International Journal of Economics, Commerce and Management
United Kingdom Vol. IV, Issue 10, October 2016
http://ijecm.co.uk/ ISSN 2348 0386

FACTORS AFFECTING ACCESS OF WOMEN ENTERPRISE FUNDS BY WOMEN GROUPS IN NAKURU WEST SUB-COUNTY, KENYA

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Abstract

Women's involvement in entrepreneurship is necessary for economic growth of nations. Women in developed countries have access to capital and their acceptance as business owners has improved while in developing countries they face obstacles including lack of access to finance. This study sought to establish factors affecting access of women enterprise in Nakuru West Sub-County, Kenya. The study focused on the effect of credit rating on access to women enterprise fund. A descriptive survey research design was employed. A sample of 79 respondents was selected from a population of 376 using simple random sampling technique. A questionnaire was used for data collection constructed on a five point Likert Scale. The data was analyzed using Statistical Package for Social Sciences (SPSS) version 24 in form of both descriptive and inferential statistics presented in tables and discussions thereof. The study established that credit rating significantly affects access to women enterprise fund accounted for up to 22.5% of total variance in access to women enterprise fund. The study concluded that credit rating have a significant effect on access to women enterprise funds. The study recommended that group leaders should encourage members to enhance credit history to raise their access to financing.

Keywords: Women Enterprise fund, Women Groups, Credit Rating, Credit History, Financing

INTRODUCTION

The role of entrepreneurship and an entrepreneurial culture in economic and social development has often been underestimated. Over the years, however, it has become increasingly apparent that entrepreneurship indeed contributes to economic development. Nevertheless, the significant numbers of enterprises are owned by men (International Labour Organization (ILO), 2006). In the past it was not common to see women-owned businesses worldwide especially in developing countries. The idea and practice of women entrepreneurship is a recent phenomenon. 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).

Women entrepreneurship plays an important role in the economic development of a Country. Ochola and Okelo (2013) found that women entrepreneurs enhance livelihoods within the family and leads to wealth creation at the national level. Women's involvement in entrepreneurship is applauded as a necessary precursor to economic growth of nations (Richardson, Howarth & Finnegan, 2004). However, women-owned businesses account for only 25 to 33 per cent of all global businesses (Kiraka, Kobia & Katwalo, 2013).

Finance is very crucial in starting and running businesses. Studies carried out on this area have shown that there is a relationship between credit and enterprise sector choice for women entrepreneurs (Roslan & mohd, 2009; Salman, 2009; Allen et al., 2008; Brana, 2008; Lans et al., 2008; Tata & Prasad, 2008; Shane, 2003). Finance is one of the key ingredients enabling businesses to start, expand and remain viable. Women entrepreneurs who have access to financing and who are not afflicted by the discriminatory practices leveled against women entrepreneurs seeking funds to start enterprises are likely to venture in the male dominated sector, (Robb & Coleman, 2009). Coleman (2007) and Peter (2001) established that there is a definite link between ones access to financial capital and success of any business. Financial capital is one of the ingredients enabling businesses to start, expand, and remain viable and to become sustainable (Robb & Coleman, 2009).

Global Perspective of Women Enterprise Funding

Globally, SMEs are believed to play a pivotal role in promoting grassroots economic growth and equitable sustainable development (Akanji 2006). As SMEs have become essential in the economic matrixes of the nations, increased deliberate government policies and legislation have been witnessed globally, in the government quest to nurture SMEs. It is also estimated that SMEs constitute over 90 percent of total enterprises in most economies with a high rate of employment growth. They are also a vehicle for increased industrial production and exports. The Asian Tigers such as India, Indonesia, China, Malaysia, Japan, and South Korea also have thriving SMEs sectors contributing between 70-90 percent in employment and an estimated 40 percent contribution to their respective GDPs (Akanji, 2006).

A positive relationship has been documented between small-business development and economic growth in developed countries. In USA and France, studies have shown that there is a positive relationship between credit and opportunity choice for women entrepreneurs. Further credit was found to have a positive effect on opportunity for women enterprise choice in USA (Allen, 2000 and Brana, 2008). Credit or loan is very necessary for start of new enterprises. Banks are inclined toward low-risk ventures. A relationship exist between credit and enterprise choice for women entrepreneurs. Credit provides the needed opportunity for entrepreneurs to start businesses (Akanji, 2006).

According to Carter et al., (2001) women business owners contribute £50-70 billion in gross value added to the UK economy each year. This figure does not include the contribution of women business owners in large businesses, women's unpaid contributions, such as caring or the contributions made in businesses where the owner is male but which is a partnership.

African Perspective of Women Enterprise Funding

In Africa most women owned SMEs are confronted with the challenges of nurturing their businesses and promoting the tradition of innovation and entrepreneurship (Organization of Economic Cooperation and Development (OECD), 2009; Wube, 2010). This could be associated with the existing business environment which is faced with forces of complex socio-cultural, economic and technological factors creating complex challenges for the owners of SMEs in Africa (Tesfayohannes, 2012; Felicia, 2013). This has led women to make tradeoffs between tradition and the kind of business activities to undertake. For instance, most of women in Tanzania tend to undertake business activities that are in harmony with their traditional roles which happen to be least profitable (Tundui, 2012). In addition, Felicia (2013) specified that, social and cultural values and beliefs regarding entrepreneurship have an important influence on motivational antecedents of entrepreneurial intention and business performance.

Many factors have been blamed for the under-representation of women among business owners among them being socialization and lack of motivation when considering entrepreneurship as a career choice (Mueller & Dato-On, 2008). Women entrepreneurs in developed countries enjoy many advantages over those in developing countries. They have access to greater support from women mentors and role models and easier access to formal training in the principles of business planning and organization (Tesfayohannes, 2012).

Similarly, Tyson and Petrin (1994) emphasize that women in developed countries have access to capital and the acceptance of women as business owners has improved, whereas women in developing countries do face obstacles such as lack of access to education and finance.

Local Perspective on Women Enterprise Funding

Women entrepreneurs are among the fastest growing groups of business owners in Kenya today. The number of women starting and owning businesses has increased drastically over the last few decades, furthermore the types of businesses women tend to own are changing (Kyalo, Gichira, Waititu & Ragui, 2013). Women owned enterprises are making a significant contribution to the Kenyan economy, accounting for 20% of Kenya's GDP. Of the 462,000 jobs created annually since 2000 in Kenya, 445,000 jobs have emanated from the informal sector, where 85% of women's businesses are found. In recognizing the importance of women entrepreneurs in creating a vibrant and dynamic economy for the nation, the Kenya Government has been actively promoting women entrepreneurship towards realizing Kenya's Vision 2030.

In Kenya, women owned businesses account for over 48% of all SMEs (ILO, 2008). Stevenson and St-Onge (2005) asserts that there are three profiles of women entrepreneurs operating SMEs in Kenya namely; Jua Kali microenterprises, very small micro enterprises and Small and Medium enterprises. These are differentiated by their demographic profiles, extent of previous business experience, needs, access to resources and growth orientation. The bulk of women entrepreneurs in Kenya operate enterprises associated with traditional women's roles such as, hairstyling, restaurants, hotels, retail and wholesale outlets (ILO, 2008).

The World Bank (2010) survey indicated that the 52% of women entrepreneurs in urban areas in Kenya fail to access finance from financial and lending institutions. According to KWFT (2011), women enterprise access to credit in Kenya has been improved, but actual lending is not commensurate with the growth of women owned businesses. In Kenya 48% of business owners are women yet only 7% secure formal credit while 1% used land as formal collateral to secure finances (GOK, 2012). Faced with the prevailing market challenges, this study sought to establish factors that influence women access to women enterprise funds in Kenya with specific reference to Women enterprises in Nakuru town.

Statement of the Problem

Women are becoming increasingly important in the socio-economic development as they account for a significant percent of the operators of SMEs. Micro enterprise is particularly important to women because it provides opportunity for self-employment, economic development, income generation and poverty alleviation. Acknowledging that women had been marginalized in access to formal financing, the government of Kenya introduced the Women Enterprise Fund to provide an alternative, easily accessible and affordable finance. However, women in Kenya are faced with the challenges of not accessing women enterprise funds and they appear to have less access to external sources of capital than men when securing finances. Despite the efforts made by the government, most women enterprises still are not accessing the funds as anticipated in this government endeavors. This has resulted to the declining performance and collapsing of women enterprise. This study sought to assess factors influencing access to women enterprise funds by women groups in Nakuru Town West Sub-County, Kenya.

Objective of the Study

The main objective of the study was to assess factors affecting access of women enterprise funds by women groups in Kenya.

The specific objective was to establish the effect of credit rating on access to women enterprise funds by women groups in Nakuru Town West Sub-County, Kenya.

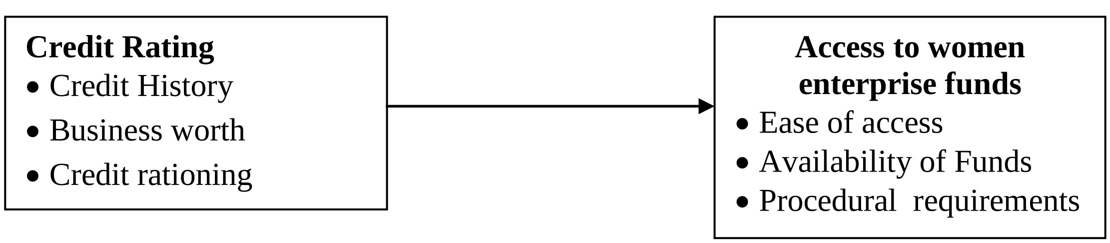
Hypothesis of the Study

H_{01}: Credit ratings have no significant effect on access to women enterprise funds by women groups in Nakuru town West Sub-County, Kenya.

Conceptual Framework

The conceptual framework illustrated the association between credit ratings and access to women enterprise funds. The study conceptualized that credit rating was the independent variable while access to women enterprise funds was the dependent variable. The conceptual framework was as shown in figure 1 below.

Figure 1: Conceptual Framework



LITERATURE REVIEW

Theoretical Framework

Joint Liability Theory

This study was anchored on joint liability theory. Joint liability theory as advanced by Wahid in 1993 asserted that through joint liability the financial institutions have been able to penetrate the un-bankable and those considered so poor to be lent due to lack of collaterals. This theory has been supportive of the unconventional lending practiced by banks, due to the reasonable degree of financial self-sufficiency and repayment rates that are significantly higher than for comparable loans by conventional lending institutions (Morduch, 1999).

According to Ghatak and Guinnane (1999) the Joint liability lending institutions ask borrowers to form groups in which all borrowers are jointly liable to one another. These lenders are also characterized by intensive monitoring of the borrowers and rely heavily on past borrowers to ensure compliance. Ghatak (1999) puts it that for the lending institutions to experience high repayment rates from borrowers there is need to encourage the borrowers to form groups such that the paying members can pressurize the non-paying, or those on the verge of defaulting to honor their contractual obligations.

Ghatak (1999) further insists that when there is a joint liability a bond of allegiance is formed at two levels. The foremost bond of allegiance is between the borrowers whereby a case of default is treated as a departure from the set norms and ideals of the group would like. In this stead the lending institution is able to keep a tab on its clients and ensure that constant monitoring on their loan repayment behavior can be evaluated. This may be construed as a way of sharing costs between the loanee and the lending organization (Morduch, 1999).

According to Banerjee and Newman (1993) the application of joint liability theory, the credit market failure problems can be corrected. This is through local information collected and utilized within the specific social networks created that is the institution of joint liability based group lending. Hence, it serves the objectives of both efficiency and equity by helping the poor escape from the trap of poverty by financing small-scale productive projects. According to Banerjee and Newman (1993) the effect of high risk borrowers is neutralized by the safe borrowers. The net pool of information collected from both set of borrowers can be used by the lending institution to stabilize or even pressurize any borrower who tends to lag behind in his or her commitments.

Empirical Review

Women entrepreneurs face dual challenges in accessing financial resources. As part of the overall entrepreneurial class they face common constraints the private sector faces, particularly small scale operators, to access financial resources. In addition, as women they face specific challenges associated with their gender (Wole, 2009). Women have little access to education. Under education of women perpetuates their limited capacity for growing their business beyond the informal micro enterprise sector. As a result, the businesses of most women entrepreneurs are constrained by weak managerial and marketing skills, finance and technology absorptive capabilities (Wole, 2009).

Women's access to financial resources is also limited by biased lending practices that emerge when financial institutions in the area consider them smaller, less experienced and therefore less attractive clients, or when institutions lack the knowledge to offer products tailored to women's preferences and constraints (Fletschner, 2009). Socially accepted norms of behavior and the roles women play in their families can have profound effects on the type of economic activities in which women can engage, the technologies available to them, the people and agencies with whom they can interact, the places they can visit, the time they have available and the control they can exert over their own capital (Fletschner & Kenney, 2011).

Although microfinance is a great poverty reduction tool, it offers only limited support for women who wish to expand their enterprises beyond the micro level. Thus, women entrepreneurs who need credit beyond the maximum loan limits from microfinance institutions have difficulties obtaining a credit higher than a micro credit. Women are forced to participate in lending groups, and very few are individually able to access financing because they do not have resources (property, collateral) to act on an individual basis (Fletschner, 2008). Bougheas *et al*. (2005) contend that collateral is an important factor for women SMEs in order to access debt finance. Collateral reduces the riskiness of a loan by giving the financial institution a claim on a tangible asset without diminishing its claim on the outstanding debt. Coco (2000) point out that collateral is the lender's second line of defense.

Credit rating and access to women enterprise funds

In Asia an efficient credit rating scheme that rates SMEs based on their financial health normally helps banks to lend money to SMEs in a more rational way while at that same time reducing the risk to banks. Yoshino, (2016) stated that various credit rating indexes are used such as Standard and Poor's rate in large enterprises. This rating helps banks to lend businesses money up to a certain amount. For SMEs, the issue is more complicated as there are no comparable ratings. CSO (2009) observed that the most of the persons employed in the informal sector in Botswana were females (56.2 percent) and youth (24.9 percent). The females were also more likely to be self-employed without employees (75.0 percent) as compared to males. Most of the informal enterprises were also owned by women (67 percent) and youths (17 percent).

According Okurut, (2005), in a proposal to tackle the problem faced by SMEs in accessing formal bank credit, the Government of Botswana created government credit schemes (CEDA and the Youth Development Fund) to provide credit to SMEs at affordable interest rates. Machira, (2002) stated that in Kenya some of the factors that affect entrepreneurship development in the country are inaccessibility to credit especially among the women. Women entrepreneurs lack adequate physical capital such as credit and savings for business which force them into quest for financial assistance. Macharia et al, (1998), stipulated that in their study of NGOs and Women small scale entrepreneurs in the garment manufacturing sector in Nairobi and Nyeri found that factors that inhibit credit to women include: lack of awareness, lack of start-up capital; of existing credit schemes; lengthy and vigorous procedures, high interest rates; for loan applications; and lack of collateral security for finance.

Kuzilwa (2005) stated that credit has been found to have positive impact on business performance in Kenya. It worth noting that women in Kenya have led to the establishment of Women Enterprise Fund to address the credit gap and support business development for women (KIPPRA, 2010). The fund is provided by the government at the rate of 8% p.a which is a very low interest rate. Sessional paper No. 2 of 2005 stated that lack of access to credit is a major constraint inhibiting growth of SME sector and women entrepreneurs. It also highlight other problems limiting SME acquisition of financial services as: lack of tangible safety measures coupled with an inappropriate legal and regulatory framework that does not recognize innovative ways for lending to SMEs and the limited access to formal finance due to poor and insufficient capacity to deliver financial services to SMEs. He also stipulated that adequate credit aids entrepreneurship performance. Therefore, if women are assisted in accessing credit in their businesses, they can improve their living standard, income and of course the economy in general.

Carter and Marlow (2006) established that guarantees required for external financing may be beyond the scope of most women's personal assets and credit track record. Roslan and mohd, (2009); Salman, (2009); and Tata and Prasad, (2008); also established that women owners tended to prefer internal sources to external sources of finance, this internal financing is limited hence also limiting on the type of sector choice and enterprise to start.

Access to Finance through Women Enterprise Fund

According to a study done by Atieno (2001), Commercial banks and other formal institutions fail to cater for the credit needs of smallholders, however, mainly due to their lending terms and conditions. It is generally the rules and regulations of the formal financial institutions that have created the myth that the poor are not bankable, and since they can't afford the required collateral, they are considered uncreditworthy. The results showed that the limited use of credit reflects lack of supply, from the rationing behavior of both formal and informal lending institutions. The study concluded that given the established network of formal credit institutions, improving lending terms and conditions in favor of small-scale enterprises would provide an important avenue for facilitating their access to credit. According to a study done by Kimuyu et al (2002), took up the question of how finance is related to other aspects of small business. Specifically, they studied the determinants of probably the most important financial decision of MSEs, that of how to raise capital for the business, distinguishing between the initial capital and any follow-up capital acquired for expansion or restructuring.

Women entrepreneurs are key contributors to private enterprise development, job creation and economic growth worldwide. According to the World Economic Forum's Global Gender Gap Report, there is a strong correlation between gender equality and a country's prosperity and economic competitiveness (Haussmann 2010). It is thus important to mainstream women in broader enterprise support policies and programs such as women's enterprise centers, coaching and mentoring programs and financing initiatives.

A study by the Global Partnership for Financial Inclusion highlights that in developed countries, women are starting businesses at a faster rate than men, and are making significant contributions to job creation and economic growth. The same is true for transition economies, although the comparable rate of growth is slower. In Indonesia, 2007 data showed that women-owned businesses grew at 8 per cent, while men-owned businesses shrank 0.3 per cent. In Thailand (2008) women-owned businesses grew by 2.3 per cent while the male counterparts grew only by 0.3 per cent. (GPFI, IFC, 2011). Access to Finance is often cited as one of the major factors impeding the growth of women-owned businesses in developing countries. The key barriers include lack of ownership of collateral – as tradition would seldom cede property rights to women; coupled with the absence of credit histories – owing to the fact that most women businesses are informally organized.

Matonda, (2011) in his study sought to establish the influence of Women Enterprises Fund on socioeconomic development of women entrepreneurs in Bonchari Constituency, Kisii County and found out that accessed financial services, training services and disbursement criteria adopted by WEF had a positive effect on socio-economic development of women entrepreneurs in Bonchari Constituency. According to Amyx (2005), one of the most significant challenges is the inability to repay the loans and negative perception towards microfinance institutions when it comes to loan recovery leading to a high default rate.

Improving financial support for women would increase the number of new businesses, which in turn, would boost economic activity, enable the expansion of old businesses, leading to increased productivity and growth. Financial empowerment enhances the bargaining power of women at the family level and this allows larger latitude for investment in child-nutrition, health and education, thereby regenerating the future workforce. Beyond the family, financial freedom is a precursor to gender equality and consequently, the assurance of social security (Agarwal, 2003). Women constitute not only a formidable demographic force, but are also responsible for the youth that make up the next generation. Therefore, their well-being has implications not only for their own lives, but also for the society at large. Their ability to play this role effectively depends on how far the society supports their development. Empowering them is a crucial challenge which calls for constant review of policies, re-assessment of priorities, commitment of adequate financial resources, and effective implementation of programs.

Credit markets in the developing countries, especially in Africa, and Kenya included, have evolved mechanisms that circumvent credit constraints. Borrowers poor in collateralizable assets and for whom lenders have poor information about their creditworthiness have resorted to the use of social capital to improve their accessibility to credit (Mwangi & Ouma, 2012). Social capital refers to connections among individuals that characterize social networks where norms of reciprocity and trustworthiness arise (Putman, 1993). In other words, these are sources that may include friends, family members, and professionals among others, where a social connection exists between the lender and the borrower.

Self-help groups have proven to be an effective avenue for connecting women with financial institutions. These groups of women operate at the village level and typically require that their members meet regularly. Savings are collected from each member and either deposited in rural banks or loaned to other group members. After a group has demonstrated it had the capacity to collect loans, rural banks typically leverage the group's savings and provide additional capital that group members use mostly for agricultural purposes (World Bank, 2008).

RESEARCH METHODOLOGY

Research Design

Research design is essentially the roadmap of conducting the entire study. Descriptive survey research design was adopted. As Kothari (2008) asserted, descriptive survey enables the researcher to respond to the "what" question which is the case in this study. The aspect of survey was based on the fact that, the study was conducted at a specific point in time, and the respondents cut across different groups.

Target Population

The target population is the population to which the study findings would be generalized (Cooper & Schindler, 2003). The current study was limited to women groups operating income generating projects in Nakuru West Sub-County, Kenya. There are a total of 376 women groups in Nakuru West Sub-County. The list of the women groups is provided in appendix 3.

Sampling Technique and Sample Size

A sample is part of the population that has been procedurally selected to represent the population once the sample has been scientifically taken, the result can be generalized to the entire population. Burns and Groove (2001) refer to sampling as a process of selecting a group of people, events or behavior with which to conduct a study. The purpose of sampling is to secure a representative group (Mugenda, 2008). Burns and Grove (2003), refer to sampling as a process of selecting a group of people, events or behavior with which to conduct a study. The researcher adopted a formula by Nassiuma (2009) to estimate a finite sample size, n.

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

Where,

n = sample size;

N = n_0 population size;

C = coefficient of variation and e is error margin.

Substituting these values in the equation, estimated sample size (n) was:

$n=376*0.5^2 / \{0.5^2 + (376-1)0.05^2\}$

n=79.2

To arrive at the sample the researcher employed simple random sampling to select 80 respondents from the 376 group leaders.

Data Collection Instrument

According to Mugenda and Mugenda (2009), questionnaires are very suitable in survey research. In tandem with this assertion, a structured questionnaire was used to collect data from the respondents. The questionnaire captured data relative to respondents' background. Most importantly, it captured data regarding both the independent and dependent variables. The questionnaire enabled the researcher to collect data on a Likert scale.

Data Collection Procedure

Prior to data collection, the researcher sought the consent of the business department in Jomo Kenyatta University of Agriculture and Technology. The researcher further sought clearance from the various departments in the county government to be allowed to collect the data. The research questionnaires were afterwards distributed to the various respondents in the Nakuru West Sub-County. The set of filled questionnaires were collected approximately within two days after their issuance.

Data Processing and Analysis

The collected data was analyzed by both descriptive and inferential statistics with the aid of the Statistical Package for Social Sciences (SPSS) version 24. Descriptive analysis involved frequencies and percentages for demographic data of respondents. In addition, means and standard deviations were employed across all variables (independent and dependent variables). Inferential statistics in form of correlation and multiple regression analyses were employed. The study used Analysis of Variance (ANOVA) by use of F statistics to test overall significance of the relationship between independent variables and dependent variable at 95% level of Confidence ($\boldsymbol{\alpha}$=0.05). In addition coefficient of determination (R^2) was used to test the contribution of each independent variable on the dependent variable. The findings of the study were presented in form of statistical tables.

ANALYSIS AND FINDINGS

A total of 80 questionnaires were distributed to the respondents for them to fill. Out of the 80 questionnaires, 79 of them were properly filled and returned. This represented a response rate of 98.8% which can be characterized as an excellent indicator that the results are externally valid and therefore can be generalized. Essentially the response rate that every researcher would pursue would be 100%. In reality however this is not possible due to sampling measurement and coverage errors. A response rate below 51% is considered inadequate in social sciences (Pinsonneault & Kraemer, 1993). Babbie (1990) suggested that a response rate of 60% is good; 70% is very good.

Credit Rating

Respondents' opinions were sought in regard to credit rating and how it influenced women group access to financing. The means and standard deviation values were established for all the responses. The findings from the analysis were as presented in Table 1.

Table 1: Credit Rating

	n	Min	Max	Mean	Std. Dev
1. Credit history of the individual group members determines access to financing in the women group projects	79	1	5	3.96	1.214
2. Loan defaults by group members hinders the group from access to financing	79	1	5	3.89	1.050
3. The worth of the business in terms of assets determines the willingness to financiers to commit their funds	79	1	5	4.05	1.036
4. The amount of loan that the group can access is limited to a stipulated maximum	79	1	5	3.72	1.085
5. The amount of credit rendered to the group is determined by business worth	79	1	5	3.41	1.335
6. The group investment have to a greater extent been funded by loan finance	79	1	5	2.70	1.371
Valid n (listwise)	79				

Table 1 showed that the respondents agreed that the credit history of the individual group members determines access to financing in the women group projects with a mean of 3.96 (Agree) and a standard deviation of 1.214. They further agreed (M=3.89) that loan defaults by group members hinders the group from access to financing that the worth of the business in terms of assets determines the willingness of financiers to commit their funds (M=4.05) and that the amount of loan that the group can access is limited to a stipulated maximum (M=3.72). Respondents were however indifferent on whether the amount of credit rendered to the group is determined by business worth with a mean of 3.41 (undecided) and on whether the group investment have to a greater extent been funded by loan finance with a mean of 2.70 (Undecided). There was greater disparity in respondents' opinions with most of the responses registering standard deviation values greater than 1.

Access to Women Enterprise Funds

Finally, the researcher sought respondents' views relating to access to women enterprise funds. The means and standard deviation values were computed to aid the researcher in making observations. The findings from the analysis were as presented in Table 2.

Table 2: Access to Women Enterprise Funds

	N	Min	Max	Mean	Std. Dev
1. Availability of information on women enterprise fund enables the group to access the fund	79	1	5	3.91	1.112
2. Low cost of the women enterprise funds have encouraged the group to apply for the funds	79	1	5	3.94	1.090
3. The women enterprise fund is easily accessible since there is no inhibiting requirements	79	1	5	3.87	1.079
4. The women enterprise fund does not need collateral to access the fund	79	1	5	3.13	1.213
5. The credit rating of members do not determine accessibility of women enterprise funds	79	1	5	3.23	1.281
6. There are no so many requirements in processing of the fund	79	1	5	3.49	1.422
Valid N (listwise)	79				

From the analysis, the findings demonstrated that the respondents agreed (M=3.91) that availability of information on women enterprise fund enables the group to access the fund. On the other hand, they agreed (M=3.94) that the low cost of the women enterprise funds have encouraged the group to apply for the funds and that the women enterprise fund is easily accessible since there is no inhibiting requirements registering a mean of 3.87. Conversely, respondents were undecided (M=3.13) on whether the women enterprise fund does not need collateral to access the fund, whether the credit rating of members do not determine accessibility of women enterprise funds (M=3.23) and on whether there are no so many requirements in processing of the fund with a mean of 3.49. All the responses had a standard deviation greater than one indicating that respondents expressed very diverse views regarding access to women enterprise funds.

Credit Rating and Access to Women Enterprise Funds

The sought to establish the effect of credit rating on access to women enterprise funds by women groups in Nakuru West Sub-county. Linear regression analysis was used to establish the relationship between credit rating and access to women enterprise fund. The findings from the analysis were as presented in Table 3.

Table 3: Model Summary on Credit Rating and Access to Women Enterprise Funds

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.474[a]	.225	.214	.52875

a. Predictors: (Constant), Credit Rating

The table showed a correlation coefficient (R) of 0.474 indicated the existence of weak positive relationship between credit rating and access to women enterprise funds. Further, the R-squared value of .225 indicated that credit access could account for 22.5% of the total variance in access to women enterprise funds. As such, the research observed that credit access was important in determining access to women enterprise funds. Consequently, the researcher proceeded to test the first null hypothesis; **H_{01}:** Credit ratings have no significant effect on access to women enterprise funds by women groups in Nakuru town West Sub-County, Kenya. Analysis of variance (ANOVA) was used with level of significance set at $p<.05$. The findings from the analysis were as presented in Table 4.

Table 4: ANOVA[a] on Credit Rating and Access to WEF

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6.233	1	6.233	22.296	.000[b]
	Residual	21.527	77	.280		
	Total	27.760	78			

a. Dependent Variable: Access to Funds

b. Predictors: (Constant), Credit Rating

The analysis established an F-ratio value of 22.296 with 1 and 77 degrees of freedom. The ratio was significant at $p<0.05$ level. Therefore the researcher concluded that credit ratings have a significant effect on access to women enterprise funds by women groups in Nakuru West Sub-county Kenya. Consequently, the null hypothesis **H_{01}** that credit ratings have no significant effect on access to women enterprise funds by women groups in Nakuru town West Sub-County, Kenya, was rejected.

SUMMARY OF THE FINDINGS

Credit Rating and Access to Women Enterprise Funds

Descriptive statistics showed that the respondents agreed that the credit history of the individual group members determines access to financing in the women group projects. They further agreed that loan defaults by group members hinders the group from access to financing that the worth of the business in terms of assets determines the willingness of financiers to commit their funds and that the amount of loan that the group can access is limited to a stipulated maximum. Respondents were however indifferent on whether the amount of credit rendered to the group is determined by business worth and on whether the group investment have to a greater extent been funded by loan finance.

The study established that the respondents agreed that availability of information on women enterprise fund enables the group to access the fund. On the other hand, they agreed that the low cost of the women enterprise funds have encouraged the group to apply for the funds and that the women enterprise fund is easily accessible since there is no inhibiting requirements. Conversely, respondents were undecided on whether the women enterprise fund does not need collateral to access the fund, whether the credit rating of members do not determine accessibility of women enterprise funds and on whether there are no so many requirements in processing of the fund.

Inferential statistics indicated that credit rating has a weak positive relationship with access to women enterprise funds. In addition, credit access was found to account significantly to the total variance in access to women enterprise funds. The analysis of variance demonstrated credit rating was significant in determining access to women enterprise funds in Nakuru town West Sub-county, Kenya.

CONCLUSIONS OF THE STUDY

The objective of the study was to assess factors affecting access of women enterprise funds by women groups in Kenya. The researcher concluded that credit rating has a significant effect on access to women enterprise funds. The study found that credit rating has a significant effect on access to WEF. Respondents agreed that the credit history of the individual group members determines access to financing in the women group projects. Therefore the importance of credit history in determining access to women enterprise fund is of paramount significance.

The researcher recommended that the group leaders in Nakuru West Sub-county should encourage their group members to ensure they have good credit history that would enhance their access to women enterprise funds. This can be done through educative workshops organized in collaboration with the group members and financial institutions. Improving the credit ratings of the group members would greatly enhance the ability of the groups to access funding from sources like women enterprise funds. Access to women enterprise funds would enhance the capital base of their investment activities and improve their income.

LIMITATIONS OF THE STUDY

The study encountered many challenges in data collection. The groups are widely spread out within the Sub-county thus the researcher had to move a lot to access the women groups. The researcher also enrolled the help of friends to help spread the questionnaires to the women group leaders accessible to them. Further some group leaders were hesitant to volunteer the information doubting the authenticity of the research. Further most of the group leaders were engaged in a lot of activities that they felt they did not have time to fill the questionnaires. The researcher overcame the challenges by assuring them that the data collected will be used for academic purposes only and also showed them the letter from the university to authenticate the research. In addition, respondents who were constrained by time were left with the questionnaires to fill when they were free and the researcher went back for the questionnaire after an agreed time.

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