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Accessibility of Financial Credit and the Growth of Women Owned Small Retail Enterprises in Uasin Gishu County

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ABSTRACT
Women in the world account the highest economic growth through the economic activities they engage in. Even though women entrepreneurs in Kenya have been known to engage in small scale retail enterprises, there has been a need to grow their businesses beyond the current level. However, hindering factors such as lower academic standards, higher interest rates, low income from these businesses and socio-cultural constraints have contributed to poor growth and management of these businesses. Access to credit by these women has also been hampered by these factors. The study investigated the challenges of access to credit on the growth of women owned enterprises in Kapseret constituency, Uasin Gishu County. Use of questionnaires and interview schedules to collect primary data was preferred in this study. The study adopted a descriptive survey research design. It targeted women entrepreneurs in Kapseret constituency and the management of various micro-finance institutions in the region. A total of 1468 women entrepreneurs were targeted which is the total number of women identified to have small scale business enterprises in the region operating as small enterprises. The desired sample size was identified using the Morgan and Krejcie Table for Determining Sample Sizes where the sample size comprised of 306 respondents. SPSS was used to code and enter data for analysis. The study adopted both the qualitative and quantitative analysis in order to achieve the objective of the study where the former used descriptive statistics where graphs, tables and pie charts has been used. This research used quantitative analysis to analyze collected data. The study also employed descriptive methods such as means, mode and median. The study established that education levels affects access to credit by women entrepreneurs and interest rate affects access to credit by women entrepreneurs,

Keywords. women entrepreneurs , micro-finance institutions , Financial Credit , Growth, Small Retail Enterprises

1.0 Introduction

Women entrepreneurship is increasingly recognized as an important driver of economic growth, productivity, innovation and employment, and it is widely accepted as a key aspect of economic dynamism (ILO, 2006). However, Namusonge (2006) states that access to credit has eventually become a detrimental factor to advancing their small scale business enterprises as most businesses owned by the rural poor women are poorly managed, have low income and are mostly deemed not credit worthy by financial institutions due to lack of training. Walsh &Likinski (2009) notes that more women need to participate in business education addressing business growth, technology, revenue models, and securing correct types of finance. She notes that globally, women-led businesses receive less than 5 percent of venture capital. Women business owners in the UK also seek less bank loans and overdraft facilities. Nonetheless, these women are faced with some obstacles before reaching their goals such as their financial and psychological independence. Female entrepreneurs differ from their male counterparts as they encounter more problems as indicated by Jalbert (2000) and Saffu and Manu (2004). Research illustrates that men face less challenges than women especially with finance, education and management skills. Firms owned and managed by men had more sophisticated planning compared to females and they survive and grow from medium to large scale enterprises because they are literate and have access to credit and credit facilities since the societal norms are more in tune with them (Dovi, 2006

Previous studies have highlighted several factors which affect access to financial credit such as education, interest rate level of income among others (Ukpore, 2009; Ansoglenang, 2006; Lakwo, 2006). However, Amanoo (2003) proposes that the debate on factors affecting demand for credit is inconclusive. For instance, Amanoo (2003) proposes that interest rate affects access to credit in Ghana, Aryeetey (2004) carries a differing opinion from his study in Brazil. He argues that interest rates do not affect the demand for credit. The study indicated that the high interest rate was not a major concern for SMEs. The idea and practice of women entrepreneurship is a recent phenomenon in Kenya. Until the 1980's little was known about women entrepreneurship both in practice and research, which made its focus entirely on men. Scientific discourse about women's entrepreneurship and women owned and run organizations is just the development of 1980s (ILO, 2006) and late 1990s and early 2000s in Eastern Africa especially Kenya (Mwobobia, 2012).

1.2 formulation of the study problem

Access to credit by women owning small scale business enterprises in Kenya is hampered by numerous factors including low levels of education, higher interest rates by lending institutions, low income generated from these businesses and other socio-cultural factors that place women in a lower status in the society as compared to men in as far as running of businesses is concerned. Njeru and Njoka (1998) point out that due to patriarchal social authority structures, women received substantial family support in the start-up stages of their businesses, but later on such support was limited, restricted or withdrawn for fear of husbands losing dominance over their wives. Other studies carried out in Kenya by Mutuku (2006) have attributed the lack of entrepreneurial culture among Kenyan women to: lack of confidence and self belief; lack of a variety of strong and relevant networks; passive learning methods; and, starting up enterprises without adequate prior preparation. Other constraints and barriers include a poor social background, inadequate and inappropriate training and preparation for entry into MSEs, and socio-economic discrimination (Njeru and Njoka, 1998; Mutuku, 2006). Despite a multitude of studies devoted to the topic, the challenges affecting women borrowers have never been critically highlighted and their impact on women SMES in relation to empowerment of women entrepreneurs. This remains largely unexplored in Kenya. Hence, this study sought to answer the following questions.

1. To what extent does education level affect access to credit by women who own small scale business enterprises
2. To what extent do interest rates affect access to credit by small scale women entrepreneurs

The study is significant as it illustrates the challenges facing small scale women entrepreneurs in accessing credit and how they affect growth of women entrepreneurs.

Theoretical Framework

This study adopts the theoretical lens of social capital as postulated by Norman T. Upoff. Social capital is subject to a variety of interpretations, which often confuse the application of the concept. Often, the concept refers to the links between people and how individuals take advantage of these links to access certain desirable resources.

Social capital is most often understood as the source through which individuals can take advantage of social relations, networks or other structures to obtain certain benefits (Portes, 1998). The conceptualization of social capital dates back to Marx and Durkheim, but in the 1970's Pierre Bourdieu provided one of the most theoretical and instrumental contemporary interpretations of the concept. Economist Glenn Loury's work on the effect of social connections on access to employment inspired sociologist James S. Coleman to investigate the role of social capital on human capital. In the 1990's Robert Putman advocated for social capital as a means for collective action for mutual benefit, through trust and norms of reciprocity. Putman is also known for his distinction between 'bonding' and bridging' social capital, which refers, firstly, to the social connections between a homogeneous group of people and, secondly to the relations beyond and between differing groups. (Karlan , 2006)

Social capital has also gained steady ground within development literature. Michael Woolcock was the first to provide a unified conceptual framework for the concept of social capital in an economic development perspective (Piazza-Georgi, 2002; Woolcock, 1998). It has however, received much criticism mainly due to the variety of interpretations and thus confusion regarding its applicability (Lakwo, 2006). In a development context it is attacked for being used as a means to avoid inequality issues as power relations are accounted for without looking at the negative consequences of social life. Others disagree with the assumption that actors are social entrepreneurs and actively invest in relationships of trust. Yet others view social capital as embedded social resources, dynamic and negotiated but not easily stored and thus both constrain and enable individual action, as well as reproduce structural inequalities (Clever, 2005).

This study is inspired by the approach developed by social scientist Norman T. Uphoff (1941). Uphoff is a professor at the Cornell University, New York with a main research focus on the field of rural and agricultural development (cornell.edu, 2012). He bases his work on social capital on practical development projects (Krishna & Uphoff, 1999 and Uphoff & Wijayaranta, 2000), and his conceptualization of social capital is commonly employed in contemporary research and practice within fields as diverse as mental health and rural development (Islam , 2006; Pronyk, 2008).

LITERATURE REVIEW

Effect of Education on Access to Credit

Education is one of the factors that impact positively on growth of firms (King& McGrath, 2002). Women, in particular the less educated ones, find it more difficult to get financing from banks because they lack information on how to go about securing a loan(Lakwo, 2006).. Moreover, bank managers are often more reluctant to lend to women than to men. Mwobobia (2012) argues that lower education does not emphasize entrepreneurship skills. It decreases the chances that women will have the knowledge needed to excel in business, and thereby contribute to the country's overall economic growth. In education, preference is given to boys, thus the educational level of most women entrepreneurs is very low, creating a barrier to them accessing training and other business developments services. (Women Entrepreneurs in Kenya, 2008)

A Women Entrepreneurs in Kenya, (2008) report indicates that women are isolated socially; lack previous work experience, and access to enterprise information and marketing facilities which the men entrepreneurs acquire. The excessive demand on women as wives, mothers and 'managers' of the home front due to culturally set chores, make it nearly impossible to successfully operate an enterprise. This is besides their position in the family and the structure of power relations. One, who ventures out there to follow the entrepreneurial spirit, does so at the expense of her family (Women Entrepreneurs in Kenya, 2008). In addition, women are usually less educated than men, making them less well equipped to manage a business (Common Wealth Secretariat, 2002). Namusonge (2006) noted that entrepreneurial education and training play a key role in stimulating entrepreneurship and self-employment. Despite the presence of Business Development Services in Kenya not many women entrepreneurs use it because of cost, access, necessity, or availability (Robb, 2002). Education is one of the factors that impact positively on growth of firms (King & McGrath, 2002). Those entrepreneurs with larger stocks of human capital, in terms of education and (or) vocational training, are better placed to adapt their enterprises to constantly changing business environments (King & McGrath, 1998). Infrastructure as it relates to provision of access roads, adequate power, water, sewerage and telecommunication has been a major constraint in the development of SMEs (Bokea, Dondo & Mutiso, 1999).

In summary, access to credit for women intending to start small retail enterprises or advancing their already existing businesses remains a challenge due to the minimal education these women have. Usually, most of these women did not go past secondary education and stand little chances of taking the initiative to seek information relating to credit access from MFIs.

Effect on High Interest Rates Access to Credit

Interest rates are high as it is an instrument used to curb inflation rates in different countries (Dovi, 2006). Many country studies show that women entrepreneurs are more likely to face higher interest rates, be required to collateralize a higher share of the loan, and have shorter-term loans (IFC, 2011). For example, in MENA between 50 and 75 percent of the women surveyed reported that they have sought external financing for their businesses at some time during the previous 12 months. Most had not received any financing from a formal financial institution. The difficulties reported include high interest rates, collateral, lack of track record, and complexity of the application process. Fully 55 percent of women business owners in Tunisia encountered an obstacle when seeking financing. For them, high interest rates (36%) were the most significant barrier (IFC, 2011). Another 11 percent were denied financing due to lack of collateral. In the UAE, 51 percent of those surveyed also encountered difficulties, ranging from high interest rates (28%) to finding the process too complicated (16%), lack of collateral (15%), and being denied formal bank credit because of the lack of a track record (14%). In Jordan, 47 percent of those surveyed encountered difficulties seeking external financing. Nineteen percent found the interest rates too high, 17 percent found the process too complicated, and another 16 percent were denied due to lack of collateral. In Lebanon and Bahrain, 29 percent encountered difficulties when seeking external financing. For them, high interest rates (16% each) were the main problem (IFC, 2011).

A recent enterprise survey of new enterprises in Côte d'Ivoire, Kenya, Nigeria, and Senegal finds that the share of women business owners is 50 percent higher in the informal sector, with 18.1 percent of the registered firms run by women, compared to 27.6 percent of the informal firms. Mwobobia (2012) on the other hand notes that IGAs in the informal sector in Kenya have lower incomes compared to those in the formal sector. Mwobobia further notes that such enterprises with lower income usually have a poor credit history and hence do not easily qualify for credit from already established MFIs. In case of advancement of credit, these enterprises receive little credit advances for very high interest rates whose collaterals usually are the means of production owned by these businesses (Nyamu, 1999).

Whereas many MFIs emerged to provide initial and working capital in Kenya, relevance and cost-effectiveness is often inappropriate in satisfying the particular needs of potential and operating women entrepreneurs (Government of Kenya, 1999). Where accessible, the cost of credit was found to be expensive for most MSEs; for instance, the interest rates charged by some MFIs is as high as 54 per cent per annum. This coupled with a short repayment period becomes a major constraint, resulting in forcing the entrepreneur to work almost round the clock to service the loans. The exorbitantly high cost of initial capital tends to make the enterprise almost uneconomical to operate as a business. This is common to most formal sources of credit as well as MFIs in Kenya (ILO, 2008).

Effects of access to credit on growth of small retail enterprises

Lack of access to credit has been ranked as the top challenge by small scale entrepreneurs in the small and medium enterprise sector as loan interest rates soar beyond reach (Sanya, 2013). He states that limited access to credit ranks above red tape, current economic conditions, domination of large corporates and lack of market information and managerial skills at 86% relevance to entrepreneurs. Due to this, and coupled with the other challenges so far established in this study, the 'mortality' rate of small scale women owned business enterprises is on the increase. In Ghana, similar observations were made by Association of Ghana Industries, AGI Report (2013) where difficulties in accessing credit re-emerged as the topmost obstacle restricting growth of small scale businesses, noting that the worst hit were small scale businesses owned by women. The report specifically said access to credit; poor power supply and high cost of raw materials were ranked first, second and third, as the topmost three challenges limiting the growth of small scale businesses in the country. It showed that efforts needed to be geared towards eliminating the challenges already established. On sector by sector challenges, AGI (2013) stated that still access to credit, high cost of raw materials and cost of credit maintained first, second and third positions as the top most challenges restricting growth in the SME sector, where women-owned small enterprises fell under.

In Ghana and South Africa, women owned small scale enterprises represent a vast portion of businesses. They represent about 87% of Ghanaian businesses and contribute about 70% to Ghana's GDP and over 80% to employment. women owned small scale enterprises also account for about 86% of the formal business entities in South Africa, contributing between 52% and 57% of GDP and providing about 61% of employment (CSS, 1998; Ntsika, 1999; Gumede, 2000; Berry, 2002). In Kenya, it is estimated that there are 7.5 million SMEs, with women ownership accounting for over 62% of the total. The sector's contribution to the gross domestic product has increased in the recent past from 13.8 per cent in 1993 to about 40 per cent in 2008 (Mbogo, 2013). He also asserts that the sector provides approximately 80 per cent of employment and contributes over 92 per cent of the new jobs created annually according to the Kenya National Bureau of Statistics and that SMEs in Kenya are expanding to meet the growing East Africa Community market.

Women-owned small scale enterprises have been noted to be one of the major areas of concern to many policymakers in an attempt to accelerate the rate of growth in low-income countries. These enterprises have been recognized as the engines through which the growth objectives of developing countries can be achieved. They are potential sources of employment and income in many developing countries (Advani, 1997). Women-owned small scale enterprises seem to have advantages over their competitors in that they are able to adapt more easily to market conditions. They are able to with stand adverse economic conditions because of their flexible and persistence nature (Kayanula & Quartey, 2000 Women-owned small scale enterprises are more labor intensive and therefore have lower capital costs associated with job creation (Anheier & Seibel, 1987; Liedholm & Mead, 1987; Schmitz, 1995). They perform useful roles in ensuring income stability, growth and employment. Since women-owned small scale enterprises are labor intensive, they are more likely to succeed in smaller urban centers and rural areas, where they can contribute to a more even distribution of economic activity in a region and can help to slow the flow of migration to large cities. Due to their regional dispersion and their labor intensity, it is argued, small-scale production units can promote a more equitable distribution of income than large firms. They also improve the efficiency of domestic markets and make productive use of scarce resources, thus facilitating long-term economic and business growth (Kayanula & Quartey, 2000).

The nurturing and development of women –owned small scale enterprises therefore represents an essential element in the growth strategy of most economies and holds particular significance in the case of Kenya. As such, facilitation and provision of tools that would spark their growth, such as provision of credit and lowering of credit cost, is essential for the 'ripple effect' economic growth to be felt. Women owned small scale enterprises not only contribute significantly to improved living standards, employment generation and poverty reduction in Kenya, but they also bring about substantial domestic or local capital formation and achieve high levels of productivity and capability.

From the reviewed literature, it is evident that much has been done with regards to access to credit for women entrepreneurs. However, in Kenya, challenges facing women entrepreneurs in rural areas in accessing credit have not been exhaustively covered. The effect of academic levels on access to credit by these women has received little attention. The link between culture and education has also not been established. It is already established that higher interest rates have led to the fear of utilizing credit facilities as a way of growing business, but the link between culture and venturing into business activities has not been evaluated. As such, this study will try to establish the missing links as highlighted above so as to provide more insight to the topic under study.

Methodology

The adopted survey research design which emphasize that subjects most suited to survey research were those which could accurately be measured by subject response. There were a total of 1468 women who are small scale business entrepreneurs targeted by the study. 15 management staff of local micro finance institutions operating in the constituency were also targeted. The used simple sampling to collect data from a sample size of 306 respondents based on Morgan and Krejcie (1970) table Data Collection Instruments. Questionnaires and Interviews were employed to collect primary data while document reviews enabled the researcher collect secondary data.

Data Analysis techniques

The analysis of the data was conducted using descriptive and inferential statistical analysis. Descriptive statistics allowed the researcher to describe the data and examine relationships between variables, while inferential statistics allowed the researcher to examine causal relationships between qualitative and quantitative data (Leary, 2004).. Analyzed data was presented using tables, charts and narrations.

Analysis and Results

In the this paper .203 (67%) of entrepreneurs had operated women owned SMEs for a year or less, 79(26%) for up to two years but more than a year, 15 (5%) for between 2 years and 3 years while a paltry (6) 2% for more than three years. It is interesting to note that as the duration of operation of business increased, there were fewer women owned enterprises. This phenomenon has been observed not only in Women entrepreneurship but as a characteristic prevalent in all SMEs. According to the Kenya Economic Survey of 2005, a majority of Small and Medium Enterprises (SMEs) that operate in Kenya have for a long time failed in their operations. The reasons for failure are not necessarily environmental issues but deficits in their management as well as daily operations. It continues to state that one of the outstanding challenges hindering their expansion is managing their financial operations as well as financial management.

Education levels and access to credit

The study established that the majority of women entrepreneurs were educated to secondary school levels.38% had attained primary level education, 53% secondary level,4% certificate level, 3% diploma,2% Degree while none had attained Master or doctorate level Degrees. In table 1 below the study established that women entrepreneurs perceived training on business management to be essential. Management skills, lack of occupational experience in related businesses for many women entrepreneurs has been indicated as a constraint to growth. Kibas (2006) identified lack of opportunities for management training, financial management, marketing and people management, to be limitations facing them

Table 1 Effect of Training on Ability to Manage Businesses by Women

		Effects of Education			Total
		Very significant	Fairly significant	Significant	
Ward	Simat	18	34	7	**59**
	Kipkenyo	14	27	18	**59**
	Ngeria	24	20	16	**60**
	Megun	16	28	17	**61**
	Langas	14	19	29	**62**
Total		**86**	**128**	**87**	**301**

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Findings in table 2 (95%) of respondents agreed that level of training had an effect on the ability to access credit while only 15 respondents corresponding to (5%) disagreed with this opinion.

Table 2 Effect of Training on Ability to Access Business Credit

		Ability to access credit by Learned women		Total
		True	False	
Ward	Simat	60	0	**60**
	Kipkenyo	54	5	**59**
	Ngeria	54	5	**59**
	Megun	57	3	**60**
	Langas	60	2	**62**
Total		**285**	**15**	**300**

The study revealed that women entrepreneurs perceived training as an important factor in accessing credit trained hence, women entrepreneurs had better chances of accessing business credit from MFIs. From the analysis of responses from Managers of MFIs, the reasons that were stated for this is that trained women had a higher ability to keep financial records concerning their businesses develop business plans and project proposal than untrained women. Approximately 70% of trained women entrepreneurs who applied for credit were able to access credit while 50% of untrained women entrepreneurs accessed credit from MFIs.
As a contrast to ability to access business credit, effect of training on ability to form groups and secure loans from MFIs showed different results. The least proportion of respondents (5%) disagreed with the opinion that training had no effect on the ability of women entrepreneurs to form groups and secure MFI loans while the remaining 95% of the respondents agreed that training enhanced the ability of women forming groups for easy access to credit.

Table 3 Effect of Training on Ability to Form Groups and Secure Loans from MFIs

		Group formation by learned women		Total
		True	False	
Ward	Simat	59	1	**60**
	Kipkenyo	54	5	**59**
	Ngeria	54	5	**59**
	Megun	57	3	**60**
	Langas	60	2	**62**
Total		**284**	**16**	**300**

The results of the study indicate that women entrepreneurs perceived training to be important in formation of groups. A further inquiry indicates that peer group formation was more based on commonality of interest and on the level of training attained. An interview with managers of MFIs showed that MFIIs have adopted this practice of allocating loans to individuals with little or no collateral—but with social capital in the form of peers who are also co-applicants and who in many cases are jointly liable.

Women entrepreneurs were asked to state whether they agreed that they lacked time for business training hence could not grow their businesses. The findings revealed that majority of women entrepreneurs (total of 91%) either strongly agreed or agreed that they lacked time for business training. The data suggested that women entrepreneurs in KC were "time poor" due to their dual roles in the household economy and the labor market, as mothers, housekeepers, wives and owners/managers. In addition, such dual roles did not give women adequate time to plan and manage their businesses well. Women's lack of business training in MSEs, was due to their dual "role conflict

Table 4 Effect of Lack of Time for Extra Business Training By Women Entrepreneurs on Business Growth

		Extra Time for Business training		Total
		True	False	
Ward	Simat	54	6	**60**
	Kipkenyo	55	4	**59**
	Ngeria	54	5	**59**
	Megun	53	7	**60**
	Langas	57	5	**62**
Total		**273**	**27**	**300**

Likelihood of qualification for credit for trained as compared to untrained women

Trained women were more likely to acquire credit than untrained women.2 out of 3 of the MFIs from which the managers were interviewed conducted capacity building workshops and follow up activities to impart skills in the women entrepreneurs. The reasons that were stated for this were that trained women were better able to keep financial records concerning their businesses develop business plans and project proposal than untrained women. Approximately 70% of trained women entrepreneurs who applied for credit were able to access credit while 50% of untrained women entrepreneurs accessed credit from MFIs.

Interest rate and access to credit

The results indicated that higher interest rates were a deterrent to borrowing by women entrepreneurs. The findings suggested that interest rate was an important fact of consideration by women entrepreneurs in assessing suitability of loans for their enterprises. The majority of women were sensate to high interest rates. It was evident that borrowing costs strongly affected the willingness of women SMEs entrepreneurs to seek loans from a formal lender. Therefore it was concluded that high interest rates constrain the demand for credit.

Table 5 Effects of Interest Rates on Access to Credit

		Interest rates and Access to credit		Total
		True	False	
Ward	Simat	61	0	**61**
	Kipkenyo	54	5	**59**
	Ngeria	54	5	**59**
	Megun	58	3	**61**
	Langas	60	2	**62**
Total		**287**	**15**	**302**

Similar to findings on effects of interest rates on access to credit respondents showed a high rating towards strongly agree and agree. The majority 276 (91%) strongly agreed, 21 (7%) agreed while only 6 (2%) were undecided.

Table 6 Effect of Interest Rate in the Sustainability of Women Owned Enterprises

	Frequency	Percentage
Strongly agree	276	91%
Agree	21	7%
Undecided	6	2%
Disagree	0	0%
Strongly disagree	0	0%
Total	303	100.00%

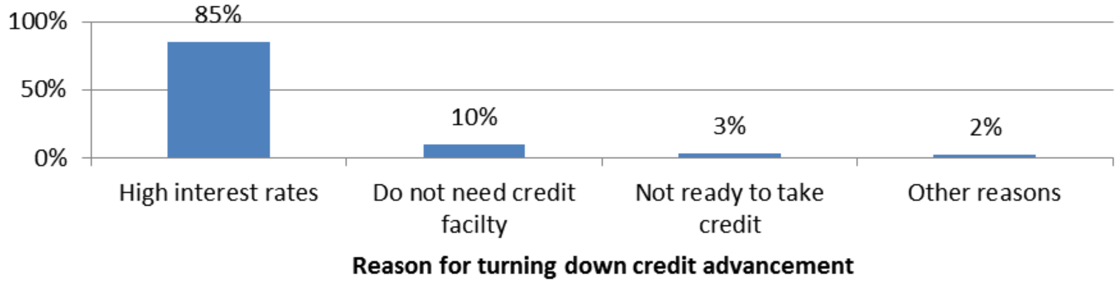
Basing on the results, it was concluded that cost of borrowing was perceived by women entrepreneurs to be an important factor in the sustainability of women owned enterprises. High interest rates were considered to be risky. Worthy to note, the bulk of responses 287 (94.7%) agreeing while only 15 (5.3%) disagreeing. Women entrepreneurs were reluctant to borrow when interest rates were raised. Similar to the examination on effect of interest rate in the sustainability of women owned enterprises, women entrepreneurs heavily determined whether to borrow or not basing on the interest rate.

Table 7: Effect of Interest Rate on Willingness to Seek For Business Credit by Women Entrepreneurs

		Interest rates and Access to credit		Total
		True	False	
Ward	Simat	60	0	**60**
	Kipkenyo	55	5	**60**
	Ngeria	54	5	**59**
	Megun	58	3	**61**
	Langas	60	2	**62**
Total		**287**	**15**	**302**

An inquiry into reasons why women entrepreneurs were reluctant to take credit indicated that the greatest reason cited was high interest rates for approximately 85% of all women who were offered credit facilitation.3% stated that they were not ready to take credit at the time, 10% did not need credit while 2% cited other reasons. (Table 31)

Figure 4.3: Deterrents for Taking Credit Offers



Access to credit and business growth

The study aimed at investigating whether access to credit had a relationship with women owned business enterprise growth. Business size was measured using number of product lines, number of business outlets, sales level and number of employees. Using correlation analysis, the study tested the nature and strengths of the relationships between measures of growth access to credit.

Table 4.17: Access to Credit and Business Growth

	Range of products	Number of outlets	Sales attained	Hire more employees	Access to credit
Range of products	1				
Number of outlets	.363**	1			
Sales attained	.460**	.635**	1		
employees	0.068	0.018	.293**	1	
Access to credit	.544**	.777**	.872**	.191**	1

A comparison between ease in accessing credit and the number of product lines yielded a Pearson's product moment correlation factor of 0.544 indicating a strong positive association. The association is also significant ($p=0.047<0.05$) indicating that access to credit may be a factor affecting business growth.

CONCLUSIONS AND RECOMMENDATIONS

The study made the following concluded that Education levels affect access to credit by women who own small scale business enterprises in Kapseret Constituency. In order to improve the level of access to credit constrained by low education levels, educational opportunities should be expanded to improve the literacy and numeracy of the pool of Kenyans from which the pool of entrepreneurs is drawn. Self-financing adult literacy classes for businesspersons should be encouraged.

In advocating the necessity to train women in management skills, Waita (2012) states that the associated benefits of higher management skills in terms of higher productivity are generally the same for women as for men. Women's measures of human capital are very similar to men working in the same type of activities. For example, the human capital of women in the formal sector is much more like that of their male colleagues in the formal sector than it is like that of women in the informal sector. However, women overall have less education and training. Improving women's access to training programs and networking opportunities will help expand their opportunities.

The study futhre affirms that Income level affects access to credit by women who own small scale business enterprises In overcoming the challenge of high interest rates that make borrowing expensive, the government under the Ministry of Trade should expand financial infrastructure such as credit bureaus and collateral registries that can increase access and reduce the costs of borrowing. Integrated credit bureaus that access microfinance credit histories and small loans can increase access to finance. Bureaus should not only include negative histories, such as when loans are not paid back in full, but also positive histories, as when loans have been successfully repaid.

Building these credit histories may be particularly beneficial for women who are seeking to expand their amount of credit and who are more likely to lack traditional collateral. Further, credit bureaus, as they reduce information gaps, can reduce the cost of borrowing. Collateral registries and secured transaction systems can also expand the types of assets that can be used for collateral. Facilitating the use of movable collateral for borrowing could disproportionately affect women, whose assets are more likely to be movable.

The study recommends further research to be carried out on: Effects of male and female entrepreneurial profiles choice of industry, choice of organization structure and survival and success of the business. Effect of Peer group lending on default rates of borrowers.

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