WOMEN ENTERPRISE FUND ALLOCATION

AND THE PERFORMANCE OF WOMEN ENTERPRISES

IN

KIMILILI DISTRICT IN

WESTERN

KENYA

A Thesis Research

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Master of Business Administration

By

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MBA/20035/82/DF

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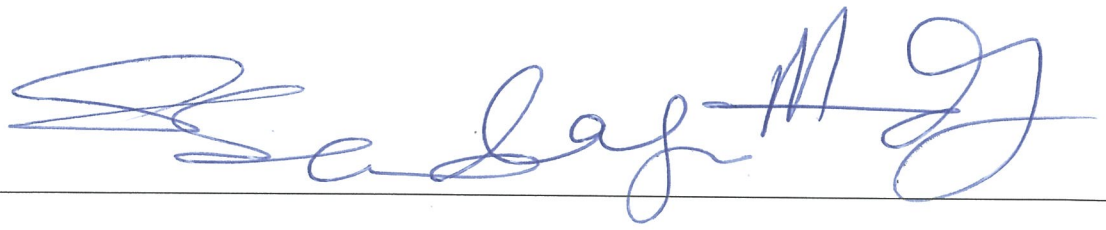
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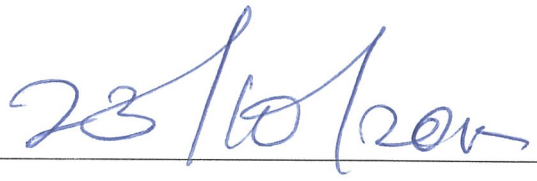
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APPROVAL SHEET

This thesis entitled "Women Enterprise Fund Allocation and The Performance of Women Enterprises in Kimilili District in Western Kenya" prepared and submitted by Kirui T. John in partial fulfillment of the requirement for the degree of Masters of Business Administration (Management) has been examined and approved by the panel of oral examination with grade of PASSED.

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DEDICATION

The researcher dedicates this research to his family, who have always supported him to see to it that he succeeds in this undertaking. Special regards to his wife Margaret Taboi, his children Isaiah, Elizabeth, Enock, Gideon, Ebenezer, Sarah and Benjamin. Not forgetting his mother Agnes Kirui and his late father Moses Kirui Taboi.

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ABSTRACT

The study examined the relationship between Women Enterprise Fund Allocation and The Performance of Women Enterprises in Kimilili District in Bungoma County, Western Kenya and was based on four specific objectives: a) to determine the profile of respondents in terms of gender, age and level of education, b)to determine the level of Women Enterprise Fund allocation, c)to determine the level of performance of the funded Women Enterprises, and d) to determine the significant relationship between Women Enterprise Fund allocations and Women Enterprises performance.

The study used a descriptive correlation research design. Questionnaires of the SAQ type were used to collect primary data from 102 out of 136 sample size that had been arrived at using Slovin's formula. Data was processed and analyzed using SPSS's frequencies and percentages; means and PLCC.

Findings revealed that the majority of the respondents were the females, dominant age range was 40-59 years old and of secondary school level of education. PLCC revealed that there was significant relationship between Women Enterprise Fund allocation and Women Enterprises Performance in Kimilili district. It indicated that WEF allocation in the regression model contribute over 11% towards variations in WEs performance in Kimilili district.

Basing on the findings, the researcher made the following recommendations; Have an active monitoring and evaluation team to follow up projects right from the onset so as to avoid diversion of funds, Train members to understand the difference between them and the business, Have representatives from every sub location to join up the committee so as to monitor the allocations from the grassroots, Give loans to needy individuals at a reduced interest rate so as to a void collective responsibility of repaying the loans in groups, Educate members on the available financial services and where/how to get them, A void using politicians in the funds allocation committees and let them be watchdogs, Deposit funds directly to the groups accounts other than using banks that charge processing fee.

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APPREVIATIONS/ACRONYMS

CDF : Constituency Development Fund

CVI : Content Validity Index

DG&SDOs : District Gender & Social Development Officers

DPEP : District Poverty Eradication Program

DTDJLBS : District Trade Development Joint Loan Board Scheme

FSA : Finance Service Accessibility

GEM : Global Entrepreneurship Monitor

KGRA : Kenya Government Resource Allocation

KWEs : Kenya Women Entrepreneurs

KWFT : Kenya Women Finance Trust

MCP : Micro-Credit Programs

MDG : Millennium Development Goals

NCCK : National Council of Churches of Kenya

NGOs : Non-Governmental Organizations

REF : Rural Enterprise Fund

SACCOs : Saving and credit cooperative societies

SAQ : Self Administered Questionnaire

SHG : Self Help Group

SPSS : Statistical Package for Social Sciences

WEFR : Women Enterprise Fund Regulations

WEF : Women Enterprise Fund

WEs : Women Enterprises

CHAPTER ONE

THE PROBLEM AND ITS SCOPE

Background to the study

There has been a great challenge in addressing poverty issues in all Kenya's developmental strategies since independence. Efforts by the Government to address the problem over the past years indicate that over 46 percent of the Kenyan population is extremely poor. However, poverty in the urban areas is growing fast, and it still remains seriously a rural phenomenon (Republic of Kenya, 2007). It is surprising that three quarters of the Kenyan poor are in the rural areas while the majority of the urban poor live in slums (Republic of Kenya, 2004a; 2004b; 2003; 2000a; 2000b). In fact, the difference between the rich and the poor is too wide.

Asenso-Okyere et al. (1993) in his study indicates that about 73% of the population of developing countries of poor people live in the rural areas, compared with only 33% in developed economies.

According to the survey carried out by World Bank (2000a), the poor attribute their poverty to varied factors such as corruption, unemployment, illiteracy, insecurity, lack of assets, inaccessible markets, poor health, lack of credits and economic shocks. Poverty is a multi-dimensional phenomenon that goes beyond the lack of incomes.

To address the multi-dimensional issues of poverty, the poor need to be empowered. Studies by Asenso-Okyere et al. (1993) and Yaron (1997) reveal that promotion of efficient, sufficient and widely accessible rural financial services is the foundation of achieving pro-poor growth and poverty reduction goals. This is

because access to financial services plays a critical role in helping the poor widen their economic opportunities, increase their asset base, and diminish their vulnerability to external shocks. However, most formal financial institutions do not serve the poor because of several challenges. These challenges include; low effective demand, high transaction and information costs, high levels of risks, and lack of power to command resources. The poor are therefore disadvantaged in accessing productive resources such as land, credit and services and are vulnerable towards external economic shocks and natural disasters.

It is from these frustrations that the government of Kenya has developed several programs with a view of providing micro-credits to most vulnerable citizens. What are micro-credits? These are small loans extended to the poor to undertake self-employment projects that would generate income and enable them to provide for themselves and their families (Yunus, 2006).

The government as a provider of micro-credit provides alternative credits to most vulnerable with the aim of enhancing an opportunity to gain commercial experience and attain the standard of credit worthiness required by commercial lending institutions (Anderson S and J. Balland, 2002). Examples of Government Micro-Credit Programs in Kenya include,

1. District Trade Development Joint Loan Board Scheme (DTDJLBS) -launched in 1954 and formalized through legal notice No. 265 of 1963, Local Government Regulation 104. Its aim was to provide loans to assist in business expansion.
2. Rural Enterprise Fund (REF) - established in 1991, which aimed at increased productive capacity of the borrowers, create employment and income generating opportunities.

3. District Poverty Eradication Program (DPEP) - Rolled out in 2002 to provide and promote access to affordable credit, strengthen the existing alternative credit among the poor communities, and to promote innovative approaches to the provision of basic social services.
4. Women Enterprise Fund (WEF) - established in August 2007 to provide alternative financial services to women who are excluded from formal and informal financial sector.

Although the government has been putting in all these efforts, there has been hardly any success. Government funds have not successfully been absorbed. There is need therefore, to look at the latest program (WEF) with some bit of details.

Women Enterprises have attracted a lot of attention ever since Kenya gained independence. It was the most funded during the past regime of the Nyayo era, well known as "Maendeleo ya Wanawake". Millions of shillings were pumped here to empower women (Daniel T. arap Moi, 1986). However, this body seems to have died off silently as new ones pick the pace.

There is need to find solutions towards such hindrances or barriers towards the maximization of Government Funds in a view of reducing poverty levels in the district. This will help empower women, empower the family and empower the district at large.

Statement of the problem

Despite the government's interventions to reduce poverty among women in Kenya through Women Enterprise Fund (WEF) allocation, the performance of Women Enterprises (WEs) in Kimilili district is still poor. Women groups start

businesses but they don't survive for so long. This has worsened poverty levels among women in the district (DG and SDOs Kimilili, 2011)

A performing Women Enterprise should be able to; expand its stock, open other centers, improve its infrastructure and its members It is therefore against such a background that the researcher wanted to investigate the relationship between Women Enterprise Fund (WEF) allocation and the performance of these women enterprises in Kimilili district.

Purpose of the study

The purpose of this study was to:

1. Test the hypothesis of no significant relationship between Women Enterprise Fund allocation and the Women Enterprises performance in Kimilili- district.
2. To bridge the gaps identified in the related studies
3. Validate the institutional theory on which this study is based.

Research objectives

General objectives

The general objective of the study was to determine the correlation or relationship between Women Enterprise Fund allocation and the performance of Women Enterprises in Kimilili district.

Specific objectives

The specific objectives of this study were:

1. To determine the profile of respondents in terms of gender, age and level of education.
2. To determine the level of Women Enterprise Fund allocation
3. To determine the level of performance of the funded Women Enterprises.
4. To determine the significant relationship between Women Enterprise Fund allocations and Women Enterprises performance.

Research Questions

1. What is the profile of respondents in terms of gender, age and level of education?
2. What is the level of WEF allocation?
3. What value has been added to WEs from 2009 to 2011 after funding?
4. What is the significant relationship between WEF allocations and WEs performance?

Hypothesis

The following hypothesis was tested in this study; There is no significant relationship between WEF allocations to WEs and their performance in Kimilili-Bungoma district.

Scope

Geographical Scope

The study was conducted in selected Women Enterprises in Kimilili district in Bungoma county of Western Kenya. Six enterprises were selected; comprising of 2 from Kamukuywa division, 2 from Kimilili division and 2 from Kimilili town. All the six groups had been allocated fifty thousand shillings (Ksh50000=) in 2009.

Content Scope

The study focused on Women Enterprises Fund allocation and performance of Women Enterprises in Kimilili district.

Time scope

The study took a total of ten months as follows; proposal writing Dec.2011 to Feb.2012, Data collection Feb.2012 to Apr.2012, Analysis and writing of the report Apr.2012 to July 2012.

Theoretical Scope

The theoretical scope of this study lay in institutional theory stated by Scott (2001) that institutions 'are embedded in country-specific institutional arrangements'. This means that differences between national institutions affect both the level of entrepreneurial activity in each country and the nature and amount of innovation taking place within the country. He indicated that there were three different systems that support social institutions. These are the regulatory, normative and cognitive systems. In the regulatory system, formal and informal

rules are set, monitored and enforced possibly by means of laws, regulations, and government policies which promote or restrict behavior within a country.

Significance

The findings from the study will be beneficial to the following categories of people; the first is the officials manning the WEF as it will help improve on allocation and collection of the funds from the enterprises in Kimilili district.

The second beneficiary will be the WEs as they shall be in position to identify their challenges and possible ways of overcoming them. Thus have better run enterprises to benefit the members and the whole community at large.

The third beneficiary is the government through the Ministry of Gender and Social Services will be in position to improve on its basis of allocation so as to yield better results towards eradicating poverty.

The study will help the government and policy makers improve or develop an alternative way that will help allocate funds to the right groups and collect it within the stipulated period.

Since this research is not exhaustive in all that pertains to WEF, other researchers will benefit from it as a reference for further research.

Lastly, the researcher himself will benefit from this study as it is a requirement for the fulfillment of the award of Master of Business Administration.

Operational Definition of Key Terms

The following terms have been defined as they are used in this research study:

Women Enterprise Fund- a revolving fund allocated by the government to groups of women to start or expand their small businesses

Women Enterprises- groups of women undertaking small businesses that are innovative, but involve risk taking.

Allocation- putting in the resources for the purposes of generating income.

Performance- is the measure indicating change in terms of growth in working capital, income, savings, loan repayment ability and job creation.

Resources- these includes money, time and education.

Revolving fund- funds meant to benefit groups in turns. This means that the second group will only benefit on condition that the first group has refunded.

Absorption-the rate of achieving the target value as programmed

Default- is the inability to repay the loan by either failing to complete the loan as per the loan agreement or neglect to service the loan

"Chamas"– a Kiswahili word for small self-help groups

"Maendeleo ya Wanawake" –this is a Kiswahili word that means Women development.

Micro-credits- small loans extended to the poor to enable them generate income and provide for themselves.

Innovativeness- the art of having creative ability to create purposeful change or develop novel products, services, and processes

Risk-taking - active willingness to pursue opportunity notwithstanding reasonable chance of costly failure

Pro-activeness - (the perseverance, adaptability, and assertiveness to initiate rather than react to the environment, and do whatever it takes to bring the venture to fruition

CHAPTER TWO

REVIEW OF RELATED LITERATURE

Concepts, Ideas, Opinions from Authors/Experts

Women Enterprise Fund; Mwabu (2000) defined Women Enterprise Fund as a Revolving Loan Fund for promoting women to start or grow up their businesses. Thus serve today's women and their daughters for many generations to come. To ensure that the fund is sustained, it should be managed professionally, transparently and the beneficiaries should repay faithfully and on time. Otherwise the Fund was likely to fail like the former programs which were politicized like "Maendeleo ya Wanawake".

This Fund is channeled through the constituency office and some selected banks throughout the nation as a revolving fund allocated by the government women groups to start or expand their small businesses as per every constituency. It was established through promulgation of Women Enterprise Fund Regulations (WEFR) under section 25 and 32 of the Government Finance Management Act, 2005, Legal Notice No.147 dated 3rd August 2007 (Wainaina, 2009).

The Fund was established to provide alternative financial services to women who are excluded from formal and informal financial sectors. It provides accessible and affordable credit to support women start or expand businesses for wealth and employment creation. In addition to the Fund being one of the projects in the vision 2030, it is also a demonstration of the government's commitment to the realization of the MDG on the gender equality and women empowerment (Government of Kenya, 2007).

This Fund is mainly meant for providing credits to women for enterprise development, capacity building of women beneficiaries and their institutions, promotion of local and international marketing, promotion of linkages of micro, small and medium enterprises owned by women with big enterprises, attract and facilitate investments in infrastructure that support women enterprises for example markets and business incubators (Mwabu G. and Mullei, 2000).

The fund targets women aged 18 years and a above, who may be organized in registered self-help groups or as individuals or companies owned by women.

The National Commission on Gender and Development (March 2010), carried out a Baseline Survey on the Impact of Women Enterprise Fund on the Economic Empowerment of Women, and showed that Women enterprise Fund has impacted positively in the lives of women. For instance it has led to: improved incomes, enhanced and diversified business, increased access to other markets, ability to make independent decisions, access to extension services, impact on other stakeholders, (community) and the economy.

Among the many women groups with the above success story as quoted by the National Commission on Gender and Development are as follows:

1. Maiten Aluligale Women Group, Dujis Garisa.
2. Gateway Women Group in Garisa.
3. Wakesho Women Group in Kisauni, Coast Province

4. Kiio Women Group, Westlands
5. Maghrib Muslim Women Group in Kakamega, Western Province
6. Mikuyuni Women Groups in Mwingi, Eastern Province

One wonders why women in Kimilili district cannot be among those to give such success stories.

Despite all these good and attractive concerns by the government towards women, women in Kimilili district have been left behind compared to their counter parts in the whole nation, especially Central Kenya. It is even disappointing to learn that in several occasions, the office of the DG & SDOs has had to send back the funds to the treasury due to lack of qualified applicants. It is therefore a sign of non-absorption of Government Funds in Kimilili district and this has led to poverty levels worsened. Hence, an assumption that women here are naturally lazy and not enterprising (communications with DS&SD officer Oct 8th 2010).

Women enterprises; Wainaina (2009) defined women enterprises as small businesses by women groups. The character of such businesses is that they are normally innovative, but also involve risk taking. As Conrad Hilton once said; "success seems to connect with action. Successful people keep on moving, they make mistakes, but they do not quit." This seems to be the inspiration behind entrepreneurial skills in a number of Kenyan women who have succeeded. They have struggled to break out their comfort zone, to become household names in the society.

Entrepreneurship is all about having the ability to run successful ventures and make economic impact. To be an entrepreneur and make a remarkably successful person one has to be future oriented, hardworking, patient and even diligent (said by successful women entrepreneurs in Kenya)

These women have sustained their market lead in a male dominated society of entrepreneur. They have managed to elevate to their current status due to hard work and even dedication. Entrepreneurship is all about the business and what impact they have in the society and solving global social issues.

These are people who have created employment in the country and successful entrepreneurs in Kenya giving the country different perspective towards investing. The examples are the owner of Keroche Breweries Tabitha Karanja who ventured into beer industry that is well known worldwide, and Njeri Rioge who is a co-founder of the internet service provider known as Wanainchi Online that has made a mark in the Serial entrepreneurship (The Kenyan woman article ;Aug 2nd, 2012).

African women continue to be an important mainstay of family livelihoods all over the continent, and many are struggling in the informal economy, in spite of the hardships. Some women are able to make the transition from the small-scale, informal sector to the medium- and large-scale sectors. Tadria wondered; Who are these women, what type of women are they, how do they struggle, in spite of the odds, and what lessons can be learnt from their experiences and expertise? None of the women received professional entrepreneurship training, but what are described as their common practices can clearly illustrate good business practices for others. This is an encouragement to those who think they should be trained first to make better entrepreneurs. It all depends on the determination one has (Tadria, 2007)

SMEs owned by women create the bulk of formal employment in most economies around the world. Women's business associations can provide support for women-owned SMEs, and thereby assume the role of influential community change-

makers and stakeholders. However, business leaders in developing countries, in particular women business leaders, face challenges that entrepreneurs in developed countries may never encounter. These barriers fall into two key categories: instability and infrastructure.

Closely tied to cultural, social, economic, and political country conditions, instability involves the struggles of women dealing with patriarchal restraints, corruption, and sometimes organized crime and war. Infrastructure barriers deal with weak or lacking institutions that inhibit women's ability to conduct business. These include: property rights, recognition of women's rights as human rights, accounting, taxation, and banking rules, and civil law. Overcoming the challenges posed by instability and infrastructure calls for an engagement of women's NGOs and business associations as agents of change, as they advocate, support, and amplify necessary reforms (Hilda M. K., 2007).

Small-scale Business: Ajiebefun et al. (2003) defined small scale enterprises as commercial enterprises that have ten or fewer employees. However, there is no single criterion for classifying business enterprises as small or medium scale globally. In a study carried out by International labor Organization (2005), over 50 definitions were identified in 75 different countries. However, evidence from literature shows that in defining small- scale business, reference is usually made to some quantifiable measures such as number of people employed by the enterprises, investment outlay, the annual turnover (sales) and the asset value of the enterprise or a combination of these measures.

Generally, these enterprises engage in the production of light consumer goods that are primarily related to food and beverages, clothing, electrical parts,

automotive parts, manufacture, leather products, soap and detergents, poultry keeping, horticultural farming and woodworks. For example, Small scale business in Nigeria are divided into three sectors: 1, Production sector including agricultural processing, manufacturing, and mining 2,Service sector and 3,Trading sector including wholesales and retails (Fabayo,2009). Small-scale enterprises usually operate in informal and semi-formal sectors (EUROPA, 2003). This is the situation in the Kenyan WEs where a group of women come together to start a small scale business through "chamas".

As the great Malcolm X once said, "Youths today lets be a working nation and tomorrow we won't be the complaining delinquents and to be a billionaire, you have to start with one coin." It is from this saying that the youth both male and female in Kimilili district have found an alternative way to conquer this dilema through self-help initiatives or groups commonly referred to as Chama's. (Acbnews International on: June 30, 2012)

In the society that sees white collar jobs, as the only way to gain financial independence and bring home money today, the women and men have come together to form groups (Chama's) to empower and cushion themselves against these tough times. Through these groups they obtain small loans known as table banking that helps them start and expand their enterprises.

The government through the Ministry of Industrialization is working with donors to empower women, men and the youths in particular by organizing seminars, workshops and exhibitions, challenging them to do something about the issue of unemployment in the country encouraging them to invest in self-employment as it's the only sure way to succeed during these hard times of recession in the world. The kind of business will give one the test and experience on

the importance of being in charge and at the top when things are going downhill (Acbnews International on: June 30, 2012).

Through these self-help groups, female youths have the opportunity to better and improve themselves despite the odds. The chamas, apart from raising funds and starting enterprises, have also encouraged their peers and changed unbecoming behavior such as prostitution and drug abuse that used to lead to a lot of crimes.

Performance: GEM, (2004) defined Performance as the act of performing; of doing something successfully; using knowledge as distinguished from merely possessing it. However, performance seems to be conceptualized, operationalized and measured in different ways thus making cross-comparison difficult. Cooper et al (1992) examined various factors influencing business performance such as experience, education, occupation of parents, gender, race, age, and entrepreneurial goals. On the other hand, factors that affect performance are classified into five perspectives, that is, motivations and goals, social learning theory (entrepreneurial socialization), network affiliation (contacts and membership in organizations); human capital (level of education, skills) and environmental influences (location, sectoral participation, and socio political variables) (Lerner and Hisrich, 1997).

Thibault et al. (2002) suggest that factors influencing business performance could be attributed to personal factors such as demographic variable and business factors such as amount of financing, use of technology, age of business, operating location, business structure and number of full-time employees as important factors in examining the performance as small scale business operators.

The most comprehensive summary of factors influencing performance was noted in a literature review by Theo, et al. (2007) as, individual characteristics,

parental influence, business motivation and goals, business strategies, goals and motives, networking and entrepreneurial orientation. Others include environmental factors.

The level of performance will always determine as to whether government funds are being utilized well or not. For Kenya to reduce levels of poverty, the WEs should perform to the best so as to have a good percentage of government money being absorbed.

Absorption was defined by Anderson (2002) as an achievement of 100% by a project or recipient of its target value as programmed. Such projects or recipients will have growth both vertically and horizontally. For example a women enterprise will expand its stock, open other centers, improve its infrastructure and its members should be able provide for their families what they could not do before the funding e.g. feeding, medical care and paying fees for their families. This can only be possible if WEs are performing well.

In a wider scope, Regional development issues and Structural Funds have been the focus of special attention globally. Our immediate neighbors, Uganda and Tanzania are suffering from similar problems. Even Europe has not been spared. It has been the negotiation process of European Union (EU) accession in all the Central and Eastern European (CEE) applicant countries. The EU regional policy framework provided and still provides clear, quantifiable benefits for all the new member states. Yet even in the European Union the financial and socio-economic consequences of transfer of funds to poorer regions, especially those provided and monitored centrally by Brussels, are subjects to heavy debate both in political and in the academic arena for various reasons. (European Commission 2001, 2003, 2007).

The existence of transfers as an instrument for governments to correct (mitigate) imperfections of market mechanism is justified by particular economics-based arguments. However, the operation of the EU structural funds is not free of political concerns aiming at inducing stronger integrity and social cohesion within the European Union. This is because Funds absorption has not been all that satisfactory (Cowen and Cramption, 2002).

Basing on the facts noted above, the researcher therefore went on to find out how WEs have made use of Government funds under WEF and benefits received by those who have acquired it. Secondly, find out why most of WEs fail to qualify in their applications and any challenges facing WEF allocated to such projects. Hence propose possible improvements.

Absorption problem Herve (1997) defined absorption problem as any deviation from the potentially highest growth path (hypothetical optimal growth potential). In both approaches the gap between the targeted optimal and the measured real values (in investment or in marginal outputs) is reflected in the absorption rate. The formal evaluation practice in Kenyan Government measures absorption rates to assess the progress of fund management, and looks at the results of specific Structural Fund spending in relation to financial and policy targets.

It was also defined as the case when any recipient country/region or group/project fails to achieve 100 percent of its target value programmed. That means the administrative capability of a country or a region to deliver and implement the given operational program is not perfect. Certainly, this approach is strictly input-oriented, ignoring the original idea behind regional policy with the goal of economic convergence (Basu, A. Blaru, R., and Tulek M, 2004).

It should be noted that the existence of absorption problems might not necessarily contradict the theoretical suggestions for allocating public money to countries and regions lagging behind, since all of these indicators fail to measure and assess the rather indirect macroeconomic effects of such allocations. Obviously, there is room for further analysis to assess the efficiency and effectiveness of WEF allocations and the performance of the enterprises funded.

Theoretical Perspective

The argument of this research rests in an institutional theory. Institutional theory takes a sociological view of reciprocal interactions between institutions (such as business entities) and society. According to Scott (2001), 'Institutions are social structures that have gained a high degree of resilience'.

Busenitz, Go´ mez, (2000) also indicated that institutions 'are embedded in country-specific institutional arrangements'. Differences between national institutions affect both the level of entrepreneurial activity in each country and the nature and amount of innovation taking place within the country.

According to Scott (2001), there are three different systems that support social institutions. These are the regulatory, normative and cognitive systems. In the regulatory system, formal and informal rules are set, monitored and enforced possibly by means of laws, regulations, and government policies which promote or restrict behavior within a country. Regulatory systems support or create new entrepreneurship, reduce or increase risk for an entrepreneur, and facilitate or restrict access to resources (Busenitz, Go´ mez, and Spencer 2000). The character of a nation's regulatory System, directly affects the country's official level of

entrepreneurship: thus in theory, the greater the difficulty in legalizing a business, the less likely an entrepreneur is to make a new business legal.

Djankov et al. (2002) indicates that starting a business has shown a lot of difficulties in areas of procedures, official time and cost involved in making a new venture legal. He argues that starting a business in a country with a low GDP (Gross Domestic Product) is more difficult and more costly than in a country with a high GDP. Furthermore, start-up procedures in rural areas take more time and are more costly than in big cities. He adds that 'stricter regulation of entry is associated with sharply higher levels of corruption and a greater relative size of the unofficial economy'. This could be reasons why WEs in Kimilili district cannot obtain bank loans.

The normative system consists of 'normative rules that introduce a prescriptive, evaluative, and obligatory dimension into social life' (Scott 2001, 54). In contrast, the cognitive system recognizes 'the shared conceptions that constitute the nature of social reality and the frames through which meaning is made' (Scott 2001, 57). Thus, individuals' cognitive structures and social knowledge combine to represent a nation's cognitive environment. It is this sociological view of institutions that includes consideration of conditions in the market environment. This makes it suitable for the study of barriers and challenges facing WEs especially in Kimilili district.

Related Studies

Wainaina (2009) in his article on "Simple Tips on how to manage a successful Micro-Business" has stated reasons for the establishment of WEF, Fund mandates and Structure. He indicated that the main rationale in the establishment of WEF in

August 2007 was to address the challenges KWEs face in venturing into business and expanding existing ones. Why women? The focus on women was informed by numerous research findings that found that:

1. Women are more disadvantaged than men in accessing credit facilities and other business support services from the formal financial service providers like banks and co-operative societies.
2. Women face serious cultural barriers in owning productive assets like land, livestock, motor vehicles which credit providers require as security for loans.
3. Women have lower financial literacy than men because of low transition rates in our education system, that is, from primary, secondary, post secondary and university.

The Fund is therefore basically an affirmative action that addresses historical marginalization of women who constitute slightly over 50% of our population. Hence the Fund promotes economic empowerment of women and gender quality.

Research has also shown that investing in women is smart economics. This is because, women as home makers are very effective entry point in transforming the social-economic status of the family (PG Greene, 2003). It is a known fact that when a woman's disposable income improves; it leads to multiple positive effects at the household level. For example better nutrition and health, better clothing, better education for the children and improved housing and sanitation. On the other hand, the results are less obvious if man's income changes. It is therefore wise to invest in women by providing subsidized credit and other business support services for enterprise development (Otero M and Rhyne E, 1994).

The Fund has five core mandates that address the needs of a woman entrepreneur in a holistic way;

1. Provision of subsidized credit
2. Capacity development
3. Marketing
4. Infrastructure development
5. Development of linkages with big companies. (Government of Kenya, 2007).

Thus the Fund has a critical role of narrowing the gender gap, wealth and employment creation (Beasley, 1999).

The Fund is structured in a way that every Kenyan woman who is interested in venturing or expanding her business has an equal chance of accessing the funds through its constituency channels (210 constituencies nationwide). There are also over 30 financial intermediaries (banks, SACCOs and NGOs) with very many branches countrywide that make the Fund easily accessible to women (Osterioh S, 2001).

It should be noted that this is a Revolving Loan Fund for promoting women to start or grow up their businesses. Thus serve today's women and their daughters for many generations to come. To ensure that the fund is sustained, it should be managed professionally, transparently and the beneficiaries should repay faithfully and on time. Otherwise the Fund is likely to fail like the former programs which were politicized like "Maendeleo ya Wanawake" (Mwabu G. and Mullei A., 2000)

Muriungi (2011) in her study on "The Challenges Facing Small-Scale Women Entrepreneurs": showed that women tended to operate enterprises associated with traditional women's roles, such as hairstyling. The small and micro enterprises (SMEs) play an important role in the Kenyan Economy such as creating jobs. However they face serious challenges such as lack of finance, discrimination, problems with the city council, multiple duties, poor access to justice, lack of education, among others. The study established that many stakeholders from both Helen (2010) in her examination on the impact of spatial isolation on Kenyan women's small-scale rural, enterprises showed that rural women are increasingly engaging in small scale enterprises. This is a function of intra-household income allocation responsibilities and the increasing money issues of the Kenyan economy. Despite the fact that Kenyan women are receiving greater recognition from the Government for their potential to contribute to development, there has been very little focus on their participation in small scale enterprises and none have considered influences of discrimination on creation and operation of Women enterprises. Helen analyzed influences of spatial isolation on the economic linkages that women's rural enterprises have with the rural agricultural sector, the rural informal sector and more distant urban sectors. public and private sector are helping empower women entrepreneurs in Kenya: such as formation of women enterprise fund, establishing of women's university of science and technology, formal and informal financial support, and donor initiatives among others have been put in place. The study recommended that women in entrepreneurs need to be accepted and supported financially, legally and more capacity building should be made available (International Journal of Business Administration 2011)

Life Impact Foundation International (LIFI) has recently prepared a position paper dated July 24, 2012 on the Women and Cross-Border Trade Project in Nigeria.

LIFI argues that women cross-border traders are driving forces in alleviating poverty, ensuring food security, and generating employment.

Important though they are, most of these women remain in the informal sector where they are not recognized and do not benefit from policies meant to facilitate trade in the region. Although ECOWAS has implemented a set of protocols to reflect the decisions of heads of state, enforcement of these policies has been found wanting. Because of this, significant challenges faced by women-cross border traders remain including lack of information regarding trade protocols, transport constraints, lack of access to finance and networks, and extortion of all kinds.

To address the problem, LIFI has developed several recommendations for action that will help shift the way all actors of the cross-border trade community view these women:

1. Officially recognize the significance and needs of women as contributors to national and regional trade and development in trade policy and export promotion
2. Develop cross border trade facilitation programming targeted at women traders
3. Empower women traders through greater access to horizontal and vertical business linkages, information, skills and resources
4. Build capacity among border officials toward gender sensitive professional practice, standards and accountability
5. Initiate multi-sectoral approaches that will support the facilitation of women's cross-border trade

As the position paper states, "moves towards regional economic integration for the purposes of economic and human development cannot ignore the role of women cross-border traders." Only when informal women traders enjoy the same access to markets, opportunities, and ability to operate in the formal sector, will the region truly realize trade openness and substantial regional economic growth.

Caruana, Morris, and Vella (1998), in their study of Maltese export firms, found that women and men business owners show similarity in demonstrating three characteristics deemed key for business owners: innovativeness); risk-taking; and proactiveness. This means that they are creative, carry out the created business witout fear of failure, and have assertiveness to initiate rather than react to the environment, and do whatever it takes to bring the venture to fruition. Women have higher willingness to accept change and greater need for autonomy while having lower energy levels and risk-taking propensities.

The Business Development Bank (1999) found that many women emphasized that their primary goals in starting a business are not financial. He therefore wondered why women would give up income security, job status and stability for the high risk, hard work and often low income of business ownership? One dominant motive reported by women surveyed in past studies was to create greater flexibility for balancing work and family. In more recent studies women continue to emphasize flexibility as a primary motivator for business start-up, along with other personal reasons: need for more challenge, independence, passion for a particular idea, and desire for greater fulfillment and meaning in their work (Business Development Bank, 1999; NFWBO, 1999a). Women also represent the fastest-growing group of home-based business-owners, entering five times more than men. Reasons appear to include low start-up costs, a perceived significant increase in personal productivity

working at home, and the fact that personal skills that may not be marketable to an outside company can be used to start a business from home (Soldressen, 1998).

Self-actualization was the most important reason given by women in a survey of 223 business owners (Lee and Rogoff, 1997), including goals of maximizing personal skills/abilities, contributing to society, and gaining respect and recognition. Interestingly, this study also found that women who have lost their jobs through 'restructuring' tend more than men to turn to self-employment instead of pounding the pavement in search of another job.

Valdez (1998) found out that business ownership attracts women accountants as a viable avenue to achieve career success, gain control of their destiny and the respect of their peers, create their own work environments, and ensure their advancement is truly based on merit -- all dimensions that women perceive to be less available to them when employed in someone else's enterprise.

Women's start-up motives and enterprise goals are unique. Their reasons for entering business appear to depend partly on 'push' factors such as gendered discrimination they encounter in jobs, and partly on 'pull' factors such as seeking greater fulfillment, accomplishment and control in their work. All of these dimensions appear to vary according to different women's positionality in terms of socio-economic condition, race, geographic location, former education, experience and community of networks (Sundin, 1989).

Hisrich (1987), in his studies noted; women's tendency not to expand their business and increase profits, their unique focus on personal and social goals as well as economic goals stressed by male-owned businesses, their tendency to initiate service-oriented businesses and sole proprietorships, their lack of previous

experience in executive management or entrepreneurism, and their access to fewer role models than men as some of the causes of differences. As Brush (1992), concluded, such findings indicate that women have different goals and develop different processes of business decision-making, planning, and structuring than men.

A second source of tension for women owner-leaders is related to meanings of success. Soldressen (1998), drew attention to the inadequacy of traditional measures of business success based on financial performance and expansion, and personal success based on achieving material wealth, for describing women. Studies have reported that many women view success as achieving balance of work and family, self-fulfillment and helping others, or working at something they love, despite what may be low income. He indicated that women emphasized the secondary importance of money and material goods in their lives. They tended to describe their work success as building mutually supportive relationships among their staff and networks of suppliers and competitors, making qualitative contributions to their communities, creating reputations as reliable and effective, and sustaining 'quality of life' for themselves, their families and the people connected with their enterprise. Quality of life was more typically represented by examples of 'right relationship' than by material markers.

Buttner (1997), found that self-fulfillment was the most important measure of success for women heading small firms: "Success seems to be measured internally in terms of personal growth, professional development, and improving one's skills, rather than measured externally in profits or business growth. Money, then, is a means and not an end" (p. 166). However, it can be speculated that the micro-practices of balancing such values with business demands amidst the profit discourse and competitive pressures of a globalized marker might be complex.

A third tension for some women is connected with business planning. Writing a business plan is a conventional starting point for conceiving the terms and constraints of one's practice in running a business, according to pre-determined constructs, to obtain start-up capital from financial institutions. A good business plan guarantees a degree of credibility for the new business-owner, signifying proper preparation, organization, and goal-setting according to logics of prediction and control. Thus a business planning discourse disciplines and regulates enterprise creators through their own desires to be taken seriously and granted venture capital (Cooper, 1999).

Ljunggren (1998), in telephone interviews of 9,553 Norwegian women entrepreneurs, found that women were far less likely than men to prepare a business plan. They suggest therefore that even though the lack of business plans did not result in lower business success, that initiatives should encourage women to write such plans.

However, Hutton (2000) showed that for some, the prediction-and-control logic based on principles of competition and autonomy of the traditional business plan is counter-productive. He claimed that some women entrepreneurs are experimenting with more emergent, fluid, intuitive ways of developing an enterprise vision and plan, although such non-conventional approaches invite skepticism and even attack from the business community.

Vision can be argued to be another key dimension of enterprise leadership, strategy implementation and change; vision both embeds values and ensures the success of an enterprise. Falbe and Larwood (1995) found significant differences between the vision of entrepreneurs and non-entrepreneurs (executives in organizations) in terms of action-oriented flexibility, and envisioning the organization

as an extension of themselves and their needs. Some studies of women business owners have also found their vision to be linked closely to self-expression. In a recent qualitative study of Texan women business owners, Wells (1998) found identity to be central in women's business visions and sense of achievement, and their learning about self through business ownership to influence their leadership strategy in terms of changing business goals, staff management, and planning focus. Albert (1992) documents women's attempts to break away from traditional definitions of career and job roles that limit their growth or fragment their lives, to invent work allowing them to integrate various parts of self.

Brook (1997) argues that many North American women in mid-life are grappling with identity issues which often lead them to 'quit' traditional employment. Stories of women business owners indicate that deep needs to express self meaningfully through work and to make a contribution to the world often lead to business start-up, and that profound personal change is often experienced throughout the process of business development. For whatever one has in stating an enterprise, the most important aspect of it is whether he/she fulfills the primary goal.

Apart from reasons for women starting up enterprises, studies have also indicated some barriers towards their efforts. Brush (1992), indicated that WEs suffered some barriers in their endeavors. His research established that the smaller the size, dramatically lower profits and take-home pay of women's businesses. One study of women's businesses reported general "disappointment" that women business owners face the same sort of pay gap as salaried female workers, possibly related to the type of businesses women initiate, their reported difficulties in securing bank financing, women's business skills, and the lower fees-for-service

women are able to command (Canadian Federation, 1995). He added that these issues must be interpreted carefully because when using different frames of analysis what appear to be 'barriers' may be deliberate choice, and what appear to be naturalized conditions may be structural but invisible inequities.

Probert (1998) synthesized feminist research on women's work and showed some of these inequalities as;

1. gendered division of work: hierarchies of skill reflect a 'male dominance in craft identity' and sustain a distinction between men's and women's work;
2. subsequent to (1), pervasive undervaluing of women's skills and services;
3. gendered division of family responsibilities affecting women's overall workload, patterns of work participation and perceptions of them as less committed;
4. gendered opportunities restricting women's access to leadership training and positions of authority;
5. increasing casualization of the workforce throwing many women into self-employment; and
6. continued low pay, low status and low opportunity in feminized industries such as retailing and banking.

For women business-owners, these inequities can be argued to be implicated in women's decision (or compulsion) to start a business, the kind and scope of business they undertake (and its perceived credibility and profitability, their attempts to seek funding and establish commercial networks, and, for some, their lack of leadership experience and training prior to becoming an owner-leader.

Hisrich (1987), revealed that in the 1980's there were some unique barriers confronting women business owners. Most significant for business viability included discrimination experienced by women seeking venture capital and exclusion from financial business networks. The same were reflected by Buttner (1993); and included limited access to capital, difficulty in competing for government contracts, and lack of information about where to get assistance (NFWBO, 1992). Women reported that they had to work harder to prove their competence to suppliers and clients. Others often underestimated women's ability to start a venture and discouraged them from "dreaming big" (Godfrey, 1992). Women still report struggling with others' (banks, government, suppliers and competitors) diminishment of the significance of their enterprise: the "little business" syndrome.

However, despite their stories of gender discrimination, many individual women interviewed by Robertson (1997) claimed that their obstacles were simply the challenges of small business shared by all business owners.

Rosen (1992) indicated a primary and continuing obstacle faced by women difficulty in securing capital funding for new business ventures. Riding and Swift (1990) concluded that financial conditions for women business owners were less favorable than for men: women more often had to pay higher interest rates, find more collateral, and provide a spouse's co-signature. Strauss (2000) claims that by 1994-95 in North America, statistics made it clear that women were starting 40% of businesses and were still receiving only 3-4% of venture capital funds. However Buttner (1993) counters that some women have been unprepared with the comprehensive business plan demanded by the banks: rather than do their homework they attributed their loan difficulties to gender discrimination. Yet women's business plans underwent scrutiny more carefully and having to meet more special demands than men's.

However, there were signs that the financial situation is changing: recent studies indicate that women now have more access to capital, as certain financial

institutions and government loan programs like WEF have specifically targeted needs of women business-owners (Industry Canada, 1999)

Kolvereid (1997), in his study showed that more attention should be paid to the subtle ways women's choices are regulated by the pervasive cultural emphases placed on competition, profit, and growth. Many discursive and material practices patrol the boundaries between women business owners and the networks leading to venture capital. He compared differences between new women and men entrepreneurs in the U.S. and Norway found that women had smaller financial resources than men, came from households with lower incomes: almost 60% of the men successfully started the business compared to only 24% of the women.

Another significant barrier is networking (Parzen, 1990). Studies showed that Women business owners were often traditionally excluded from "old boy networks", were perceived to have more "affective" and less "instrumental" motives in building relationships, and relied more on spouses for information and support than on outside advisors such as bankers and lawyers. Networks of contacts, important to both men and women business owners, differed in content and size. Women's networks tended to be composed of women and were smaller than men's networks, which may be one reason for certain difficulties reported by women in obtaining financing. He argued that Women were seeking special women's networks, and women tended to rely on their networks not only for information but also for personal support (Smeltzer and Fann, 1989).

However, a more recent study of networking has concluded that women are as active as men entrepreneurs in networking to obtain assistance, and as successful as men in obtaining high-quality assistance including resources (Aldrich, Reece & Dubini, 1997). Brush (1999) suggested that network uses rely on business needs,

which vary according to size, scope and sector. Thus research exploring the function of networks in business leadership should be carefully situated, and compare links between relational dynamics, individual needs and values, leadership approaches and outcomes in terms of business success as women owner' leaders define it.

A third key struggle for women business owners is related to balancing family issues. Work-family conflict results from inter-role conflict caused by incompatible or conflicting pressures from work and family domains, including job-family role strain, work-family interference, and work-nonwork role conflict (Parasuraman, Purohit, and Godshalk, 1996). Women are more likely to have primary domestic responsibility and to have interrupted careers which create work-family conflict. Seeking balance in work-family has been established as a significant factor in women's decision to start a business, although women business owners still appear to experience much greater conflict than men in managing family and work life (Parasuraman et al., 1996).

As discussed throughout this article, research throughout the past few decades has suggested that women start a business to create greater flexibility in their lives, to seek greater quality of life and more creative, meaningful work, and to place higher priority on relationships and family. If this is so, it puts certain women in tension with a highly competitive profit-driven marketplace, and presents a fundamental shift in the meaning of work and career for some women. Meanwhile, some studies show women business owners in inner turmoil, stretched between round-the-clock working hours and the great feelings of satisfaction and competence from their business, while suffering guilt and fragmentation while juggling family issues (Thrasher and Smid, 1998).

However, the information gathered by the above mentioned researchers, have some gaps left that require more research to fill them up. The first one being non-identification of the relationship between Women Enterprise Fund (WEF) allocation and the performance of women enterprises. Thus measure resources allocated a against the entrepreneurs performance.

The second gap is the development of strategies to deal with the challenges identified above. It is therefore due to these gaps that the researcher found it necessary to carry out this research.

CHAPTER THREE

METHODOLOGY

Research Design

The research design that this study used was the descriptive correlation design. This design was used because the study was non-experimental researches that described the characteristics of an Individual or group. It was correlation as it measured the relationship between variables and tested the hypothesis and developed generalizations. It also used a theory that had universal validity.

Research Population

The researcher's target population was 206. This comprised of six WEs namely; Upendo Women Group dealing with Tissue Culture bananas and Simiche Self Help Group on Fish Farming from Kamukuywa division, Inua Women Group on Dairy Farming and Utu bora Women Group on Cereal Buying, Bulking and Selling from Kimilili town, Kitabani Women Group on Horticulture and Tambaa Self Help Group Poultry from Kimilili division. In addition, other stake holders such as politicians, CDF office, DG & SDOs office, NGOs, church leaders and administration were included in this population.

Sample size

In determining the sample size for this study the researcher used Slovin Formula. The sample size to be used in this study consisted of 136 respondents as indicated in the appendix .

Sampling Procedure

Stratified and proportionate sampling technique was used to select the sample from the population. In order to get the sampled respondents from each category of the stakeholders proportional sampling procedure were followed as shown (Appendix v)

$$ni = \frac{Ni \times n}{N}$$

ni= the sample size of the stakeholders in a given category

Ni= proportion size of the stakeholders in Kimilili district

N= population of stakeholders in the district

n=the desired sample already got through Slovin formula

Table 1

Category of Respondents

Category	Target population	Sample size
Group members	150	99
Group officials	20	13
WEF officials	6	4
Politicians	7	5
CDF office	3	2
DG & SDOs	3	2
NGOs	2	1
Church leaders	9	6
Administration	6	4
Total	**206**	**136**

Source: Primary data, 2012

Since Kimilili- Bungoma District comprises of 2 divisions, the researcher drew two groups from every division in rural villages. For proper comparison, he also selected two groups from Kimilili town.

The sample groups were selected by cluster random sampling. It is suitable to this study as it covers different divisions of the district. Thus the groups were clustered as those in Kamukuywa and Kimilili divisions. Further clustering was based on those in town and those in rural areas.

Research Instruments

The research instruments that were used in this study included: 1) closed questionnaires to gather on the respondents' demographic characteristics (gender, age, and education); 2) determine the level of WEF allocation. These consisted of opinions referring to WEF allocation (13 items); and 3) determine the level of performance after the funding (14 items).

The response modes and scoring were as follows; strongly agree (4), agree (3), disagree (2), strongly disagree (1)

Validity of the instrument

Content Validity Index was reached by subjecting the researcher devised questionnaires on performance of women enterprises to judgment by the content experts. These included the supervisor, office of gender and social services, and colleagues. The validity and reliability of the research instrument was derived at by using Content Validity Index (CVI) = 0.96.

The researcher therefore, carried out a pre-test of the questionnaire by administering it to 10 respondents to determine the reliability. These included 4 women group members, 4 teachers, and 1 church leader, and 1 youth who were not among the research respondents. The questionnaire was administered twice to the same subjects. This helped to determine the reliability as the results were consistent and essentially the same in both tests.

Data gathering procedure

Before the administration of the questionnaires

Before proceeding to the field, the researcher obtained an introductory letter from the school of postgraduate studies and research Kampala International University for him to solicit for approval to conduct the research from the institutions. He then selected 3 research assistants, who were trained for one day on how to carry out data collection.

During the administration of questionnaires

The researcher and his assistants administered questionnaires to the respondents after requesting them to kindly give true and independent information. The questionnaires were later collected, packed and delivered back to the researcher.

After the administration of the questionnaires

The data gathered was collated, encoded into the computer and statistically treated using Statistical Package for Social Sciences (SPSS).

Data analysis

In the report data was analyzed descriptively using tables, frequencies and percentage distributions were used to determine demographic characteristics of respondents.

The mean was applied to the level of WEF allocation and the performance of the WEs. An item analysis is illustrated according to strengths and weaknesses based on the indicators in terms of mean and rank. These strengths and weaknesses were used in drawing conclusions and recommendations.

The following mean range was used in arriving at the mean of the individual indicators and interpretations;

Mean Range	Response Mode	Interpretation
3.26-4.00	strongly agree	Very satisfactory
2.51-3.25	agree	satisfactory
1.76-2.50	disagree	Fairly satisfactory
1.00-1.75	strongly disagree	Unsatisfactory

Ethical Consideration

During this study, the researcher and his assistants observed ethical issues while carrying out the research. He took into account factors relating to privacy, freedom, and procedure. Information collected was treated with all the confidentiality it required as follows:

1. Solicited permission through a written request to the respective respondents
2. Used codes or anonymous names instead of the respondents' names
3. The respondents participated voluntarily
4. Presented the findings in a generalized manner

Limitations

One of the major limitations was language barrier. Some respondents especially in WEs do not understand English. It therefore required the researcher's assistants or group leaders to assist them in reading and translating into Kiswahili for them to understand and respond well. This posed another limitation as one could not express herself freely through somebody else due to fear.

On the other hand, some members were not willing to reveal every bit of information that leads to their success or failure due to fear of competition or shame. Some respondents failed to respond while others took too long to respond. Hence needed follow-up and persuading them to return the questionnaires. Despite all this efforts, only a small fraction of them were returned.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

Respondents Demographic Characteristics

In this part, general information of respondents was analyzed by use of frequencies and percentages. The gender, age and level of education were analyzed as shown in tables 2 below.

Table 2

Respondents Demographic Characteristics

n=102

Category of Respondents		Frequency	Percent
Gender	Male	39	38.2
	Female	63	61.8
	Total	**102**	**100**
Age	20-39	28	27.5
	40-59	70	68.6
	60 and above	4	3.9
	Total	**102**	**100**
Education	Primary	21	20.6
	Secondary	48	47.1
	College/university	33	32.4
	Total	**102**	**100**

Source: Primary data, 2012

Table 2 indicates that the majority of the respondents to this study were women with 63(61.8%) against men who were 39(38.2%). The study revealed that

most of the members in the women enterprises are women while only 30% or less are men and this justifies why most respondents were women.

The table reveals that the majority of respondents are within the range of 40-59 years old 70(68.6%), followed by those in the range of 20-39 years with 28 (27.5%), and lastly those in the range of 60 and above with only 4(3.9%). This is an indication that women groups or enterprises and offices are dominated by people of middle age followed by the youth.

The level of education of respondents was necessary to enable the researcher find out if it also contributed towards loan acquisition, expenditure and repayment. The research found that out of the 102 respondents that were interviewed, 48(47.1%) are of secondary level, 33(3.4%) reached college/university, and 21(20.6%) attained primary education (Table 2). Since more than a half of the respondents obtained at least secondary education, the information collected would be more reliable as most of them were able to read and understand the language used with ease.

The level of Women Enterprise Fund allocation in Kimilili district

The independent variable in this study was to determine the level of Women Enterprise Fund allocation. The researcher intended to find out how satisfactory the service had reached women enterprises in Kimilili district in a view of reducing poverty levels and creating self-employment in the region. The level was measured using qualitative questions in the questionnaire, with each having four options:1=strongly disagree, 2=disagree, 3=agree, and 4=strongly agree.

Respondents were to choose a response that shows the degree at which they agree or disagree basing on his/her own opinion. SPSS was used to analyze responses and summary drawn using means as shown below (table 3).

Table 3

Level of Women Enterprise Fund allocation in Kimilili district

n=102

WEF allocation	Mean	Interpretation	Overall Rank
Basic requirements			
The DG & SDOs have created awareness on WEF to women groups	3.35	Very satisfactory	1
Most women groups have been registered	2.82	Satisfactory	4
Members received education from the government before the funding	2.62	Satisfactory	5
Group members are willing to apply for loans	3.11	Satisfactory	2
Period before funding after applications			
Applications took a short period before being funded	2.04	Fairly satisfactory	11
Projects funded			
Most of the WEs projects have been funded by the government through WEF	2.24	Fairly satisfactory	8
WEF allocation committee has done good work in funding groups	1.73	Unsatisfactory	12
We are satisfied with the way funds were allocated	2.09	Fairly satisfactory	10
We are happy with the government channeling WEF through banks	2.49	Fairly satisfactory	6
Loan collection			
The group members have repaid the loans in total	2.28	Fairly satisfactory	7
Role played by other stakeholders in allocation			
The role played by CDF office in WEF is of great importance us.	2.23	Fairly satisfactory	9
Administration has helped in improving WEF allocations in our district.	2.97	Satisfactory	3
Politicians have played a good role in WEF allocations.	1.62	Unsatisfactory	13
Overall Mean		**Fairly Satisfactory**	

Source: Primary data, 2012

Mean Range	Response Mode	Interpretation
3.26-4.00	strongly agree	Very satisfactory
2.51-3.25	agree	satisfactory
1.76-2.50	disagree	Fairly satisfactory
1.00-1.75	strongly disagree	Unsatisfactory

From the study conducted, it was discovered that the level of Women Enterprise Fund allocation in Kimilili district was fairly satisfactory. As indicated by the mean, almost every question had a mean of 2.43, thus the level of WEF allocations is perceived by the majority to be fairly satisfactory. However, not all respondents had the same views. For example the office of DG&SDOs emerged the best with a mean of 3.35 (Very satisfactory) for creating awareness on WEF to women groups, followed by group members willingness to apply for loans with a mean of 3.11 (Satisfactory). The linkage between the two is evident in that it all adds praise to the good work done by the DG & SDOs on creating awareness that members gained willingness to apply for the loans. This is the same office that offers registration for WEs, which is one of the requirements for funding and was rated satisfactory with a mean of 2.82. This indicates that office of Gender and Social Services does its work as expected of it.

Administration seemed to have played a good role at the grass root level as it was rated satisfactory with a mean of 2.97. This is very encouraging for the community as this is the same office that offers security for the same enterprises. Security being a very important factor in business therefore puts the WEs in a favorable condition as administration was doing satisfactory work for them.

The last in the ranking was the role played by politicians in WEF allocations with a mean of 1.62(Unsatisfactory), followed by the WEF allocation committee (1.73) far much below the rest being unsatisfactory in rendering services to the WEs. The information gathered on politicians and WEF allocation committee could be the reason why many WEF loan applications are made but only a few qualify. The committees have been appointed by the same politicians who may want to use the fund to reward their supporters and punish those from opposition areas by denying them services. Some respondents felt these offices were full of corruption and only those who part with something would be allocated the fund.

In general, six activities of WEF allocation were fairly satisfactory, four were satisfactory, two unsatisfactory and only one very satisfactory.

Level of Performance of women enterprises in Kimilili

The dependent variable in this study was the level of Performance of women enterprises in Kimilili. This level was measured using qualitative questions in the questionnaire where each of them had four options to pick from as follows; 1= strongly disagree, 2=disagree, 3=agree, and 4=strongly agree. Respondents were to choose a response that shows the degree at which they agree or disagree basing on his/her own opinion. SPSS was used to analyze responses and summary drawn using means as shown below (table 4)

Table 4

Level of Performance of women enterprises in Kimilili

n=102

WEs Performance	Mean	Interpretation	Overall Rank
Planning			
Our group has well stated goals and objectives	3.59	Very satisfactory	1
Members are involved in planning	2.54	Satisfactory	4
Members are involved in decision making	2.40	Fairly satisfactory	8
Our market is readily available	2.67	Satisfactory	2
Funds utility			
Funds were used on the projects as planned	2.42	Fairly satisfactory	7
Our enterprise has enough funds for its operations	1.69	Unsatisfactory	13
Monitoring			
The WEs have records of all income and expenditure	2.52	Satisfactory	6
WEs records have been audited	2.39	Fairly satisfactory	9
We are satisfied with the way funds were spent	2.09	Fairly satisfactory	12
Profits			
The activities of the WEs improved after funding in 2009	2.65	Satisfactory	3
Many WEs that were funded in 2009 have expanded by 2010	2.54	Satisfactory	4
Most of the WEs that were funded 2009 have been self-reliant by 2011.	2.16	Fairly satisfactory	11
We have competent employees	1.66	Unsatisfactory	14
The group members have repaid the loans in total	2.28	Fairly satisfactory	10
Overall Mean	**2.40**	**Fairly satisfactory**	

Source: Primary data, 2012

Mean Range	Response Mode	Interpretation
3.26-4.00	strongly agree	Very satisfactory
2.51-3.25	agree	satisfactory
1.76-2.50	disagree	Fairly satisfactory
1.00-1.75	strongly disagree	Unsatisfactory

From the findings, the level of performance of the WEs in Kimilili district was fairly satisfactory (2.40) which is equivalent to disagree as indicated in the questionnaire. Apart from this generalized response, the study revealed that there were varied responses. The best being the set goals and objectives which are very necessary if any enterprise was to perform. It was rated as very satisfactory with a mean of 3.59, followed by market availability with 2.67 (satisfactory) and the activities of the WEs which improved and expanded in the years 2009, 2010 after funding and were rated satisfactory with means of 2.65 and 2.54 respectively.

WEs having set goals and objectives was the best because it is a requirement for registration of WEs, which is also a requirement for funding by WEF. However, having good goals and objectives is a task, but more so is the implementation of its activities to achieve them was another task altogether.

Since most of these enterprises deal with farm produce and value addition, market for their businesses was satisfactorily available. Though at times, they say there was a lot of competition which is healthy in any world of business.

The improvement which was realized in the activities of WEs in 2010 after the funding (2009), justifies the stages of group formation as at this early stage group might have had very high expectations towards their enterprises. However, the research further revealed that the improvement was short lived as it continued dropping.

In the year 2011, the worst performance was realized with a mean of 2.16 rated as fairly satisfactory. This was equivalent to disagree that the members had gained self-reliance. It was noted that without the members gaining self-reliance then the performance was generally poor and this creates a great setback to poverty

reduction in the region. The possibilities are that the same formation stages affected the WEs as they underwent storming stage, things started worsening. The second reason is that there was no monitoring by the government agency to ensure the security of the funds through sustained businesses.

This performance could be linked to the initial processes of planning and decision making where it was satisfactory (2.54) and satisfactory with mean of 2.40 respectively. The suggestion here could be that members are involved in planning but once funds are acquired decisions are left to a few individuals. This creates room for diversion or misuse of the said funds as evidenced by fairly satisfactory response over use of funds on projects planned with 2.42 mean.

The research further revealed that the worst two items according to the responses were creating employment and having enough funds for enterprise operations, rated as unsatisfactory with 1.66 and 1.69 means respectively. It is obvious that a business only employs when it has enough funds for its operations. Over inadequate funds for their enterprises, each group has an average of 15 members and yet they were allocated only KSH.50000 which was so minimal compared to the people involved.

From the information gathered above, it is obvious that the members of the WEs and the stakeholders at large were fairy satisfied with the expenditure of the funds (2.09). Consequently, the loans could not be repaid as expected with such a scenario. This led to loan repayment being rated fairly satisfactory (2.28).

Generally, six activities pertaining to the level of performance for the WEs were fairly satisfactory and five were satisfactory, two unsatisfactory and only one very satisfactory. This led to an average mean of 2.40 being fairly satisfactory.

Relationship between Women Enterprise Fund and Women Enterprises

The fourth objective of this study was to determine whether there is significant relationship between Women Enterprise Fund allocation and Women Enterprises performance in Kimilili district. The researcher stated a null hypothesis that there was no significant relationship between Women Enterprise Fund allocation and Women Enterprises Performance in Kimilili district. To achieve this last objective and test this null hypothesis, the researcher correlated the means for Women Enterprise Fund allocation and those on Women Enterprises Performance using the Pearson's Linear Correlation Coefficient, as indicated in table 5 below.

Table 5

Pearson's Linear Correlation Coefficient for Women Enterprise Fund Allocation and Women Enterprises Performance

Variables Correlated	R-Value	Sig.	Interpretation	Decision on Ho
Women Enterprise Fund Allocation Vs Women Enterprises Performance	.463	.012	Significant relationship	Rejected

Source: Primary data. 2012

The results in table 5 indicates that Women Enterprise Fund allocation is correlated with Women Enterprises performance in Kimilili district (Sig. < 0.05). This implies that an improvement made in Women Enterprise Fund allocation, will lead to a significant improvement in Women Enterprises performance to the tune of 46% as per this study (r=0.463; sig.=0.012).

Basing on these results therefore, the stated null hypothesis is rejected at a 0.05 level of significance. Thus the hypothesis does not hold.

In order to get a final picture on how WEF allocation affects the performance of WEs, Women Enterprise Fund allocation was regressed against Women Enterprises performance as shown in table 6 below.

Table 6

Regression Analysis Results for Women Enterprise Fund Allocation and Women Enterprises Performance

Variables Regressed	Adjusted R^2	F	Sig.	Interpretation	Decision on Ho
Women Enterprise Fund Allocation Vs Women Enterprises Performance	.116	2.177	.013	Significant effect	Rejected

Source: Primary data, 2012

The Linear regression results in table 6 above indicates that Women Enterprises performance is significantly affected by Women Enterprise Fund allocation (F=2.177, sig. =0.013). The results indicate that WEF allocation in the regression model contribute over 11% towards variations in WEs performance in Kimilili district (Adjusted R^2=0.116).

CHAPTER FIVE

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Summary of the Findings

This chapter presents the summary of the findings, conclusions, recommendations following the study objectives and pertinent hypothesis and areas for further research study. The study was to determine the significant relationship between WEF allocations and WEs performance level in Kimilili district.

Respondents' Demographic Characteristics

The study revealed that the profile of the respondents on gender was dominated by females with 61.8%, while on age, 68.6% were in the range of 40-59 years old. As it regards to education, it was revealed most of the respondents attained secondary school education (47.1%), followed by college/university (32.4%).

Women Enterprise Fund allocation

It was discovered that the level of Women Enterprise Fund allocation was fairly satisfactory (mean=2.43). This level was as a result of six activities of WEF allocation being fairly satisfactory, four were satisfactory, two unsatisfactory and only one very satisfactory.

Women Enterprises Performance

The study revealed that the level of Women Enterprises performance in Kimilili district was fairly satisfactory (mean=2.40). Generally, six activities pertaining

to the level of performance for the WEs were fairly satisfactory and five were satisfactory, two unsatisfactory and only one very satisfactory.

Relationship between Women Enterprise Fund allocation and Women Enterprises Performance

The study revealed that there was significant relationship between Women Enterprise Fund allocation and Women Enterprises Performance in Kimilili district ($r=0.463$; sig.$=0.012$), which was less than 0.05 or 5% level of significance, thus rejected the null hypothesis which stated that there was no significant relationship between Women Enterprise Fund allocation and Women Enterprises Performance in Kimilili district.

These findings were backed by the regression analysis model which confirmed that Women Enterprise Fund allocation in the regression model contribute over 11% towards variations in Women Enterprises performance in Kimilili district (Adjusted $R^2=0.116$). Therefore, the researcher infers that there was significant relationship between the two study variables, and basing on these results, the stated null hypothesis was rejected at a 0.05 level of significance.

Conclusions

The study revealed that the majority of the respondents were the females, in the age range of 40-59 years old and of secondary school level of education.

Last but not least, there was significant relationship between Women Enterprise Fund allocation and Women Enterprises Performance in Kimilili district.

Lastly, the institution theory by Scott, (2001) under regulatory systems contends that formal and informal rules should be set, monitored and enforced possibly by means of laws, regulations, and government policies which promote or restrict behavior within a business set up. Regulatory systems support or create new entrepreneurship, reduce or increase risk for an entrepreneur, and facilitate or restrict access to resources. Women Enterprise Fund allocation committee might have failed in monitoring the activities of Women Enterprises and as such risked government resources from being absorbed. In this regard, the theory was proved to be correct.

Recommendations

From the findings the following recommendations are suggested in a view of improving on government funds allocations through WEF in Kimilili district;

1. Have an active monitoring and evaluation team to follow up projects right from the onset so as to avoid diversion of funds. This will also help the groups running the enterprises stick to their objectives in their operations.
2. Train members to understand the difference between them and the business. They should treat their businesses as separate entity that borrows and lends out of which they are the first debtors to it.
3. Have representatives from every sub location to join up the committee so as to monitor the allocations from the grassroots. This will help curb down biases during allocations.
4. WEF to give loans to needy individuals at a reduced interest rate so as to a void collective responsibility of repaying the loans in groups

where some other hardworking members are disappointed by those who feel the fund is free and have no need to repay.

5. Educate members on the available financial services and where/how to get them.
6. A void using politicians in the funds allocation committees and let them be watchdogs. This help avoid them from using the fund as a reward to those who voted for them and deny regions against them.
7. Deposit funds directly to the groups accounts other than using banks that charge processing fee.
8. Train group members on proposal writing so as to avoid common errors and mistakes and excessive charges by technicians who assist them in filling the application forms.
9. Shorten the period between application and funding to enable group members carry out their projects timely.

Areas for further study

More research is required in government funds allocated for the purposes of poverty reduction in various fields, such as, Youth Enterprise Fund (YEF) allocation and the performance of Youth Groups (YG), Constituency Development Fund (CDF) and its impact.

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APPENDICES

APPENDIX I A: TRANSMITAL LETTER

KAMPALA
INTERNATIONAL
UNIVERSITY
EXPLORING THE HEIGHTS

P.O. Box 20000, Kampala, Uganda
Tel: +256- 41- 266813 / +256- 41-267634
Fax: +256- 41- 501974
E- mail: admin@kiu.ac.ug,
Website: www.kiu.ac.ug

OFFICE OF THE HEAD OF DEPARTMENT, ECONOMICS AND MANAGEMENT SCIENCES
COLLEGE OF HIGHER DEGREES AND RESEARCH (CHDR)

Date: August 20th, 2011

RE: REQUEST FOR KIRUI JOHN TABOI MBA/20635/82/DF TO CONDUCT RESEARCH IN YOUR ORGANIZATION

The above mentioned is a bonafide student of Kampala International University pursuing Masters of Business Administration.

He is currently conducting a research entitled" **Women Enterprise Fund Allocation and the Performance of Women Enterprises in Kimilili District."**

Your organization has been identified as a valuable source of information pertaining to his research project. The purpose of this letter is to request you to avail him with the pertinent information he may need.

Any information shared with him from your organization shall be treated with utmost confidentiality.

Any assistance rendered to him will be highly appreciated.

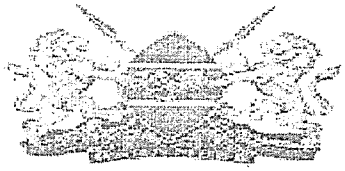
Yours truly,

For Mr.Malinga Ramadhan
Head of Department,
Economics and Management Sciences,(CHDR)

NOTED BY:
Dr. Sofia Sol T. Gaite
Principal-CHDR

APPENDIX I B: TRANSMITAL LETTER

MINISTRY OF GENDER CHILDREN AFFAIRS AND SOCIAL DEVELOPMENT



Department of Gender and Social Development 25TH August, 2011

Dear Sir,

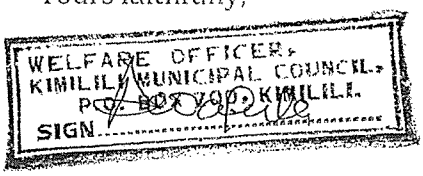
RE: KIRUI JOHN TABOI - NMA/20035/82/DF

The above mentioned is a Masters Student in Kampala International University and has been authorized by this office to carry out his Research on Women Enterprise Fund Allocation and the Performance of Women Enterprises in Kimilili District.

You are therefore requested to furnish him with the necessary information.

Thanks in advance for your co-operation.

Yours faithfully,



ALICE WAFULA

SENIOR WELFARE OFFICER

APPENDIX II: INFORMED CONSENT

In signing this document, Iam giving my consent to be part of the research study of Mr. Kirui T. John that is on Women Enterprise Fund allocation and Women Enterprise performance in Kimilili district.

I shall be assured of privacy, anonymity, and confidentiality and that I shall have freedom to participate or withdraw with or without reasons for I have been informed that participation is on voluntary and feedback shall be availed to me.

Initials_____

Date_____

APPENDEX III: RESEARCH INSTRUMENT

KAMPALA INTERNATIONAL UNIVERSITY COLLEGE OF HIGHER DEGREE AND RESEARCH MASTERS PROGRAM

Dear Respondent,

I am a candidate for Masters of Business Administration, Management at the institution indicated above and presently undertaking research study on Women Enterprise Fund Allocation and the performance of Women Enterprises in Kimilili district. I am therefore requesting you kindly to be part of this study by answering the following questionnaire. Kindly respond to all the questions by ticking within the brackets provided. You are requested not to write your name anywhere on this questionnaire please.

The information provided shall be treated with all the confidentiality it requires and shall be used for academic purposes only.

Thanks in advance

sign_____

KIRUI T. JOHN

Part 1

Respondents' Demographic Characteristics

1. State your gender

Code	Gender	Tick
1	Male	
2	Female	

2. Age in years

Code	Range	Tick
1	20-39	
2	40-59	
3	60 and above	

3. State your education level

Code	Level	Tick
1	Primary	
2	Secondary	
3	College/university	

Part2

QUESTIONNAIRE TO DETERMINE THE LEVEL OF WEF ALLOCATION

Please write in the brackets provided the figure that corresponds to your favored response as matched below:

Response mode	Interpretation
Strongly Disagree	1= You disagree without any doubt
Disagree	2= You disagree with some doubt
Agree	3= You agree with some doubt
Strongly Agree	4= You agree without any doubt

1.Most of the WE groups have been registered. ( )

2.Group members are willing to apply for loans ( )

3. Most of the WE projects have been funded by the government through WEF. ( )

4. Applications took a short period before being funded. ( )

5. Members received education from the government before the funding. ( )

6. We are satisfied with the way the funds were spend. ( )

7 The group members have repaid the loans in total. ( )

8.The role played by CDF office is of geat importance to us ( )

9.Administration has helped in improving WEF allocation in our district ( )

10.Politicians have played a good role in WEF allocation ( )

11.The DG & SDOs have created awareness on WEF to women groups ( )

12.WEF allocation committee has done good work in funding groups ( )

13.We are happy with the government channeling WEF through banks ( )

Part 3

QUESTIONNAIRE TO DETERMINE THE LEVEL OF WEs PERFORMANCE

Please write in the brackets provided the figure that corresponds to your favored response as matched below:

Response mode	**Interpretation**
Strongly Disagree	1= You disagree without any doubt
Disagree	2= You disagree with some doubt
Agree	3= You agree with some doubt
Strongly Agree	4= You agree without any doubt

.Our group has well stated goals and objectives ( )

.Members are involved in planning ( )

.Members are involved in decision making ( )

.The WEs have records of all income and expenditure ( )

.WEs records have been audited ( )

.We are satisfied with the way funds were spent ( )

.The group members have repaid the loans in total ( )

.Our market is readily available ( )

.We have competent employees ( )

0.Funds were used on the projects as planned ( )

1.Our enterprise has enough funds for its operations ( )

2.The activities of the WEs improved after funding in 2009 ( )

3.Many WEs that were funded in 2009 have expanded by 2010 ( )

4.Most of the WEs that were funded 2009 have been self-reliant by 2011 ( )

APPENDIX IV: CONTENT VALIDITY INDEX

Women Enterprise Fund allocation	No. of judges	No. of judges declared valid	CVI
Most of the WE groups have been registered	3	3	1
Group members are willing to apply for loans	3	3	1
Most of the WE projects have been funded by the government through WEF	3	3	1
Applications took a short period before being funded	3	3	1
Members received education from the government before the funding	3	2	0.67
We are satisfied with the way the funds were spend	3	3	1
The group members have repaid the loans in total	3	3	1
The role played by CDF office is of great importance to us	3	3	1
Administration has helped in improving WEF allocation in our district	3	3	1
Politicians have played a good role in WEF allocation	3	3	1
The DG & SDOs have created awareness on WEF to women groups	3	3	1
WEF allocation committee has done good work in funding groups	3	3	1
We are happy with the government channeling WEF through banks	3	2	0.67
Average			**0.95**
Women Enterprises Performance			
Our group has well stated goals and objectives	3	3	1
Members are involved in planning	3	3	1
Members are involved in decision making	3	3	1
Funds were used on the projects as planned	3	3	1
The WEs have records of all income and expenditure	3	3	1
WEs records have been audited	3	3	1
We are satisfied with the way funds were spent	3	3	1
Our market is readily available	3	3	1
The group members have repaid the loans in total	3	3	1
.Our enterprise has enough funds for its operations	3	3	1
The activities of the WEs improved after funding in 2009	3	3	1
Many WEs that were funded in 2009 have expanded by 2010	3	3	1
The records show that most of the WEs that were funded 2009 have been self-reliant by 2011	3	2	0.67
Average			**0.97**

CVI=No. of items declared valid (N) ÷ Total no. of items (n)

Where:

CVI= Content Valid Index

CVI= (0.95+0.97) ÷ 2

CVI=0.96

APPENDIX VB

Table 1

Category of Respondents

Category	Target population	Proportional sample	Sample size
Group members	150	150/206×136	99
Group officials	20	20/206×136	13
WEF officials	6	6/206×136	4
Politicians	7	7/206×136	5
CDF office	3	3/206×136	2
DG & SDOs	3	3/206×136	2
NGOs	2	2/206×136	1
Church leaders	9	9/206×136	6
Administration	6	6/206×136	4
Total	**206**		**136**

Source: Primary data, 2012

RESEARCHER`S CURRICULUM VITAE

KIRUI JOHN TABOI

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MOBILE (+254 710634780 / +254 735591759)

Personal profile

DATE OF BIRTH : 2.01.1969

SEX : MALE

MARITAL STATUS : MARRIED

NATIONALITY : KENYAN

Educational Background

2010-Date: Smase Primary Maths Cluster Trainer Kaimosi TTC

2009-2012: Candidate MBA (Mgt) Kampala International University

2004-2008: BED (Arts) University of Nairobi

1988-1990: P1 Eregi TTC

1982-1985: KCE Cheptais Secondary school

1974-1981: CPE Chebukwabi primary school

Work Experience

2012	Graduate teacher 1
2010-Date:	Trainer in Smase (Maths) Primary
2008-2011:	GT II Teacher chebukwabi pry school
1990-2008:	P1 Teacher chebukwabi pry school
1987-1988:	Teacher Chebukwabi Pry School

Referee

Mrs. Wanjala Celestine

Ht. Chebukwabi Fym

P.o. Box 131.Kimilili.

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