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Determinants of Bank Credit Access for Business Women in Bale Zone: A Case of Women Owned Business Enterprises in Robe, Goba, and Ginnir Towns

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Abstract
Credit is a transaction between two parties in which one, acting as creditor or lender, supplies the other, the debtor or borrower, with money, goods, services, or securities in return for the promise of future payment. Despite the most profound changes in the business world (the expansion of business activities and growth of women-owned businesses), many business women are not adequately getting access for commercial credit. Thus this study aimed at exploring the determinant factors for business women bank credit access in Robe, Goba, and Ginnir towns. The study employed descriptive, cross sectional study design and collected data using both primary (questionnaire, interview) and secondary sources (bank loan procedure manuals). The study revealed that age and bank related factors were determinants for business women bank credit access in the study area. Hence, the researchers recommended awareness programs, revising the existing credit policy, strengthening and advancing the interest free banking system, establishing more specialized financial institutions, like Enat Bank, for women, giving special emphasis for the support of women youths, and empowering women to help business women expanding their businesses, develop their own property that can serve as collateral, and get involved in the credit process in the study area.
Keywords: Bank Credit, Binary logistics, Business Women, Determinants.

1. Back ground of the study

One of the most profound changes in the business world today is the expansion of business activities and growth of women-owned businesses (Solomon, 2009). According to African Gender Development Index (AGDI) report (2007) and other contemporary research measures, women's access to economic resources and to land & financial services in particular has not yet improved to a satisfactory extent. But in its recent report, it was shown that the availability of credit facilities has shown improvement even though women's access to the bank loan still remains low as compared to Men's. According to the 2007 Population and Housing Census, the number of female was 36.6 million or about 49.5 percent of the total population and for about 48 percent of the economically active population those aged 15 – 59 years. However, small percentage of women accessed bank loan compared to the male counterparts in the mentioned four African countries. In particular, Ethiopia has shown the least credit access indicator among the four African countries (0.139) or only 13.9 percent of women accessed bank credit from the total borrowers of the country (AGDI report, 2007).

Despite its significance, many of them do not have sufficient access to credit from formal financial institutes, particularly from banks. Their major source of finance, especially at the start up stage, is the informal sector (i.e. from families, friends, relatives, local money lenders). This poor experience on credit access from formal financial source, based on the experience of some developing countries, arises partly from biased financial sectors policy, due to the operational practices and procedures of the formal financial institutions and the internal problems of small scale enterprises themselves (Abraham, 2002). Among formal financial institutions, banks have the largest financial capacity and opportunities in lending processes for initial investments and working capital requirements.

Taking into consideration of the existing financial gap among women business owners', recently women targeted bank called "Enat Bank" has been established in Ethiopia with special focus on building the financial capacity of women. In its structure, Women own 64 percent of the bank, and compose many major leadership positions from the senior bank management to the Board of Directors.[1] Not only this, Commercial Bank of Ethiopia (CBE), also, recently launched special women's accounts which benefits women in a special way including provision of favourable interest rate and credit access. [2] This beginning needs to be appreciated and then for its sustainability, all the stakeholders are expected to join hands in identifying the factors affecting Business Women from Credit access. Therefore, the figures stated above and the existing gap asserts the need for reinvestigation of factors affecting women business owners to formal credit access, particularly bank credit access, to tackle the problem behind it.

2. Statement of the Problem

The most important thing for start-up and growth of women entrepreneurs and to enable them reach at their full potential of enhancing household welfare and creation of employment opportunities is believed to be the access to external finance (Wale et'al, 2013). The traditional banking procedures such as collateral for loans, historical financial statements, and projected cash flow statements are some of the main constraints to women to get access from formal bank credit. The access to this external finance from formal banks requires the collateral preferred by banks usually constitutes of land and property, which women most probably do not own.

Most of the literatures have given emphasis on credit access of women in microfinance institutions and few researches have been done in connection with bank credit access, particularly in this study area. In addition to the researcher's experience and as per preliminary data collected from selected banks in the study area, large variation was observed between males and females in terms of access to bank credit services. To understand the existing gap of credit access of women borrowers, the researcher collected preliminary data from four willing banks that are currently operational at Bale Robe. Based on the credit information obtained from banks, in terms of the total loan granted and number of borrowers, the share of women borrowers in the study area was assessed as of Sept. 31, 2015. From the data, it was observed that in all of the above banks, both the percentage share of the resource granted to women borrowers and the number of women accessed bank credit were found to be very less as compared to male counterparts.

For instance, according to preliminary survey data obtained from loan officers and branch managers of banks in Robe, from the total amount of loan granted in CBE, women accessed only 6.9 percent and from the total number of borrowers women were represented by 9.6 percent only. It is too much surprising that among the total credit customers, 145, in Awash International bank ,Robe Main branch, only 4 (2.7%) are women and the remaining 141(97.29%) are men borrowers. In the same manner, among 45 credit customers in Oromia Cooperative Bank, Robe Branch, currently only 3 (6.67%) of women are getting access for bank credit and the loan amount received by women in the last three years is approximately 7,801,000 which is found to be very less as compared to the loan received by men, about 70, 000,000 Birr. Also, according to the data from Oromia International Bank S.C., out the total 64(100%) credit customers, women borrowers are only 4 (6 %) which is really insignificant. Due to the factors related to bank like request for collateral property, saving experience and other loans processing procedures are identified as main determinants in the various literatures, in addition to personal interest, family, religious and cultural related factors that affect women's access for bank credit.

3. Objectives of the Study

3.1 General Objective

The general objective of the study is to investigate determinants of bank credit access for business women.

3.2 Specific Objectives

Based on the general objective of the study, the specific objectives expected to be met are:

- To examine bank related factors determining women business owners' bank credit access.
- To investigate personal factors determining women business owners' bank credit access.
- To explore demographic factors determining women business owners' bank credit access.

4. Review of Related Literature

4.1 Concepts and Definitions

According to the free on-line dictionary, Encyclopedia (undated) as cited by (Sisay, 2008), credit means faith and it comes from the Latin credit. An agreement, by which something of value goods, services, or money-is given in exchange for a promise to pay at a later date. Credit is a transaction between two parties in which one, acting as creditor or lender, supplies the other, the debtor or borrower, with money, goods, services, or securities in return for the promise of future payment. As a financial transaction, credit is the purchase of the present use of money with the promise to pay in the future according to a pre-arranged schedule and at a specified cost defined by the interest rate.

4.2 The Role of Credit Market

Credit Market constitutes of financial institutions that receive financial resources from the surplus units of the economy in the form of savings and transfer them to the deficits units through lending activities. There are various financial markets, which are institutional arrangements that facilitate the intermediation of funds in an economy. The financial market is segmented into two: one is the money market, which deals in short term funds and the other, the capital market that is for long term dealings in loanable funds (Anyanwu, 1996).

The link between credit and economic development has captured the attention of economists since long (Schumpeter, 1933 in Abreham, 2002). With improved financial intermediation, the proportion of financial savings that is diverted by the financial system into non-productive uses fails, and the rate of capital accumulation increases for a given saving rate (Mensah, 1999). He further elaborates the importance of financial intermediation as it enhances saving mobilization by providing a variety of safe financial instruments to savers and ensuring tangible returns on savings. The financial sector contributes to the efficiency of the entire economy by spreading information about expectations and allocation of resources to investors.

4.3. Theoretical Literature Review

Zewde (2003) found that the main sources for the start-up and expansion of women operated enterprises come from personal savings and family loans/contributions. Although savings are one of the means of accumulation of capital, the finding of this research shows that saving alone could not be always sufficient for running and expanding their business operations. This has proved to be a constraint for some women entrepreneurs, especially when trying to mobilize adequate working capital for expanding or diversifying the business. The same source concluded that access to bank credit is difficult for women entrepreneurs due to the requirements of the banks, such as the collateral, the expected level of contribution from the women entrepreneurs themselves, and from MFIs due to the low loan ceiling, and the inconvenient lending and repayment arrangements.

Another study conducted in Ethiopia by Solomon (2009) shows that in comparison to men entrepreneurs, the number of women entrepreneurs who managed to secure loan finance was not only small but the loan amount they borrowed from financial institutions account for insignificant proportion to the total lending made to individual entrepreneurs. Regarding loan disbursements, the share of women borrowers is rather marginal. The situation is similar in the case of microfinance lending as women accounted for an average of no more than 35percent of total disbursements at the national level. Some scholars reported in their research that formal credit schemes do not typically take gender into account in practice; they tend to be biased towards men. It is the male headed household which is usually approached and registered for the provision of institutional credit (Ellis, 1992) in (Sisay, 2008).

According to Mira, G. K. & Ogollah, K. (2013) research conducted in Kenya, access to finance is a challenge to women owned micro and small enterprises. The study revealed that lack of collateral, legislation status of the business, lack of financial track and lack of experience in financial management hinders women entrepreneurs from accessing credit facilities from the financial institutions. The study concluded that lack of information accessibility, insufficient skill and knowledge level, lack of collaterals required and socio-cultural roles had a strong and negative influence towards the accessibility of finance. Similarly, T. Kyalo et al (2013) concluded that access to finance influenced women entrepreneurs to start enterprises in male dominated sectors in Kenya.

4.4. Empirical Literature Review

A number of factors explain why certain borrowers prefer to use credit. Factors related to the participation of credit users in the credits market were therefore investigated. Such factors can be divided into borrowers' characteristics, and the loan terms and conditions imposed by lenders (Kashuliza and Kydd, 1996; Zeller, 1994) as cited by Sisay (2008). Schmidt and Kropp (1987) revealed that the type of financial institution and its policy will often determine the access. Study conducted by (Sisay, 2008) titled as determinants of small holder farmers access to formal credit in Metema Woreda, aiming to ascertain factors that affect smallholder farmer's access to formal credit and also the status of women and different wealth groups' access to formal and informal credit sources in the study area. The output of the study showed that sex of the household, educational level of the household head, risk factor and collateral requirements are affecting factors of formal credit access in the study area.

Wale et al (2013) studied determinant factors affecting microfinance credit utilization in Dire Dawa city administration based on data obtained from 160 respondents using multi-stage sampling method as well as s focus group discussion and key informant interview schedules. They employed binary logit model and descriptive statistics to analyze the data gathered and found that utilization of microfinance credit service was significantly influenced by factors such as area of residence, possession of fixed asset, sex of the respondent, educational level attained and distance of the respondents' residence from microfinance service giving centre.

Studies done so far in Ethiopia mentioned earlier concentrated more on household credit utilization of micro finances, determinants of formal credit access of farmers and other societies in general. An attempt made by Solomon refers analysis of credit utilization of women in comparison with male counter parts in Ethiopia. But he employed only descriptive statistics to analyse the data and lacks econometric model. Moreover, no published research result is observed concerning factors affecting women business owners to bank credit facilities in the study area. This study therefore tries to narrow the research gap paying attention to determinants of access to bank credit in the case of women business owners incorporating as much as possible all the relevant variables using descriptive statistics and econometric model analysis.

5. Results and Discussion
5.1 Descriptive statistics results
5.2 Demographic characteristics of the respondents

According to the survey result collected from 271 respondents it is shown that the average age of women business owners is 35 years with a minimum and maximum age of 20 and 68 respectively. This implies majority of the respondents are youngsters who have better potential for innovation and risk taking propensity.

Table 1`: Age of the respondents

		Age of respondents
N	Valid	271
	Missing	0
Mean		35.07
Minimum		20
Maximum		68

Source: Questionnaire, 2017

Some scholars reported in their research that formal credit schemes do not typically take gender into account in practice; they tend to be biased towards men. It is the male headed household who is usually approached and registered for the provision of institutional credit (Ellis, 1992) in (Sisay, 2008). However, some of the FGD participants stated that there should be friendly approach for business women in particular mainly because most of the time they are undermined with home chores and looking after their children that makes them out of the social circle (FGD, 2017).

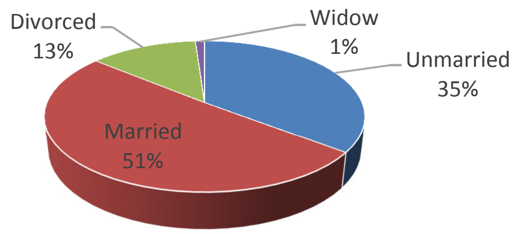

Figure 1 Marital status of the respondents

Source: Questionnaire, 2017

As indicated in figure1, majority of the respondents (51%) were married, another 35% were unmarried, 13% were divorced, and the rest 1% were widowed. This shows much of the women business owners in the study are were engaged.

Table 2: Education background of the respondents

		Frequency	Percent
Valid	Can't read and write	6	2.2
	1-4 grade	24	8.9
	5-8 grade	60	22.1
	9-10 grade	78	28.8
	11-12 grade	40	14.8
	Diploma and above	63	23.2
	Total	271	100.0

Source: Questionnaire, 2017

According to the survey result, few of the respondents (2.2%) cannot read and write and 8.9% of them completed first cycle education. On the other hand, 22.1% completed second cycle education, 28.8% completed grade 9 and 10, 14.8% completed 11 and 12th grade, and 23.2% completed diploma and above. This implies majority of the respondents (62%) have no more than 10th grade education that will make the situation difficult to seek information about formal credit, prepare financial statements, and develop business plan as a supporting document for the loan process.

Table 3: Religious belief by residence town of the respondents

			Residence Town			Total
			Robe	Goba	Ginnir	
Religious belief	Muslim	Count	36	24	77	137
		% within Residence Town	42.9%	32.4%	68.1%	50.6%
	Orthodox	Count	32	37	32	101
		% within Residence Town	38.1%	50.0%	28.3%	37.3%
	Protestant	Count	16	9	4	29
		% within Residence Town	19.0%	12.2%	3.5%	10.7%
	Catholic	Count	0	4	0	4
		% within Residence Town	0.0%	5.4%	0.0%	1.5%
Total		Count	84	74	113	271
		% within Residence Town	100.0%	100.0%	100.0%	100.0%

Source: Questionnaire, 2017

With respect to religious affiliation of the respondents in each of the three towns; Muslim business women account for 42.9%, 32.4%, and 68.1% in Robe, Goba, and Ginnir towns respectively. Similarly, Orthodox business women account for 38.1%, 50.0%, and 28.3% in Robe, Goba, and Ginnir towns respectively. The remaining 19%, 17.6%, and 3.5% of the respondents were Protestant and Catholic business women in Robe, Goba, and Ginnir towns respectively. This result shows that majority (50.6%) of the business women under the study area were Muslim by their religious affiliation indicating low bank credit access mainly because the religion prohibits interest based credit.

Table 4. Business sector

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Service	126	46.5	60.6	60.6
	Manufacturing	22	8.1	10.6	71.2
	Construction	5	1.8	2.4	73.6
	Merchandize	25	9.2	12.0	85.6
	Others	30	11.1	14.4	100.0
	Total	208	76.8	100.0	
Missing	System	63	23.2		
Total		271	100.0		

Source: Questionnaire, 2017

As indicated in table 4.5 majority of the respondents (60.6%) were doing business in the service sector. The remaining 10.6%, 2.4%, 12%, and 14.4% of the respondents were involved in the manufacturing, construction, merchandize, and other sectors respectively. From this we can understand that there is high involvement in the service sector by the study participants.The survey result shows that majority of the business women were engaged in the service sector. Most of the time business persons ask for bank credit whenever the need for credit is high. In case of the service sector relatively there is low capital requirement to do the business. Thus, it is believed that service sectors seldom seek bank credit as their capital requirement.

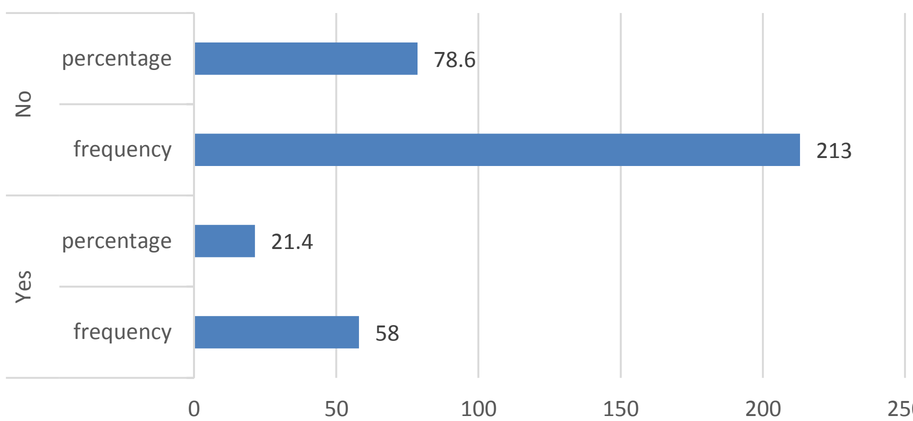

Figure 2: bank credit access
Source: Questionnaire, 2017

With regard to bank credit access 78.6% of the respondents said they did not have bank credit access and the remaining 21.4% said they had access to bank credit. This implies most of the business women did not have bank credit access because of different problems like religious belief, absence of collateral, and lack of confidence.

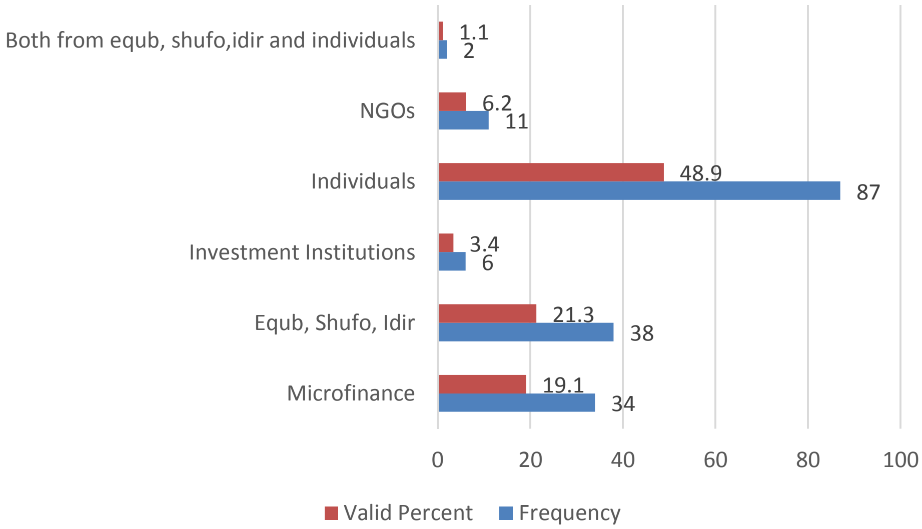

Figure 3: Other sources of credit
Source: Questionnaire, 2017

As indicated in figure 4.2, 78.6% of the respondents did not have bank credit access and their other sources of credit/finance are from individuals (48.9%), from equb, idir, shufo (21.3%), from MFIs (19.1%), from NGOs (6.2%), from investment institutions (3.4%), and from combined sources individuals as well as equb, idir, and shufo (1.1%). The open ended question results also indicate that most of the business women do not want to take loan from banks because of religious prohibitions and they seek loan from other sources (like individuals, equb, idir, and shufo).

5.3 Bank related factors

Table 5: Bank related factors determining credit access

Res	High interest rate		Insufficient loan		Unclear credit policy		Short repayment period		High processing cost	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
Agree	113	41.7	79	29.2	74	27.3	91	33.6	93	34.3
Neutral	125	46.1	123	45.4	125	46.1	128	47.2	129	47.6
Disagree	33	12.2	69	25.5	72	26.6	52	19.2	49	18.1
Tot.	271	100	271	100	271	100	271	100	271	100

Source: Questionnaire, 2017

This study tried to establish factors determining bank credit access by considering demographic, bank related, and personal factors. Hence, the survey result indicates that 41.7%, 29.2%, 27.3%, 33.6%, and 34.3% of the surveyed business women agreed on the existence of high interest rate, insufficient loan, unclear credit policy, short repayment period, and high processing cost respectively while seeking bank credit. On the contrary, 12.2%, 25.5%, 26.6%, 19.2%, 18.1% of the respondents stood against the presence of those bank related factors respectively. The remaining 46.1%, 45.4%, 46.1%, 47.2%, and 47.6% of the respondents assumed neutral position on this aspect respectively.

Table 6: Bank related factors determining credit access

Res	Bureaucratic procedures		Long waiting time		Tax clearance		Corrupt officials		Complex paper format	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
Agree	109	40.2	98	36.2	123	45.4	39	14.4	77	28.4
Neutral	116	42.8	127	46.9	120	44.3	137	50.6	132	48.7
Disagree	46	17.0	46	17.0	28	10.3	95	35.1	62	22.9
Tot.	271	100	271	100	271	100	271	100	271	100

Source: Questionnaire, 2017

In addition to the above mentioned results, 40.2%, 36.2%, 45.4%, 14.4%, and 28.4% of the respondents agree on the presence of bureaucratic procedures, long waiting time, tax clearance, corrupt officials, and complex paper format respectively. On the other hand, 17%, 17%, 10.3%, 35.1%, and 22.9% of the respondents disagreed on the above mentioned factors respectively. The remaining 42.8%, 46.9%, 44.3%, 50.6%, and 48.7% said they neither agree nor disagree on such bank related factors respectively.

In relation to bureaucratic nature of the credit process, Bank Branch Managers from Dashen, Commercial bank of Ethiopia, and Awash Banks revealed that 3 c's (the business owner's characteristics, Collateral Criteria, and Capacity criteria) are required as a principle before granting loan for business persons. The managers suggested that personal character is one of the most important factors in credit analysis. Considering a borrower's personal character is a common lending practice among commercial banks, and is based on the history of a borrower's relationship with a bank, repayment track record, social and community standing, experience, and education. Moreover, the Relationship developed through privileged networks are decisive to conducting business and taken as a culture among most business men. Since these networks are more focused toward male membership, women business owners are neglected. In a male dominated society, women find it challenging to socialize. Culturally, it is acceptable for men to socialize with branch managers and the majority of positions in Robe, Goba and Ginnir banks are held by men. Women have limited opportunity to network and build the base for their personal character.

Overall, the survey result implies that majority of business women under the study area did not have information with regard to the bank related factors. This can clearly be shown by looking in to the exaggerated neutral responses for bank related factors. However, beyond the neutral responses it seems that those bank related factors are affecting business women in the study area.

Key informant interview and focus group discussion were also supports this. Accordingly, lack of awareness about banking or credit procedures, and perception of getting credit within a short time were raised as bank related factors by the credit officers. Besides, existence of high interest rate and very challenging bureaucracy were considered as bank related factors for credit access by business women in the study area.

5.4 Personal factors

Table 7: personal factors determining credit access

Res	Fear risk		No information		No collateral		Adequate capital		Family influence	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
Agree	166	61.3	108	39.9	140	52.4	113	42.3	89	33.3
Neutral	54	19.9	66	24.4	64	24.0	73	27.3	79	29.6
Disagree	51	18.8	97	35.8	63	23.6	81	30.3	99	37.1
Tot.	271	100	271	100	267	100	267	100	271	100

Source: Questionnaire, 2017

With regard to personal factors determining bank credit access, the survey result indicated that 61.3%, 39.9%, 52.4%, 42.3%, and 33.3% of the respondents agreed on the presence of fear of risk, absence of information, absence of collateral, inadequate capital, and family influence respectively. However, 18.8%, 35.8%, 23.6%, 30.3%, and 37.1% of the respondents disagreed on the above personal factors respectively. The remaining 19.9%, 24.4%, 24%, 27.3%, and 29.6% of the respondents showed their neutral position regarding those factors respectively.

Table 8: personal factors determining credit access

Responses	Didn't apply for loan		DK how to use loan		DK how to use finan.stat.		DK how to prepare business plan	
	Freq	%	Freq	%	Freq	%	Freq	%
Agree	59	21.8	97	36.3	102	38.2	114	42.7
Neutral	0	0.0	69	25.8	53	19.9	52	19.5
Disagree	212	78.2	101	37.8	112	41.9	101	37.8
Tot.	271	100	267	100	267	100	271	100

Source: Questionnaire, 2017

Additionally, 21.8%, 36.3%, 38.2%, and 42.7% of the respondents agreed on the presence of lack of interest to apply for loan, lack of knowledge on how to use credit, lack of knowledge on how to use financial statements, and lack of knowledge on how to prepare business plan respectively. On the contrary, 78.2%, 37.8%, 41.9%, and 37.8% of the respondents disagreed on the presence of the above personal factors respectively. The remaining 0%, 25.8%, 19.9%, and 19.5% of the respondents stayed neutral regarding the above personal factors respectively.

On the other hand, majority of the respondents agreed on the presence of personal factors such as fear of risk, absence of information, absence of collateral, family influence, lack of interest to apply for loan, lack of knowledge on how to use credit, lack of knowledge on how to use financial statements, and lack of knowledge on how to prepare business plan. This was in line with the finding of Mira and Ogollah (2013) who asserted that lack of collateral, lack of information, and socio-cultural roles have a strong negative influence towards the accessibility of credit by women owned businesses in Kenya.

Lack of sufficient collateral is one of the main reasons cited for rejection of loans, which discourages many women from approaching banks. Most of business women in the three towns were limited in business knowledge and this has contributed to a gender gap in managerial and technical skills. Moreover, women-owned businesses requested loans smaller than those owned by men. Smaller businesses typically have greater difficulty in securing bank loans and pay higher interest than larger businesses. Women-owned businesses are typically smaller, have less capacity, less capital, a narrower range of collateral, and an unproven track record/character relative to businesses owned by men. This may have an adverse effect on the perceived capacity of women to service or to repay their loans, and so they may face greater difficulty in obtaining credit.

Generally speaking, we can understand from the survey result that majority of the business women have interest to apply for loan, they know how to use credit, and they know how to use financial statements. However, the personal factor that business women admitted to have in the study area was lack of knowledge on how to prepare business plan and lack of collateral. With regard to collateral branch managers stated that "*anybody who needs to take loan to do business must present collateral. This is the very important requirement of the governing body of the whole banks operating in the country. It is clear fact that the collateral or the wealth allotment is still in the hands of the male. The women can't provide collateral; this makes the women not the beneficiaries of banks" (interview, 2017).*

5.5 Binary logistic regression analysis

The three determinant factors affecting bank credit access were regressed with the dependent variable and those significant variables were brought to the final model explanation. The result shows that two of the explanatory variables were found to be significant predictors of bank credit access. These are age and bank related factors. Before giving interpretation, it is necessary to assess the model for goodness-of- fit.

The model summary of Cox and Snell and Nagelkerke R^2 provide some approximations of R^2 statistic in logistic regression (See Table 4.14). Cox and Snell's R^2 attempts to impersonate multiple regression's R^2 based on likelihood. In this study, Cox and Snell R^2 indicate that 19.3% of bank credit access is explained by the explanatory variables. Nagelkerke's R^2 has a score of 0.298, which indicates that 29.8% of the variability in the bank credit access of business women was explained by the explanatory variables.

Table 4.17: logistic results, dependent variable=bank credit access

Variables in the Equation									
		B	S.E.	Wald	df	Sig.	Adjusted odds ratio	95% C.I.for EXP(B)	
								Lower	Upper
Step 1a	Age	-.030	.014	4.340	1	.037	0.971	.944	.998
	Bank related factor (bf)			9.869	2	.007			
	bf(1)	-1.982	1.214	2.663	1	.103	.138	.013	1.489
	bf(2)	.820	.359	5.225	1	.022	2.270	1.124	4.584
	Constant	2.183	.621	12.363	1	.000	8.870		
a Variable(s) entered on step 1: Age and bf.									

Source: Authors' calculation, 2017

The results in Table 4.17 show that the odds of business women to get credit having lower age were less by a factor of 0.971 as compared to those who have higher age and is statistically significant at $p<0.05$.

Respondents who disagree with the existence of bank related factors were 2.27 times more likely to have bank credit access than the reference category (those who agree with the existence bank related factors) at 5% level of significance.

The above result shows age and bank related factors have a significant effect on bank credit access of business women. From the demographic characteristics, age of the business women was the only significant factor. This was in line with the finding of Eze et al (2009) that was conducted in Nigeria using logit regression analysis, they concluded that socio economic factors such as age, education, interest rates house hold size and experience of respondents significantly influenced the women's access to credit. Similarly, Eshetu (2015), in his thesis, concluded that age, gender, education of the household head along with the size and location of the household influenced the households' fate in the credit market.

6. Conclusion

This study focused on the determinants of bank credit access for business women in Robe, Goba, and Ginnir towns. Besides, the study took responses from 271 respondents and the major findings are concluded as follows.

- According to the survey result, the average age of women business owners was 35 years with a minimum and maximum age of 20 and 68 respectively. This implies majority of the respondents are youngsters who have better potential for innovation and risk taking propensity over bank credit access.
- Majority of the respondents have no more than 10^{th} grade education that will make the situation difficult to seek information about formal credit, prepare financial statements, and develop business plan as a supporting document for the loan process.
- With respect to religious affiliation of the respondents in each of the three towns, Muslim business women account for the majority of the population that have an influence on the interest based bank credit access.
- Majority of the study participants were microenterprise owners and were highly involved in the service sector that limited the bank credit access amount and capacity to return the loan.
- From the study participants, 78.6% of them did not have bank credit access and even the minority of study participants (21.4%) who accessed bank credit had an average amount of only 43,403.85 ETB.
- Majority of the business women have less than five year bank credit usage experience and this shows most of the business women are still new to bank credit.
- Despite the presence of commercial banks in the study area, majority of the study participants prefer other sources of credit like equb, idir, and borrowing money from individuals mainly because of religion and cultural beliefs.
- The survey result shows that majority of the business women have lack of collateral, lack of awareness about banking or credit procedures, lack of knowledge on how to prepare business plan, high interest rate very challenging bureaucracy, and perception of getting credit within a short time.
- Majority of the respondents were not in a position to acquire properties like house, vehicle, and machineries in the study area.
- The results revealed that age (from the demographic factors) and bank related factors contributed significantly to the prediction of bank credit access.
- Respondents who disagree with the existence of bank related factors were 2.27 times more likely to have bank credit access than the reference category (those who agree with the existence bank related factors) at 5% level of significance.

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