making. Of the 94 respondents, 0(0%) strongly disagreed, 4(4.3%) somehow disagreed, 13(13.8%) somehow agreed and 77(81.9%) strongly agreed that they can take action to improve their life. Out of the 94 respondents, 16(17.0%) strongly disagreed, 8(8.5%) somehow disagreed, 29(30.9%) somehow agreed and 41(43.6%) strongly agreed that they can influence important decision in their community.

Of the 94 respondents, 10(10.6%) strongly disagreed, 9(9.6%) somehow disagreed, 27(28.7%) somehow agreed and 48(51.1%) strongly agreed that they are confident to speak in community meetings. Out of the 94 respondents, 0(0%) strongly disagreed, 0(0%) somehow disagreed, 25(26.6%) somehow agreed and 51(54.3%) strongly agreed that their husbands show them respect. 18(19.1%) study participants did not respond to this statement because they were widows. Kabeer (1998) found that in microfinance programs, changes occurred at a personal level in the form of increased self-worth. At the household level, women's increased contribution of resources led, in a majority of cases, to declining levels of tension and violence. Women often reported feeling an increase in affection and consideration within household with longer program membership.

Of the 94 respondent 0(0%) strongly disagreed, 0(0%) somehow disagreed, 10(10.6%) somehow agreed and 66(70.2%) strongly agreed that their husbands value their role in the household. 18(19.1%) of the respondents did not respond to this statement because they did not have husbands. Of the 94 respondents, 9(9.6%) strongly disagreed, 13(13.8%) somehow disagreed, 29(30.9%) somehow agreed and 43(45.2%) strongly agreed that members of the extended family show them respect. Out of the 94 respondents, 0(0%) strongly disagreed, 18(19.1%) somehow disagreed, 29(30.9%) somehow agreed and 47(50.0%) strongly agreed that people in the community ask and value their opinion. Of the 94 respondents, 0(0%) strongly disagreed, 16(17.0%) somehow disagreed, 32(34.0%) somehow agreed and 46(48.9%) strongly agreed that people in the community respect them. The responses were illustrated using table 4.21 as follows:

Table 4.21 Women Self Esteem and Perception of Social Position

	Strongly disagree	Somehow disagree	Somehow agree	Strongly agree N/A	Total
I can resolve problems on my own	2 2.1%	7 7.4%	22 23.4%	63 67.0%	94 100%
I always find some way of dealing with my problems	1 1.1%	8 8.5%	29 30.9%	56 59.6%	94 100%
I can influence my husband's decision making	2 2.1%	10 10.6%	27 28.7%	37 39.4	N/A N/A
I can take action to improve my life	0 0%	4 4.3%	13 13.8%	77 81.9%	94 100%
I can influence important decisions in my community	16 17%	8 8.5%	29 30.9%	41 43.6%	94 100%
I am confident to speak	10 10.6%	9 9.6%	27 28.7%	48 51.1%	94 100%
In community meetings my husband shows me respect	0 0%	0 0%	25 26.6%	51 54.3%	94 100%
My husband value my role in the household	0 0%	0 0%	10 10.6%	66 70.2%	94 100%
Members of the extended family show me respect	9 9.6%	13 13.8%	29 30.9%	43 50.0%	94 100%
People in the community ask and value my opinion	0 0%	18 19.1%	29 30.9%	47 50.0%	94 100%
People in the community respect me	0 0%	16 17.0%	32 34.0%	46 48.9%	94 100%

Source: Field data

The responses from the tabulation were interesting. In all the scenarios the women strongly agreed with the statements that depicted high self esteem, recognition of self worth and strong perception of social standings.

From the findings, it is easy to deduce that participation in SSB brings about a sense of confidence, high opinion of one's self and improved self image. It also enhances perception of the women's social standing. Kabeer (1998) found that with access to financial services, changes occurred at a personal level in the form of increased self worth. At the level of the household, Kabeer found that women's increased contribution of resources led, in a majority of cases, to declining levels of tension and violence, women often reported feeling an increase in affection and consideration within the household with longer involvement in business participation. Hess (1988) found that women also gain relative freedom of movement with access to financial services and economic power leading to influence by women (often indirect) in community affairs and ultimately, more protection from male violence. It was reported during the qualitative interviews that the status of participating women is enhanced since in case of need or emergency, they do not need to go begging from unwilling creditors thus enhancing their self worth and dignity. It was also mentioned that participation in SSB not only creates a forum to socialize and share ideas to do with the family but also deliberate on community matters and not just idea of improving the household livelihood. In one rare instance a female respondent from focus group discussion says SSB is a "gate way to peace and security in the house."

4.6 Challenges Experienced and Coping Mechanisms

It was vital to establish ways of addressing the challenges facing women participating in SSBs in order to minimize effects on the SSB participants and help promote the informal sector.

4.6.1 Challenges Experienced

The study sought to establish the challenges facing women participating in SSBs. To attain this, the respondents were asked to indicate challenges that they experience by participating in SSBs. Out of the 94 respondents 12(12.8%) mentioned that business lacked frequent customers hence the few goods remaining were sold at a throw away

price. 11(11.7%) said that competition from other businesses and selling on credit was prevalent. 27(28.7%) mentioned inadequate capital to run the businesses and the savings realized were used to meet other needs rather than boosting the business leading to no profit making. 6(6.4%) cited lack of diversity in business operations. 38(40.4%) indicated that there were no challenges experienced by SSB participants. This was illustrated using table 4.22 as follows:

Table 4.22: Challenges SSB Women Experience

Challenge	Freq	Percentage
Stale goods due to no frequent customers, selling at lower prices and insufficient goods.	12	21.4
Inadequate infrastructure, competition and credit facilities	11	19.6
Inadequate business capital, no profit, use of business savings to meet needs not related to boosting the business.	27	48.2
Lack of diversity in business operation	6	10.7
Total	56	100.0
No challenges experienced	38	40.4
	94	100.0

Source: Field data

Most micro-enterprise financial resources are not usually isolated from personal finances and hence these family obligations are met from resources earned in the business. Their demands tend to drain the savings and income made by the business, since such finances would otherwise have been used in the enterprise for expansion and growth. Though some of them do assist in providing services in the enterprise (or in the family), the financial obligations in supporting them usually exceeds the services they provide (Ahmad & Mohan, 2011).

4.6.2 Coping Mechanisms

The study sought to establish source of the coping mechanisms employed by the respondents participating in SSBs to overcome the challenges experienced. To attain this, the respondents were taken through a discussion on how they cope with the challenges they experience while participating in SSB. Some of the coping mechanisms mentioned include acquisition of loans from financial institutions, chamas, boost from husbands, purchase of goods in smaller quantities for easy disposability, having and using other

savings other than business capital, family and early arrangements for transportation of goods, improved modern farm input, displaying goods attractively, improving the quality of goods and using persuasive/business language to sell and price moderation. The recently operationalized Micro Finance Act, 2006 was intermediation efficiency for the marginalized rural populace coupled with joint effort of informal actors who are mostly individuals, friends, family, relatives, money lending services, Rotating and Savings and Credit Associations-ROSCAs or merry-go-rounds among others Mule, 2002).

4.6.3 Ways of Addressing the Challenges

The study sought to determine possible ways by which challenges experienced by respondents participating in SSB could be addressed. To achieve this, the respondents were asked to indicate possible ways of addressing challenges that they experience. Out of 94 respondents 10(10.6%) said that business women should seek reliable /affordable means of transport, apply for loans from (MFIs) and that they should retain their customers through price moderation, 12(12.8%) mentioned tarmacking of roads, reduction of taxation rates by the local authorities to minimize their expenses and 21(22.3%) indicated that their business owners should diversify to avoid stiff competition brought about by dealing in similar products by women in SSB. 13(13.8%) respondents talked about provision of machine by the ministry concerned to boost Agric-business entrepreneurs. 38(40.4%) did not attempt to answer this question considering that they did not experience any challenges with participation in SSB. This was illustrated using table 4.23 as follows:

Table 4.23: Ways of Addressing Challenges Facing SSB Participants

Recommendation	Freq	Percentage
Seeking reliable/affordable means of transport, applying for loans from (MFIs) and other donors	10	10.6
Improved storage devices and improved infrastructural development.	12	12.8
Diversification to reduce stiff competition	21	22.3
Government boost to agri-business entrepreneurs.	13	13.8
Total	56	59.6
Not applicable	38	40.4
Total	94	100.0

The study established that majority of the interviewees 21(22.3%) recommended that the impact of this initiative (diversification) will only be effective with improved innovation and participation of women in entrepreneurial activities and effective management of the fund by women in Kenya in general and Simur-Kondiek of Siaya County in particular. The small scale businesses are quite prominent in both rural and urban areas contributing to both productive and consumption needs. The small scale businesses have potential for growth as well as entry into international markets, and some are already in the export trade (Stevenson & St-Onge, 2005).

Conclusion of the findings

The study established that majority of the interviewees 21(22.3%) recommended that the impact of this initiative (diversification) will only be effective with improved innovation and participation of women in entrepreneurial activities and effective management of the fund by women in Kenya in general and Simur-Kondiek of Siaya County in particular. The small scale businesses are quite prominent in both rural and urban areas contributing to both productive and consumption needs. The small scale businesses have potential for growth as well as entry into international markets, and some are already in the export trade (Stevenson & St-Onge, 2005).

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of findings, conclusion, recommendations and body of knowledge.

5.2 Summary of the Findings

The main objective of this study was to examine the participation of women in small scale businesses and financial services access in Ukwala, Simur-Kondiek sub-location. Examining the nature of participation in SSB was explicitly the focus of this study. In order to determine the relationship between participation in SSB and the derived benefit by the women, data related to saving modes amounts and usage and loans contracted in the last 12 months and the purpose of those loans was sourced. Data related to women's income generating activities and changes in their business capital funds and profits coupled with the value of their investments and related expenses and overall change in their monthly income was also obtained. This data was subjected to preliminary analysis to test independence or relationship between paired variables to compare their means and to compute the difference was significantly different from zero. Information concerning the women self-esteem and their perception of their social status was also captured. The results obtained indicate that women participating in SSBs have access to saving and loan services and social fund. The schemes are savings-based and correlation tests showed that there is a positive relationship between amount saved and amount borrowed. This implies that as the amount of savings increases, the amount of loan contracted to borrowers from the financial institution such as KWFT, Formal Bank also increases participation in SSBs has therefore enhanced access to financial services for women in Simur Kondiek Sub location. Before starting a small scale business, majority of women used to keep their money under their beds in the house 30(31.9%). Others used to save with systems such as merry go rounds and chamas 36(38.3%), 19(20.2%) saved in the Post Bank, 5(5.3%) saved with SACCO/Cooperative society.

Only a small percentage 2(2.1%) never used to save at all. The study results found that involvement and participation in SSB has improved access to basic financial services as denoted by the initial saving mechanisms preferred and the participation in SSBs at present. The study results also indicate that there is a strong correlation between the initial and the current business capital funds for vending milk, selling vegetables and cereals that were analyzed. Further tests showed that the business capital fund value for all the three paired categories was higher than twelve months earlier and that the difference of the mean for business capital fund of the paired variables was statistically significant.

To assess the relationship between access to financial services and improved livelihood. The results revealed that there is no association between access to financial services and increase in business capital fund value, as well as improvement in average monthly income have shown that financial services have affected fund value and average monthly income of women participating in SSBs.

The T-test confirmed that the difference is statistically significant for milk, vegetable and cereal's cases implying that there is a change between current capital and initial capital in these three cases. This means that there was improvement in business performance as a result to access to saving and loan services. Cross tabulation and person chi-square tests show that there is a strong relationship between SSB being source of loan and participation of women in SSB also bring about a sense of confidence, high opinion of one's self and improved self image. It also enhances perception of the women's social standing. Self worth and dignity is felt by the women participants due to the ability to meet their recurrent and emergency obligations without necessary begging or seeking for assistance. Participation in the business also creates a forum to socialize and share ideas on family issues and deliberate in community matters.

Difficulty in repaying loans is a challenge experienced by SSB women. This was attributed to business opportunities. Institutions have put in place mechanisms to ensure repayment including giving out of small management including giving out of small manageable loans for ease of small manageable loans for ease of repayment and suggestions for guarantees and collateral.

5.3 Conclusion

The typologies of women who operate small businesses in Simur Kondiek highlight the diverse reasons which draw women to the sector. Despite such diversity, however, it is apparent that many women share common experiences. Whether they are escapees from the corporate world, women buying a job, or women who require flexibility in their working life, many small businesswomen experience, in one form or another, the effects of time poverty, their multiple roles or the culture of advantage in addition to lack of confidence and other such factors. However, policy makers should not view these factors of influence as being independence of each other, or anticipate that women will respond uniformly to strategies to mitigate these factors. Rather they should endeavor to understand the complexities governing the participation of women in small business and the heterogeneous nature of the women themselves and their businesses.

Overall there is little understanding from either policy makers or economic analysts about the expansion of businesses and their linkage to other life aspects of owner/operators. While this point is gender-inclusive; it also especially pertains to women given that their multiple roles often preclude them from following normal business and work trajectories.

To advance knowledge and understanding in this area, this paper has presented a new model which endeavors to link some of the aspects described above to provide a better understanding of the dynamics of the interrelationships existing between business type, motivation of owners, and current preferred mode of operating by women in small business at Simur Kondiek. It is felt that the proposed cellular model presents an opportunity to better investigate the heterogeneous nature of small business, while also providing an understanding of some of the dimensions associated with economic contribution. If such a model was developed and explored, we believe that new strategies would be devised not only to meet the Government's objectives in the field of small business, but also to impact the progress of women to ensure that they reach their full potential.

The study findings also demonstrated that there is a relationship between participation in SSB and improvement in social and economic livelihood of women in Simur-Kondiek sub-location. This was established by the indicators of growth and socio economic well being, saving investment, school and health care social expenses, income generating activities investments, improved average monthly income, business capital fund growth improvement in business performance. Study findings also demonstrated that participation in SSB, women perception of their societal standing and a sense of belonging and participation in shared or communal undertakings. This enhances their self worth and makes them live in charity as individuals while investing their collective social capital as groups. One can therefore conclude that participation in SSB improves the socio economic livelihood of women. It was evident that inadequate capital was a major challenge experienced by SSB women. The government financial trust funds initiated scheme was put in place as a mechanism to influence women to take up business opportunities and to ensure financial stability. One can conclude that less business opportunities arise due to the small amounts or sums of money involved.

5.4 Recommendations

Having looked at the theoretical framework, conceptual analysis alongside the literature review and the study findings, the following recommendations are made; Awareness is created and women are mobilized and sensitized to adopt SSBs model in order to be able to access financial services for their development. This is because participation in SSB has ensured and enhanced access to financial services especially in rural set ups where conventional financial sector players are either limited or non existent precisely, participation in SSB by women in this study has made significant contribution to improving access and initiation and growth of income generating activities for the women. This should be an area of focus for government and for development practitioners and should be factored in development plans and poverty alteration strategies with a view of reaching a critical mass of the unbanked women in order to contribute to improving standards of living of majority rural households.

5.4.1 Recommendation for Further Research

This study did not explore certain important areas due to scope and limitations of time and other resources. The study did not examine the actual lending patterns of the individual participants. Due to this limitations, there is little information on whether most or only a few women participants can access loans. In view of this, the study makes these recommendations:

1. A comparative study among women participants in business and those that do not also need to be carried out. This will help to understand the effects of extraneous variables on the relationship between participation in SSB and improvement in household livelihood.
2. A study is conducted to establish the definite lending patterns for SSB operators in order to determine whether all women participants access loans. It was noted that there were women within the locality of the study area who were involved in SSB but did not take any loan even though such provisions were available. This could be an attitude problem but need to be investigated in order to contribute to efforts in promoting participation in SSBs.

Through such a study, best practices and proposals can merge that would help inform development programming in the informal sector.

5.5 Contribution to the Body of Knowledge

This study has helped establish that rural women of diverse backgrounds ages, marital status and occupation participate in SSB. It has also helped to ascertain that participation in SSB has greatly improved access to savings and loan services for the women. The study has also found that there is a strong positive correlation between participation in SSB and improvement in the household livelihood.

The study found out that women experience difficulties for instance lack of diversification leads to less business opportunities hence problems in repaying loans and that scheme (lenders) have put in place mechanisms to ensure repayment.

Table 5.1 Study Contribution to Body of Knowledge

Objective	Contribution to Body of Knowledge
Examine sources of financial services accessed by women participating in small scale business.	Women of all diverse ages, marital status engage in SSBs and accessed money from financial institutions based on ability to develop sustainable capital.
Explore the nature of business in which women participate.	The income generating activities women are engaged in are basic food products.
Benefits women derive from SSB	Participating in SSB greatly influenced improved access to financial services for women which were limited and in certain cases non-existent. Cross tabulations, T tests and persons chi-square tests of hypothesis show that there is a strong relationship between participation in SSB and improved economic status. Discussions demonstrated improved perception of self and social standing.
Establishing ways of addressing the challenges facing women participation in SSB.	Difficulties in repaying loans due to less business opportunities are a challenge mechanisms put in place to ensure repayments.

Source: Field data

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