

**THE ROLE OF MICRO FINANCE INSTITUTIONS IN THE DEVELOPMENT
OF SMALL AND MEDIUM ENTERPRISES IN KENYA: A CASE STUDY OF
EQUITY BANK MERU BRANCH, KENYA.**

BY

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DECLARATION

I **KITHAKA KENNEDY MBUGI**, declare that the report presented to Kampala International University is my original work and has never been submitted to any institution/organisation for any award.

Signature 

KITHAKA KENNEDY MBUGI

Date th 12 Dec 2009

APPROVAL

This research report has been done under my supervision as a university supervisor and submitted to the school of business and management with my Approval.

Signature

MR. KABAGAMBE JESSE DAVID.

Date

DEDICATION

This paper is dedicated to my dear parents Mr. and Mrs Jonathan Kithaka, my brother Timothy and sisters, Mitchell and Idah for the great contribution they rendered to me in order to come up with this research report.

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ABSTRACT

The study sought to establish and evaluate the role of MFI in the development of SME in Meru district and was driven by four objectives of establishing whether there are any existing approaches by MFI's in developing SME, analyzing how small and micro entrepreneurs benefit from micro-finance institutions, evaluating challenges micro-finance institutions face in helping develop SME's, identifying the possible solutions of how to improve micro credit schemes in Meru district.

To achieve these objectives, the researcher sampled 30 respondents from Equity Bank Meru branch Kenya and these included employees of the bank, manager of the bank. The study utilized two research methods, two data collection instruments. Structured questionnaire and interview guide. The collected data was presented in tabular form and presented statistically.

In as far as findings are concerned, it was found out that small micro-entrepreneurs benefit from micro-finance institutions in Meru and it was found out that absence of serious social reforms probably guarantees continued poverty in large parts of the Kenya.

It was also found out that, this can be a great help to poor people with good math skills, and some predisposition for entrepreneurship.

The researcher recommends that Institutions providing access to finance for long term investment in capital goods and short term financing for the purchase of raw materials or other items of working capital should be essential for SME creation and development. He also recommends that there should be availability of assistance in the selection and acquisition of technology as a valuable service when investment decisions are to be made especially when starting a business or in the case of business upgrading and growth.

CHAPTER ONE

1.0 Introduction

The study focused on the role of Micro-finance institutions in the development of small and medium enterprises in Kenya with regard to Equity Bank, Meru Branch, Kenya. This chapter presented the background of the study, Problem statement, Objectives of the study, research questions, scope of the study, significance of the study and conceptual framework

1.1 Background of the Study

Microfinance Institutions (MFIs) are specialized providers of financial services to micro-enterprises. Contrary to traditional money lenders, the MFIs tend to offer a large number of clients the opportunity to enter into a virtuous cycle of growth and capital accumulation thanks to their scale of operations and cost efficiency. Worldwide, mature microfinance institutions will have portfolio at risk rates under 3% (Africa 2%, Asia 2%, Eastern Europe 1%, Latin America 3%), which largely beats the non-performing loans levels of mainstream finance and commercial credit banks.

Small and micro entrepreneurs face many hurdles in getting startup financing, and they sometimes lack the skills necessary to manage the financial aspect of their business. As a result, many small and micro entrepreneurs cannot grow and develop their business beyond a micro enterprise. Various micro enterprise development programs have helped micro entrepreneurs achieve great success and growth. These micro enterprise development programs have immensely helped micro entrepreneurs who lack collateral needed to secure a loan or those who have low or no credit by providing them with

training, support, help in developing a solid business plan, and assistance in building their businesses. Successful small and micro entrepreneurs have contributed much to society by creating wealth, economic assets, and jobs. Gordon (2008).

Having commenced business in registration in 1984, Equity has evolved from a building society to a micro-finance Institution and now the all inclusive Nairobi Stock Exchange public listed commercial bank. With more than 2.8 million accounts, Equity is home to over 48% of all bank accounts in Kenya, making it the largest bank in the region in terms of customer base. The solidness of Equity Bank is underpinned by its massive shareholder fund base of over Kshs.17 billion complemented by an additional Kshs. 7 billion of subordinated tier of two capitals. The capital base makes Equity the most capitalized bank in the region.

Equity offers financial services through its over 90 licensed and still growing countrywide branch network and still growing supported by alternate Delivery Channels which include 350 Visa branded ATM's 2500 points of sale (POS), cash back services in all leading super markets as well as the internet and mobile banking channels.

1.2 Statement of the Problem

Despite the growing number of micro-finance institutions in Kenya, limited analysis of the role of micro-finance institutions on small and micro entrepreneurs have been conducted. The existing evidence about the impact on small and micro entrepreneurs on micro-finance institutions in Kenya is sparse, and few studies have investigated the role of micro finance institutions. There is very little literature on micro-finance in Meru district in general and Kenya in particular.

The area under study, Meru district, ranks the highest compared with other districts in Eastern region, in social and economic attainment however the poverty level is relatively high. More importantly, there is a need to evaluate why there are still poor people in Meru district though microfinance institutions offering credit services to the small and micro enterprises are present. Since it has been established that micro finance institutions play a major role in poverty alleviation, it is important to understand their involvement on the development of poor people.

There was a special need therefore, to study the economic and social development attained by people in Meru district in order to investigate the failures and gaps that have resulted in MFI not creating an impact to SMEs. Such empirical findings will also be used by other researchers to make comparisons with other districts in Kenya. This can be accomplished by studying and evaluating the trend of people's lives who have been receiving loans from micro-finance institutions like Equity Bank Kenya. It was anticipated that at the end of the study this research provides a clear picture of what the role of microfinance institutions in the development of small and micro enterprises encompasses.

1.3 General objective of the Study

The general objective of the study included evaluating the role of MFI in the development of SME in Meru district.

Specific Objectives

Specifically it:

1. Established whether there are any existing approaches by MFI's in developing SME
2. Analyzed how small and micro entrepreneurs benefit from micro-finance institutions
3. Evaluated the challenges micro-finance institutions face in helping develop SME's
4. Identified the possible solutions of how to improve micro credit schemes in Meru district.

1.4 Research Questions

1. Are there any existing approaches by MFI's in developing SME?
2. To what extent do small and micro entrepreneurs benefit from micro-finance institutions?
3. What challenges do micro-finance institutions face in helping develop SME's?
4. Are there possible solutions of how to improve micro credit schemes in Meru district?

1.5 Scope of the Study

Geographical Scope

The study was carried out in Meru Town, Meru District, Eastern District, eastern province, Kenya. The study involved selected employees from equity Bank, Meru branch Kenya sample from the accessible population from its clients represented the survey population. The study aimed at gender sensitivity in the selection of respondents to ensure that both men and women participate equally. The study took six months, where the researcher investigated how the role of MFI can help in developing SME's in Meru District.

Content Scope

The content scope of the study dwelt on understanding who are micro entrepreneurs, Micro-finance industry in Kenya, Role of micro finance for the development of SME's, The Generic Challenges faced by SME's and the nature of Micro-finance industry in Kenya.

1.6 Significance of the Study

Given the fact that literature on micro-finance is limited in Kenya, the importance of this study was that it may add to the literature, and may also provide a basis for further research. The study in hand benefited the Government of Kenya and its agencies, Micro-finance institutions, and other stakeholders in formulating policies and strategies with regard to poverty alleviation.

There is no doubt the result may contribute to the existing theories on Microfinance institutions and SME's focusing on their role in poverty alleviation. There is a greater hope also that the study may be a source of a great experience and a contribution to the academic career of the researcher.

1.7 Justification of the study

The reason of caring out this study was to evaluate the role of MFI in the development of SME in Meru district and establish relevant recommendations that may be adopted by Micro-finance institutions and other stakeholders in formulating policies and strategies with regard to poverty alleviation.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.0 Introduction

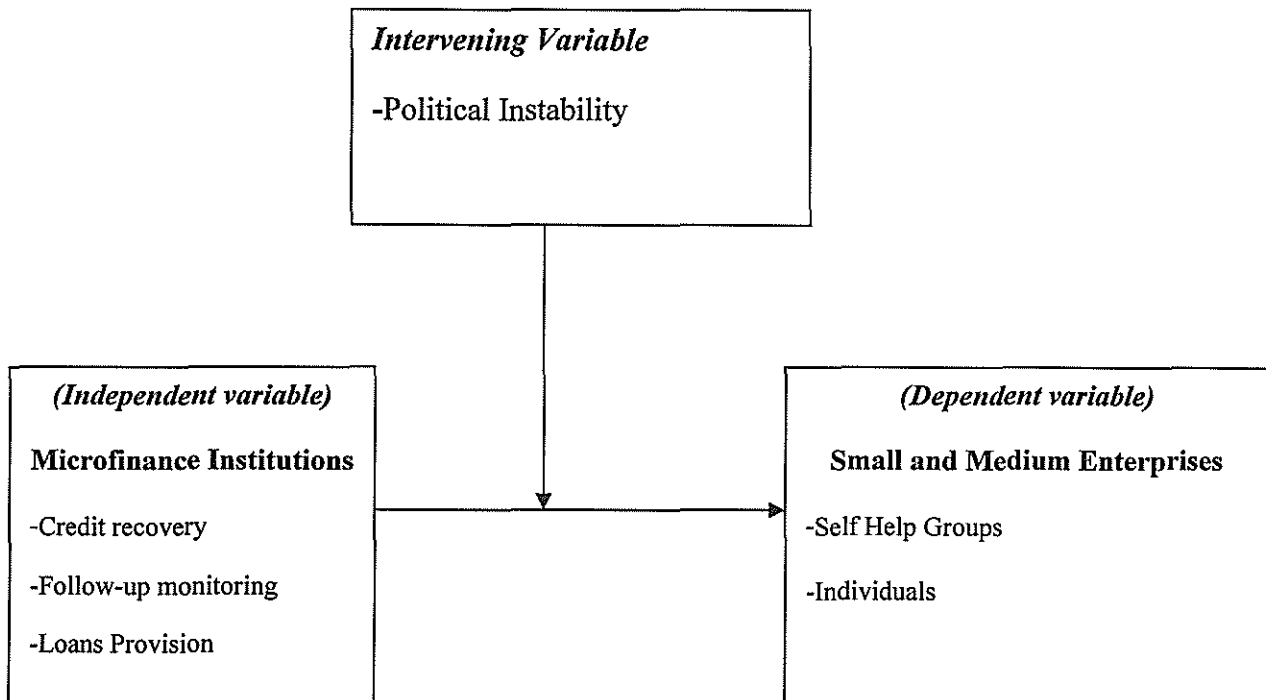
In this chapter, the literature review will be based on the research issues of this study whereby an analysis of the role of micro-finance institutions on small and micro-entrepreneurs will be conducted. Literature on the role of micro-finance on people in Kenya is very limited. In reviewing the literature, an attempt will be made to identify and analyze areas in which borrowers experience changes in their lives when they are provided loans for their enterprise activities. The literature review also will help to answer the research questions posed in the study.

2.1 Theoretical Review

An entrepreneur is a person who comes up with an idea for a business, decides how to produce the product, and sells the product to consumers. An entrepreneur takes risks, committing time and money to a business without any guarantee of profit. O'Sullivan & Sheffrin, (1998).

According to Bernard, (2007) an entrepreneur refers to one who undertakes the task and risk of organizing other factors of production. He/she is a coordinator, risk taker, innovator and a high level decision maker. He/she is rewarded with profit (or at times losses). Examples of micro entrepreneurs are owners of bakeries, beauty parlors, repair shops, arts and crafts shops, painting businesses, family-owned shops, auto body shops, small-scale restaurants, and small-inventory trading businesses. Gordon, (2008).

2.2 Conceptual Framework



Source: Researchers conceptualization 2009

The conceptual frame work indicates that the organizational goals of MFI and SMEs include economic empowerment. Therefore through a typical micro-finance intervention the SME can be facilitated through providing sound financial services that may include loans provision or by providing a savings facility for the Community who may either be individuals or SHG's (Self Help Groups). However political instability as an intervening variable can hinder the finance of Small and Medium Entrepreneur by Micro Finance Institutions.

2.3 Entrepreneurship Development in Kenya

Entrepreneurs are widely recognized as the prime movers of economic development; the people who translate ideas into action. An interesting though not widely accepted definition of an entrepreneur is a person who has the ability to scan and identify

opportunities in his or her environment, gather the resources necessary to take advantage of the opportunities and implement successful action to utilize the opportunities.

This definition identifies an entrepreneur by their behavior rather than the specific occupation they are involved in. Those who have studied entrepreneurial behavior have noted certain characteristics such as innovativeness, ability and willingness to take calculated risks, determination, insight, total involvement, independence, need for achievement, leadership ability and so on.

Recognizing the prime-mover status of business entrepreneurs, the Kenya Government has implemented a wide-ranging set of strategies to encourage people to initiate their own small businesses. The major focus for this effort is small enterprise development (SED). Small enterprise development in Kenya has traditionally involved establishing an enabling environment for small enterprise growth including analysis and adjustments to the regulatory environment that has been a hindrance to prospective small business owners. Formal small enterprise development policy encompasses entrepreneurship development programs under a heading 'Non-Financial Promotional Programs' (NFPP). The other two aspects in SED policy are the provision of responsive small enterprise credit facilities and an examination of gender issues.

2.4 Role of micro finance for the development

The growing number of micro-finance institutions is an indication of the different financial needs and arrangements of small and micro entrepreneurs. A number of these institutions such as the Promotion of Rural Initiative and Development Enterprises Limited (PRIDE) and Foundation for International Community Assistance (FINCA) in

Kenya are catering for small lenders whose absorption rate and spending ability is smaller. The Government of Kenya (GOK) is keen to note that micro finance institutions are playing a key role in the economic growth of the country and an economic development fund has been established to give an added boost to micro-finance lending. The Small and Micro entrepreneur is put as a spotlight in Kenya to help to lift the economic misfortunes of the communities and focus on bringing more capital to entrepreneurs through microfinance to reduce poverty. Ndungu(2006)

2.5 The Generic Challenges faced by SMEs

Small and micro enterprises (SMEs) form the bedrock of most economies. They are frequently the prime source of new jobs and play a crucial role in income generation, especially for the poor. Many governments and international donor agencies seek to promote the development of small and micro enterprises through establishing support agencies and enterprise development projects. These organisations provide business development services (BDS) such as training, advice, information, business planning, marketing, technology, communications and other services. BDS are often perceived as being useful in complementing credit and micro-finance programmes, and in assisting small enterprises with growth potential to become medium-sized enterprises. O'Sullivan (1998).

An important element for promoting enterprise development is to have a suitable enabling environment for business creation, survival and growth. The enabling environment refers, among other things, to policy and regulatory issues, to infrastructure, and to financial and business development services. Although SMEs represent the backbone of local economies in most developing countries, they are vehicles for

accelerating economic growth, generating employment, foreign exchange and tax revenue they often face a lot of constraints and challenges in their operations. These small entrepreneurs operate against heavy odds and slight changes in the external environment hit them strongly.

They are often confronted with fierce local and international competition, lack general skills in management, marketing and financial planning, limited access to information on market opportunities and sources of competitive technology. These constraints limit substantially the productive capacity and efficiency of SMEs in Kenya to be competitive within the context of globalization. SMEs are associated with poor accounting and financial records. The result is that entrepreneurs are unable to make business decisions on the basis of sound financial records. It also deprives third parties of a vital source of information upon which to evaluate potential relationships with the company.

2.6 Poverty Analysis

Poverty entails more than the lack of income and productive resources to ensure sustainable livelihoods. Its manifestations include hunger and malnutrition, limited access to education and other basic services, social discrimination and exclusion as well as the lack of participation in decision-making. Various social groups bear disproportionate burden of poverty. A social perspective on development requires addressing poverty in all its dimensions. It promotes people-centered approach to poverty eradication advocating the empowerment of people living in poverty through their full participation in all aspects of political, economic and social life, especially in the design and implementation of policies those policies that affect the poorest and most vulnerable groups of society.

An integrated strategy towards poverty eradication necessitates implementing policies geared to more equitable distribution of wealth and income and social protection coverage. A social perspective on poverty should contribute to the debate on the effectiveness and limitations of current poverty reduction strategies. Poverty analysis from a social perspective requires thorough examination of the impact of economic and social policies on the poor. A social perspective on development requires addressing poverty in all its dimensions. It promotes people-centered approach to poverty eradication advocating the empowerment of people living in poverty through their full participation in all aspects of political, economic and social life, especially in the design and implementation of and other vulnerable social groups.

2.7 Poverty eradication in Kenya

The definition and measurement of poverty in Kenya has evolved over time. The periodic changes in the definition stem from the variation both across time and space in the description of what constitutes socio-economic well being. Earlier definitions focused on the cost of meeting basic needs necessary for maintaining a minimum standard of living. The cost of minimum nutritional requirements is the most important component of the basic needs approach to the measurement of poverty.

This definition has been strengthened by including socio-economic indicators of well being such as high rates of morbidity and mortality, prevalence of malnutrition, illiteracy, high infant and maternal mortality rates, low life expectancy, poor quality housing, inadequate clothing low per capita income and expenditure, poor infrastructure (communication, transport, social services etc.). Others include high fertility, lack of access to basic services such as safe water, food insecurity and poor technology. In

entirely, these futures can be used to identify poor and non poor individual's households and societies or communities. An individual house hold or community found to be characterised by some or all of these futures can be identified as being poor.

Most elements of these aspects of poverty are based mainly on economic considerations. Consequently, many of these indicators are quantifiable. Recently, the definition of poverty has been further broadened. New definitions incorporate problems of self-esteem, vulnerability to internal and external risks, exclusion from the development process and lack of social capital. The new additions to the definition of poverty capture the qualitative aspect of socio-economic well being. A combination of the quantitative and qualitative definitions of poverty are utilized to identify who the poor are, the extent of their poverty, where they live and what they do for a living. These definitions also influence the design of pro-poor policies for economic growth, public expenditures, safety net programmes and tools for assessing the impact of programmes and projects on poverty reduction.

Generally poverty is a result of many and often mutually reinforcing factors including lack of productive resources to generate material wealth, illiteracy prevalence of diseases, natural calamities such as floods, drought and man made calamities such as wars. At the international level, an unequal economic and political partnership, as reflected in unfavourable terms of trade and other transactions for developing countries is also a major cause of poverty in developing countries. Some causes of poverty are not direct for example, traditions and norms which hinder effective resource utilisation and participation in income generating activities.

The assessment of poverty levels and trend is complicated by lack of consistent information and absence of officially recognised poverty lines. Partly due to the absence of official poverty lines some studies have used their own lines. Thus, “lower lines” denote basic food needs based on specific assumptions about eating habits, nutritional requirements, and cost, and “upper lines” cover in addition to such food requirements, and other essential needs, such as clothing, housing, water, and health. Moreover, a poverty line of One US\$ per day in real terms has been used to facilitate comparison with other countries.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter dealt with the research design, sampling procedure which included simple random and purposive sampling, sample size, method of data collection which included interviews, focused group discussions and the method of analysis.

3.1 Research Design

This study adopted a descriptive design. The researcher sought to establish solutions to significant problems. This was done by collecting information about people's attitudes and opinions. The researcher constructed questions that solicited the desired information and identify the respondents to be surveyed. The researcher identified the means by which the survey was conducted and summarized the data in away that provided the designed descriptive information. The study involved clients from Meru District who have received micro-financial services from Equity Bank (K) limited.

3.2 Study Population

The study was carried out from various departments at Equity Bank. Selected heads of department in other sections were used as a source of information to the study. The heads of other sections across departments were used given that Micro-Finance initiatives are one of their key selling products.

3.3 Sample size and Selection

The study population constituted the credit Management of the Bank, Bank employees and their SME clients. The heads of division were used as informants on the mode of

credit dispatch and monitoring to SMEs, because they experience constant interaction with SMEs being investigated.

Table (1) Distribution of Respondents

Divisions	No. of Respondents
SMEs Clients	18
Equity Bank Employees	8
Management	4
Total	30

Source: Primary Data

3.4 Sampling Techniques

The sampling procedure that was used in this study is simple random sampling and purposeful sampling. The researcher employed these sampling techniques because they enabled an in-depth knowledge of the study using a small population sample from each of the selected respondents. Simple random sampling employed enabled the researcher to give the respondents an equal chance of being selected therefore minimizing bias in the research. Whereas Purposive sampling is a technique that allows a researcher to use cases that have the required information with respect to the objectives of the study this is supported by Gay (1996).

3.5 Data collection methods

Data collection was from two main sources; primary and secondary. Secondary sources included relevant documents and reports. Secondary data was collected by reviewing available literatures/publication in relation to the topic. The researcher employed the

technique to pick information that was available from these reports. In using Primary sources data was collected from selected respondents. Primary data was gathered using Focused Group Discussions and Questionnaires. It involved both qualitative and quantitative approaches. The use of the two approaches at the same time in basic research was recommended by Gay (1996) as the best way to get sufficient results.

3.6 Instruments for data collection

3.6.1 The questionnaire

The semi –structured questionnaire and structured questionnaire were the main instrument of the study to be administered to the staff and the Banks clientele. Both Open and closed ended questionnaires were administered, this was because Close ended questionnaires were easier to analyze since they are in an immediate usable form and again each item is followed by alternative answers. Open ended questions permitted a great depth of response, when a respondent was allowed to give a personal response, usually reasons for the response given were directly or indirectly included. They were simpler to formulate mainly because the researcher did not labour to come up with appropriate response categories.

3.6.2 Focused Group Discussions

Focused group discussion was used to generate information for the respondents. The composition of the groups was limited to those with similar characteristics, such as socio economic status, so that the members could feel free in contributing to the issues at hand. This allowed members to share their views, experiences and opinions. Thus creating interpersonal interactions creating a free and enjoyable environment, Krueger (1996).

Focus group interviews are groups of people whose opinions and experiences are solicited simultaneously. This is efficient in that it generates a lot of dialogue.

3.7 Validity and reliability of instruments

The validity of the questionnaire was established by expert judgment method proposed by Gay (1996). Two experts in the field of research were contacted to judge the materials. The researcher adjusted the materials according to the expert's recommendation and analysis.

3.8 Data analysis

The data which was collected and scrutinized then edited to eliminate any errors. The collected data was coded; this is the process of translating edited responses into numerical figure. The study used both qualitative and quantitative data analysis. Also, the researcher used the generated tables, charts, and percentages to show the role of micro finance institutions for the development of small and micro entrepreneurs.

3.9 Limitations of the study

Some targeted respondents may not be willing to cooperate and those who will be willing may not be able to provide full data on time as needed by the researcher. Despite of he above limitation the researcher will try his level best to execute the required study and come out with a comprehensive report. Time factor will equally be essence due to academic Pressure.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF THE RESULTS

4.0 Introduction

This chapter of the study systematically presents the results that were obtained from the research that was conducted. The results are quantitatively presented. The analysis and interpretation follows tabular presentation at some stages and the interview results from the respondents are also presented to supplement the quantitative presentation.

The presentation of the study is guided by the research questions that guided the study. The background information of the respondents however is also presented. Hence forth, the presentation is divided into two sections where section one presents the background information of the respondents, while section two, represents the results of the study according to the interview guide and the research questions that guided collection. The presentation of the data follows in the following discussion.

4.1 Section One: Background Information

The presentation of this data as already pointed out is done in two sections. The current section presents the background information of the respondents. The researcher felt this information was important because the respondents, background with the organization determines their ability to possess the required information and subsequently determined the necessity of the researcher to probe for any detail and establish sufficient rapport with the respondents.

On the respondents, gender distributions the researcher established the situation as presented in Table (2).

Table (2): Gender distribution of the respondents

	Respondents	Percent
Male	16	53.3
Females	14	46.7
Total	30	100.0

Source: HR Department

As can be observed from Table (2), the majority of the respondents were males. That is 16(53.3%) of the total respondents as compared to 14(46.7%) who were the females. The results indicate that during the survey, the males were more accessible than the females. Even during the Focused Group discussion however, respondents expressed that in Equity Bank, the males in all the departments were more than the females. This made it possible for the researcher to interact with more males than he could with the females. The distribution however indicates that, there was adequate participation of both males and females in the study, which gave the researcher the opportunity to solicit varying views from both gender settings.

The researcher also endeavored to explore the level of education of the respondents. This variable was deemed worth establishing by the researcher because the education level of the individual determines his or her ability to possess adequate information. The results on the level of education of the respondents are presented in Table (3)

Table (3): The distribution of respondents by their level of education

Level of Education	No. of respondents	Percentage
Other Certificates	5	16.7
Diploma CPA (K)	11	36.6
Degree	8	26.7
Masters	6	20
Total	30	100

Source: HR Department

Table (3), The researcher inquired details from the respondents, it was revealed that, the majority were diploma holders (CPA) 11(36.6%) at different levels, there were also those who had all kinds of certificates 5 (16.7%) especially business related these were working as subordinate staff (Drivers, secretaries). According to figure (1), 8 (26.7%) of the respondents had completed a degree level while 6 (20 %) had completed the level of a master's degree. The distribution in figure (1) however indicated to the researcher that the study involved respondents of various academic levels which gave him the opportunity to obtain information at different levels of the respondents, understanding and perceptions of situation.

The researcher also investigated the time the respondents had spent in their employment with EQUITY Bank. This information was regarded important by the researcher because the time spent in employment would incidentally relate to the respondents ability to possess adequate information. The results are presented in Table (3) of the study.

Table (4): Distribution of the respondents experience with the organization.

Years of experience	Respondents	Percent
1-3 years	14	46.7
4-7 years	6	20
7-10 years	7	23.3
Over 10 years	3	10
Total	30	100.0

Source: HR Department

As expressed by Table (4), the respondents experience with EQUITY Bank (Meru) was evenly distributed. That is, 14 (46.7%) had spent a period between 1-3 years as compared to 6 (20%) who had spent 4-7 years in employment. Those who had spent 7-10 years were 7 (23.3%) of the total participants. This distribution left 3 (10 %) to have worked with EQUITY Bank (Meru) for a period of over 10 years. The results generally indicate that the respondents had varying experiences in the organization. During the face-to-face interviews most of the respondents indicated that it is not easy to spend more than 10 years with EQUITY Bank (Meru). The reasons expressed where that mainly there are low payments as compared with other Banks.

4.2 Section Two: Verification of Research Questions

This study was basically guided by Three Research Questions that were derived from the specific objectives of the study. The verification of the Research Questions was guided

by the conditions that described the data. After presentation of results of the Questions, the results from the Focused Group Discussion interviews are also presented for clarity.

4.3 Research Question One

The first Research Question of this study was derived from the first research objective. The Research Question sought to find out the existing approaches by MFIs in developing SME. In order to get answers to ascertain this Research Question, the researcher inquired from the respondents their perceptions on a number of issues. These issues included: Establishing the kind of strategies employed by Equity bank in developing SMEs in Meru District, Whether the SMEs benefited from the strategies employed by Equity Bank. Descriptive statistics of the study were also analyzed and indicated results. For example, the researcher was interested in establishing the kind of strategies employed by Equity bank in developing SMEs in Meru District, and the results are presented in the following discussion in Table (5).

Table (5): Establishing the kind of strategies employed by Equity bank in developing SMEs

Age Group	Respondents	Percent
Workshops	30	100
Soft-loans	-	-
SME Training	-	-
Total	30	100.0

Source: Primary Data

According to the expressions of the employees in Table (5), it could be observed that the majority of the respondents 28(46.7%) felt that the youth were considered more as compared to those who were 65 and above and represented by 14(23.3%) of the respondents. The remaining respondents 18(30%) felt that the middle aged between the ages of 35-65 were targeted.

When the researcher contacted the respondents during the focused group discussion, more interesting issues about the target groups were expressed. Some of the participants indicated that, the youth were targeted because they ere considered to be pro –active, however the middle age group was less targeted because they were considered to have a lot of responsibilities thus divert the loans given to them. Those that fell in the sixty five and above bracket were considered to old to properly venture in businesses. This left the researcher wondering whether experience was considered. The results are presented in Table (6).

Table (6): whether experience was considered

	Respondents	Percent
Strongly agree	5	8.3
Agree	5	8.3
Neutral	7	11.7
Disagree	25	41.7
Strongly disagree	18	30.0
Total	60	100.0

Source: Primary Data

According to table (6) the respondents cited unanimously the services that were being offered by Equity Bank (Meru branch) with Regard to SME included organizing workshops and SME Training.

During the focused Group Discussion the respondents felt that though Equity Bank had a wide range of services that t offered, they did not fully engage themselves due to the level of financial incapability of their clients in Meru District. Respondents however stated that these service and more were offered in other regional branches most especially I towns and cities within Kenya.

The above results on research Question One were regarded as very Important by the researcher to this study. it showed a variety of strategies that were employed by Equity bank, this enticed the researcher to further enquire from the respondents whether this services were of benefit to them. On whether the SMEs benefited from the strategies employed by equity bank the results are depicted on table (7)

Table (7): whether the SME’s benefited from the strategies employed by equity bank

	Respondents	Percent
Strongly agree	10	33.3
Agree	8	26.7
Neutral	7	23.3
Disagree	2	6.7
Strongly disagree	3	10
Total	30	100.0

Source: Primary Data

According to the expression of the employees in table (7), it could be observed that there was satisfaction on whether the SMEs benefited from the strategies employed by Equity Bank that is 18(60%) of the respondents agreed that they had benefited. 5 (16.7%) of the total respondents were in disagreement this left 7(23.3%) of the respondents with no idea whether they had benefited or not.

When the researcher contacted the respondents during the focused group discussion, state that as compared to when Equity Bank first established itself in Meru they had benefited a lot though there was room for further improvement.

4.4 Research Question Two

The second research question of this study was derived from the second research objective. The research question sought to establish ways in which small and micro entrepreneurs benefited from micro-finance institutions. In order to get answers to ascertain this Research question, the researcher inquired from the respondents their perceptions on a number of issues. These issues include whether SME experience or type of business was considered before Equity Bank committed itself, what range of loans was given to SME as a means of developing them and whether equity Bank monitored SME performance after advancing loans to them. On whether SME experience or type of business was considered before Equity Bank committed itself, the results are presented on table (8)

Table (8): whether SME experience/ type of business was considered

	Respondents	Percent
Strongly agree	2	6.7
Agree	3	10
Neutral	7	23.3
Disagree	10	33.3
Strongly disagree	8	26.7
Total	30	100.0

Source: Primary Data

According to the expressions of the employees in Table (8), it could be observed that there was dissatisfaction on whether experience was considered this was represented by of the 18(60%) respondents .5 (16.7%) of the total respondents were in agreement this left 7(23.3%) of the respondents with no idea whether experience was a requirement to the disbursement of funds.

When the researcher contacted the respondents during the Focused group discussion, they stated that experience was not a requirement however one had to come up with a sound business plan, or idea on how they would use the money borrowed. Their was a mixed reaction to this because other respondents thought that experience in any business should be placed as requirement. . The researcher sought to find out what range of Loans is given to clients as a means of developing SMEs. The results are presented in the table (9)

Table (9) Range of Loans given to clients as a means of Developing SMEs

Range of Loan Given	No. of Respondents	Percentages
50,000-100,000	12	40
100,000-150,000	8	26.7
150,000-200,000	6	20
200,000 and above	4	13.3
Total	30	100.0

Source: Primary Data

As Indicated by Table (9), 12(40%) of the respondents felt that the majority of loans awarded fell in the range of 50,000 to 100,000 as compared to 4(13.3%) who felt that 200 000 and above was rarely awarded .8(26.7%) of the respondents felt that loans that ranged between 100 000 to150 000 and 6(20%) of the respondents stated that 150 000 to 200 000 was usually awarded.

During the Focused Group discussions respondents stated that the type of business or project to be invested on determined the range of the loan and equally 200 000 and above was given to groups and not individuals SMEs. This distribution motivated the researcher to inquire from the respondents, whether SMEs that were allocated loans by equity Bank were monitored and the results that were expressed are indicated in table (10)

Table (10) whether SMEs that were allocated loans by equity Bank were monitored

	Respondents	Percent
Strongly agree	9	30
Agree	14	46.7
Neutral	4	13.3
Disagree	3	10
Total	30	100.0

Source: Primary Data

Table (10), the majority of the respondents, 23 (76.7%) were in agreement that SMEs were monitored as compared to only 3 (10%) who did not agree that they were monitored. However, 4 (13.3%) of the respondents remained undecided to the matter.

4.5 Research Question Three

From the Third objective of the study, the researcher derived Research Question Three. It is this Research Question that guided the study in the bid to get answers towards its verification. The Research Question sought to find out what challenges do micro-finance institutions face in helping to develop SMEs. To get the answers to this research question, a number of elements were placed to the respondents among which the following highlights are important. For instance, the researcher solicited respondents, views on factors affecting the growth of SME. The results to this study were analyzed by generating tables and percentages which were used to make the comparison of the perceptions as the following presentation in table (11) depicts.

Table (11) Factors affecting the growth of small scale enterprise

Factors affecting the growth of small scale enterprise	Frequency	Percent
Illiteracy	7	23.3
Donor Confidence	4	13.3
Misappropriation of funds	2	6.7
Political interference	5	16.7
Lack of funds	8	26.7
Government policies	4	13.3
Total	30	100.0

Source: Primary Data

As indicated in Table (11), the majority of the respondents 8(26.7%) felt that lack of funds affected the growth of small scale enterprises. 7 (23.3%) felt that level of illiteracy contributed on the steady decline of SME's growth. However 5 (16.7%) of the respondents felt that political interference contributed to the slow growth of SME's.4 (13.3%) felt that Donor confidence was an issue to be considered .A similar number of respondents 4(13.3%) felt that Government policies that were put in place did not support the growth of SME's.2(6.7%) of the respondents felt that misappropriation of funds hampered the growth of SME's.

During the Focused group discussions respondents stated that the level of illiteracy contributed to the winding up of Entrepreneur businesses this was because of poor management and lack of a saving culture. Other respondents felt that the Donor community had lacked confidence in organizations that aid SME's due to lack of adequate accountability.

Respondents felt that misappropriation of funds applied both in organizations and clients, they stated that lack of strategic planning was the major cause affecting the growth of SME's. Most respondents felt that Political interference and poor government policies hampered the growth of SME's for example they stated high taxes being a contributory factor. Finally respondents thought the lack of funds to invest was the major reason why growth of SME's was redundant. This entice the researcher to find out the challenges that affect the growth of SMEs the results are presented in table(12)

Table (12): On the challenges that affect the growth of SME's

	Respondents	Percent
Micro credit dependency	6	20
Inability to reach the poorest of the poor	5	16.7
Turning a Profit on the Loan	7	23.3
Durability of poverty reduction	3	10.0
Cluster stagnation	3	10.0
Parochialism	3	10.0
Political Interference	3	10.0
Total	30	100.0

Source: primary Data

According to table (12), there were a number of Challenges identified by the respondents. Most particularly, 6(20%) of the respondents felt that Micro credit dependency affected the growth SME's. 5(16.7%) of the respondents felt that the inability to reach the poorest of the poor affected the growth of SME's in that the poor were not targeted 7(23.3%) of the respondents believed that it was not easy to make profit from a loan.3(10%) of the respondents felt that Durability of poverty reduction affected the growth of SMEs.3(10%) of the respondents felt that Cluster stagnation affected the growth of SME's. A similar number of respondents 3(10%) felt that Parochialism as a challenge affected the growth of SME's. and finally another 3(10%) of the respondents thought that Political interference challenged the growth of SME's.

During the Focused Group Discussion the researcher was informed that the most fundamental problems with SME's programs is the difficulty involved in actually turning a profit on the loans. In the first place, borrowers must bear not just the cost of the loan and interest payments. They must invest a significant part of their time in group activities mandated by their programs. Investments may not turn into a profit. In this event the money to repay the loan must come from reduced consumption or borrowing from some other source, usually on worse terms.

The respondents further stated that one of the important drawbacks to SME's programs was that they don't reach the poorest members of the society. The poorest have a number of constraints (fewer income sources, worse health and education, etc) which prevent them from investing the loan in high-return activity" The poorest need tiny loans which

are not cost effective even for SME programs. The poorest also place the greatest demands on SME's training programs, which makes the cost of lending even higher. As SME's are pressured to become more self-sufficient, the incentive to lend to such desperately poor borrowers evaporates. Respondents further stated that another possible failure of SME's lies behind seemingly benign statistics. The idea that the high repayment rates, repeated borrowing, and low drop-out rates indicate a dependency on SME's programs rather than an attraction to successful SME's programs on the part of poor borrowers.

Respondents viewed durability of poverty reduction as Infusions of cash in almost any amount as bound to have some effect on the poverty stricken borrowers but insisted that this does not necessarily mean that the effect will be permanent. Other respondents viewed Cluster stagnation typically as a group of craftspeople for example who will simply set up shop near each other, with each handling the entire manufacturing process for the goods being produced. And, the goods will usually be fairly simple- textiles, baskets, roofing tiles, etc. This is enough to draw in suppliers and buyers. The problem is that many clusters do not progress beyond this stage thus affecting the growth of SME.

Respondents further stated that another problem is parochialism within the clusters. Clusters tend to center on interactions within the cluster at the expense of outside interactions. So for example, businesses in a cluster may monitor one another and adopt new techniques developed within the cluster. It is less common for clustered businesses to follow the same process when it comes to outside innovations. A final drawback of SME's as perceived by the respondents is the concentration of negative externalities the effect of clustering on labor supply and wages was extremely negative. So many

unskilled workers were drawn to the cluster that labor competition became intense and wages were severely depressed.

4.6 Research Question Four

The Fourth Research Question of this study was derived from the Fourth Research Objective. The Question sought to find out the possible solutions of how to improve micro credit schemes in Meru District. In order to get answers this research question, the researcher inquired from the respondents if that there are any solutions to the challenges affecting the growth of SMEs. The results are presented in table (13).

Table (13): The extent to which respondents felt that their are any solutions to the challenges affecting the growth of SME's

	Respondents	Percent
Strongly agree	9	30
Agree	14	46.7
Neutral	4	13.3
Disagree	3	10
Total	30	100.0

Source: Primary Data

According to Table (13), the majority of the respondents, 23(76.7%) were in agreement that solutions existed as compared to only 3 (10%) who did not agree that they existed. However, 4(13.3%) of the respondents remained undecided to the matter. This

distribution motivated the researcher to inquire from the respondents, whether SME's that deal with poverty eradication are monitored. The results that were expressed are indicated in Table (14)

Table (14): ways proposed that will help Develop SMEs

Poverty Eradication means	Respondents	Percent
Education (Training on Carpentry, metal work)	10	33.3
Initiate self help Groups	7	23.3
Initiating projects	8	26.7
Awareness work shops	-	-
Soft loans	5	16.7
Total	30	100.0

Source: Primary Data

As can be observed from Table (14), 10 (33.3%) of the respondents believed that training on carpentry, mechanics, metal work, or tailoring. 8(26.7%) of the respondents felt that the government and NGOs should initiate projects as a means of eradicating poverty. 7(23.3%) of the respondents felt that the only means of eradicating poverty was by initiating self help groups and monitoring their activities. 5(16.7%) of the respondents believed that if given soft loans poverty would be a thing of the past .however non of the respondent thought there was need for awareness workshops.

During the Focused Group discussions the respondents all simultaneously agreed that the workshops favours the facilitators in that they just get big allowances yet that money could be diverted in to SME development. The researcher therefore concluded that here are ways on which SME growth and development can fostered.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.

5.0 Introduction

The current Chapter of this study presents the discussions of the results derived from the data presented in Chapter four. The discussion leads into varying conclusions and a number of recommendations are subsequently derived.

5.1 Summary

The following are the summaries on the findings based the Four Research Questions that guided the study. The results are also cross referenced with the findings of other scholars in related organizational environments that have got a supportive element of the current study.

5.2 Research Question One

The first Research Question of this study was derived from the first research objective. The Research Question sought to find out the existing approaches by MFIs in developing SME. Entrepreneurs are widely recognized as the prime movers of economic development; the people who translate ideas into action. An interesting though not widely accepted definition of an entrepreneur is a person who has the ability to scan and identify opportunities in his or her environment, gather the resources necessary to take advantage of the opportunities and implement successful action to utilize the opportunities.

This definition identifies an entrepreneur by their behavior rather than the specific occupation they are involved in. Those who have studied entrepreneurial behavior have noted certain characteristics such as innovativeness, ability and willingness to take

calculated risks, determination, insight, total involvement, independence, need for achievement, leadership ability and so on.

Recognizing the prime-mover status of business entrepreneurs, the Kenya Government has implemented a wide-ranging set of strategies to encourage people to initiate their own small businesses. The major focus for this effort is small enterprise development (SED). Small enterprise development in Kenya has traditionally involved establishing an enabling environment for small enterprise growth including analysis and adjustments to the regulatory environment that has been a hindrance to prospective small business owners. Formal small enterprise development policy encompasses entrepreneurship development programs under a heading 'Non-Financial Promotional Programs' (NFPP). The other two aspects in SED policy are the provision of responsive small enterprise credit facilities and an examination of gender issues.

5.3 Research Question Two

The second research question of this study was derived from the second research objective. The research question sought to establish ways in which small and micro entrepreneurs benefited from micro-finance institutions.

The growing number of micro-finance institutions is an indication of the different financial needs and arrangements of small and micro entrepreneurs. A number of these institutions such as the Promotion of Rural Initiative and Development Enterprises Limited (PRIDE) and Foundation for International Community Assistance (FINCA) in Kenya are catering for small lenders whose absorption rate and spending ability is

smaller. The Government of Kenya (GOT) is keen to note that micro finance institutions are playing a key role in the economic growth of the country and an economic development fund has been established to give an added boost to micro-finance lending. The Small and Micro entrepreneur is put as a spotlight in Kenya to help to lift the economic misfortunes of the communities and focus on bringing more capital to entrepreneurs through microfinance to reduce poverty. Ndungu (2006).

5.4 Research Question Three

From the Third objective of the study, the researcher derived Research Question Three. It is this Research Question that guided the study in the bid to get answers towards its verification. The Research Question sought to find out what challenges do micro-finance institutions face in helping to develop SMEs .

Small and micro enterprises (SMEs) form the bedrock of most economies. They are frequently the prime source of new jobs and play a crucial role in income generation, especially for the poor. Many governments and international donor agencies seek to promote the development of small and micro enterprises through establishing support agencies and enterprise development projects. These organisations provide business development services (BDS) such as training, advice, information, business planning, marketing, technology, communications and other services. BDS are often perceived as being useful in complementing credit and micro-finance programmes, and in assisting small enterprises with growth potential to become medium-sized enterprises. O’Sullivan (1998).

An important element for promoting enterprise development is to have a suitable enabling environment for business creation, survival and growth. The enabling

environment refers, among other things, to policy and regulatory issues, to infrastructure, and to financial and business development services. Although SMEs represent the backbone of local economies in most developing countries, they are vehicles for accelerating economic growth, generating employment, foreign exchange and tax revenue they often face a lot of constraints and challenges in their operations. These small entrepreneurs operate against heavy odds and slight changes in the external environment hit them strongly.

They are often confronted with fierce local and international competition, lack general skills in management, marketing and financial planning, limited access to information on market opportunities and sources of competitive technology. These constraints limit substantially the productive capacity and efficiency of SMEs in Kenya to be competitive within the context of globalization. SMEs are associated with poor accounting and financial records. The result is that entrepreneurs are unable to make business decisions on the basis of sound financial records. It also deprives third parties of a vital source of information upon which to evaluate potential relationships with the company.

5.5 Research Question Four

The Fourth Research Question of this study was derived from the Fourth Research Objective. The Question sought to find out the possible solutions of how to improve micro credit schemes A social perspective on development requires addressing poverty in all its dimensions. It promotes people-centered approach to poverty eradication advocating the empowerment of people living in poverty through their full participation in all aspects of political, economic and social life, especially in the design and

implementation of policies that affect the poorest and most vulnerable groups of society.

An integrated strategy towards poverty eradication necessitates implementing policies geared to more equitable distribution of wealth and income and social protection coverage. A social perspective on poverty should contribute to the debate on the effectiveness and limitations of current poverty reduction strategies. Poverty analysis from a social perspective requires thorough examination of the impact of economic and social policies on the poor. A social perspective on development requires addressing poverty in all its dimensions. It promotes people-centered approach to poverty eradication advocating the empowerment of people living in poverty through their full participation in all aspects of political, economic and social life, especially in the design and implementation of and other vulnerable social groups.

5.6 Conclusions

SME have some merit within certain narrowly defined limits. They can be a great help to poor people with good math skills, and some predisposition for entrepreneurship. Such programs are especially helpful for the moderately poor, and for enterprises located near roads and crossroads .Successful SME also need to be able to choose good, money making investments, and be able to pursue them without undercutting from other SME or cheap imports. That being said, SME can still have a place in the arsenal of poverty reducing techniques. While not every poor person is a budding entrepreneur, it is still true that some of them are. In Kenya, as much as 1% of the population is composed of new

entrepreneurs working their way out of poverty each year .This is better than nothing. The fewer people in poverty, the easier it will be to tackle to problem.

Also, the accumulating observations of differences within the mass of poor people can be put to profitable use. While SME might be increasing the divide between the extremely poor and moderately poor, it is also identifying the differences between these two groups, and clarifying the fact that such differences exist. SME experiences have brought to light the fact that the poorest of the poor are in a bad position to benefit from credit programs. It seems that they benefit more from subsidized wage programs and infrastructure improvement programs. This is valuable information for those who wish to reach the poorest members of society. SME programs have also shown that the moderately poor are capable of helping themselves out of poverty given the infusion of relatively small amounts of capital. Again this is valuable information. The apparent divisions based on mathematical ability can also be put to use in the formulation of new assistance programs.

The SME movement is part of a learning curve on the causes and remedies of poverty. To address the topic researched SME do seem to have a mildly positive net benefit. It has helped some families out of poverty and increased the store of knowledge as to what poverty is and how it operates. It has also given some insights into what not to do when trying to relieve poverty. These are all valuable contributions. But the hype surrounding SME is unwarranted. It will probably not be a major factor in the overall reduction of world poverty

5.7 Recommendation

The absence of serious social reforms probably guarantees continued poverty in large parts of the Kenya, no matter how many SME loans are disbursed. Among the options already mentioned the researcher recommends that improving infrastructure would probably be a more durable method of developing SME growth in Meru district and the larger Kenya.

Support institutions that facilitate starting a business and making its operations efficient and effective are important in enterprise development, particularly for SMEs. There are size related constraints that affect SMEs access to markets and inputs that make support programs particularly important to their creation, survival and growth. The support institutions are not always government agencies. In fact, private sector organizations and enterprises can provide some support services more efficiently.

The researcher recommends that Institutions providing access to finance for long term investment in capital goods and short term financing for the purchase of raw materials or other items of working capital should be essential for SME creation and development.

The researcher recommends that there should be availability of assistance in the selection and acquisition of technology as a valuable service when investment decisions are to be made especially when starting a business or in the case of business upgrading and growth.

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APPENDIX A
FOCUSED GROUP DISCUSSION GUIDE

1. What are the functional structures and mechanism of micro credit schemes?
2. What is the target group for this micro –finance?
3. What is the role of micro credit schemes on the economic status of the community?
4. Do you have any problems during repayments of the loans the clients take?
5. What are the criteria's and conditions of how the Community access credit?
6. What methods are used to monitor the clients?
7. What are the solutions to improving small and micro entrepreneur development?

APPENDIX B

THE ROLE OF MICROFINANCE INSTITUTIONS FOR THE DEVELOPMENT OF SMALL AND MICRO ENTREPRISES IN KENYA: A CASE STUDY OF EQUITY BANK MERU BRANCH.

Dear respondents as part of my requirements to the award of a Bachelors Degree in Business Administration at Kampala International University. I am administering this questionnaire to collect information on the role of microfinance institutions for the development of small and micro entrepreneurs in Kenya. Please answer as honestly as possible.

INSTRUCTIONS:

- 1 Do not sign your name anywhere on this questionnaire.
- 2 For Section tick for section A and fill in Section B .

QUESTIONNAIRE FOR EMPLOYEES OF EQUITY BANK

SECTION A: RESPONDENT BACKGROUND (TICK WHERE APPROPRIATE)

1.1 Gender: Male Female

1.2 Age: 20-29

30-39

40-49

50-59

60-above

1.3 Number of years in the organization

2-5 5-10 10-above

1.4 Education Background

Primary O-Level A-Level other

SECTION B:

2.0 What is the target group for this micro –finance?

.....

2.1 Do small and micro entrepreneurs benefit from microfinance institutions?

.....

2.1 Do you determine competent clients to deal with or give loans?

Yes No

2.1.1 If yes, how do you determine competent clients to deal with or give loans ?

.....

2.2 How much do you give to each client as base or start up loan?

.....

2.2.1 What range do most clients lay or fall?

1. 50 000 -100 000

2. 100 00 -250 000

3. 250 000 – 550 000

4. 550 000- 700 000

5. If other specify

2.2.2 Does microfinance institutions help in alleviation of poverty in Meru district?

.....

2.3 Do you have any problems during repayments of the loans the clients take?

.....

2.3.1 If yes do the rates vary ?

.....

2.4 Do you have any problems during repayments of the loans the clients?

.....

2.4.1 If yes please specify

2.5 What methods are used to monitor the clients?

.....

2.5.1. What other methods do you think would best be used to monitor clients?

.....

2.5.2 What steps have you put in place to rectify or solve these problems ?

.....

2.6. Is there any form of training for the clients on the use of Loans?

.....

2.6.1 If so, who does the training and for how long?

.....

2.6.2 What are the main issues stressed during your training sessions or seminars?

.....

2.7 Do you think your clients have benefited from this Micro Credit scheme ?

.....

2.7.1 If yes in what ways do you think they have benefited ?

.....

2.8 How do you rate the performance of Equity Bank Kenya ?

.....

THE ROLE OF MICROFINANCE INSTITUTIONS FOR THE DEVELOPMENT OF SMALL AND MICRO ENTREPRENEURS IN KENYA: A CASE STUDY OF EQUITY BANK MERU BRANCH.

Dear respondents as part of my requirements to the award of a Bachelors Degree in Business Administration at Kampala International University. I am administering this questionnaire to collect information on the role of microfinance institutions for the development of small and micro entrepreneurs in Kenya. Please answer as honestly as possible.

INSTRUCTIONS:

1. Do not sign your name anywhere on this questionnaire.
2. For Section tick for section A and fill in Section B.

QUESTIONNAIRE FOR EQUITY BANK CLIENTS

1.1 Gender: Male Female

1.2 Age: 20-29

30-39

40-49

50-59

60-above

1.3 How long have you been a client of Equity, Kenya?

2-5 5-10 10-above

1.4 Education Background

Primary O-Level A-Level other

2.0 How did you know about Equity, Kenya?

- a) Colleague
- b) Newspaper
- c) Seminar/workshop
- d) Other (please Specify)

3.0. Which other Micro Finance Institutions do you know?

.....

4.0. Do you acquire the loan as a group or an individual?

.....

5.0 If you are in a group how many are you?

.....

6.0 What do you deal in as project ?

.....

7.0 Why did you choose the above project?

.....
8.0 How much income did you start with?

.....
9.0 What is the interest rate?

.....
10. Did you undertake any training or workshop with Equity Bank before acquiring the loan?

.....
11. What is the mode of payment

- a) Cash
- b) Cheque
- c) Bank slip
- d) Other means (Specify)

12. Do you have any problems with the mode of Payment?

.....
13. What method do you think would be the best for paying back the loan?

.....
14. Are you motivated with any bonuses or increments for good payment record?

15. If yes state how

16. Is the Grace time given for loan repayment sufficient?

.....

17. Has using Equity Bank as your source of funding helped you and you family?

.....

18 .What are the possible solutions of improving micro credit schemes in Meru?

.....

APPENDIX II
RESEARCH BUDGET

Particulars	Cost (UG Shs)
Stationery	100, 000
Transport	100, 000
Type setting Printing and binding	300, 000
Miscellaneous	50, 000
Total	450, 000

APPENDIX III
ACTIVITY PLAN

NO.	ACTIVITIES	June , 2009	July, 2009	August, 2009	September, 2009	October, 2009	November, 2009	December, 2009
1.	Topic Identification							
2.	Preparation of Proposal							
3.	Proposal Writing							
4.	Data Collection							
5.	Data Analysis & Interpretation							
6.	Preparation of Report							
7.	Report Presentation							