

**EFFECTS OF SOCIO-ECONOMIC BARRIERS AND WOMEN FINANCIAL  
EMPOWERMENT IN KENYA - A CASE OF BUSINESS WOMEN IN KAJIADO  
COUNTY, KENYA**

**BY**

**JEDIDAH W. GATHUA**

**MASTER OF SCIENCE IN COMMERCE (FINANCE AND INVESTMENT)**

**KCA UNIVERSITY**

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## **DECLARATION**

I declare that this dissertation is my original work and has not been previously published or submitted elsewhere for award of a degree. I also declare that this contains no material written or published by other people except where due reference is made and author duly acknowledged.

Student Name: \_\_\_\_\_

Reg.No. \_\_\_\_\_

Sign: \_\_\_\_\_

Date: \_\_\_\_\_

I do hereby confirm that I have examined the master's dissertation of

**JEDIDAH WAMUYU GATHUA**

And have certified that all revisions that the dissertation panel and examiners recommended have been adequately addressed.

Sign: \_\_\_\_\_

Date: \_\_\_\_\_

**Dr. Okonga Brigitte Wabuyabo**

**Dissertation Supervisor**

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**ABSTRACT**

Social-economic issues have barred rural women to access finance there by limiting their ability to improve in financial empowerment. Such issues include collateral, financial information and financial inclusion. Majority of rural women are illiterate and lack the voice to procure loans for business development and growth. This is likely to affect their accessibility to finance for their financial empowerment. However, the studies reviewed failed to comprehensively address factors influencing access to finance by rural women from their empowerment as; collateral, financial information and financial inclusion jointly. This is to say that there is a knowledge gap that; collaterals, level of financial information and financial inclusions jointly affect access finance by rural women. This motivated the need to conduct the present study to fill the knowledge gap. This study used descriptive survey in soliciting information. The target population was the 98 women in business in Sultan Hamud Town of Kajiado County. Since the population was small and easily accessible, the study adopted a census design, where the entire target population participated as respondents. The study collected data from primary sources using a structured questionnaire. The data was analysed using descriptive statistics and it was represented in tables and figures. Thereafter the study estimated a model using multiple regressions. Statistical Package for Social Science (SPSS) was used to assist in data analysis. The study established that business women in Kenya were not accessible to financial services for their financial empowerment and found out that requirements for collaterals, which are essential to access financial services, are major hindrances to access finance for Kenyan businesswomen for their empowerment, the study also concludes that access to financial information highly influences access to financial services of Kenyan businesswomen, and there is low level of women financial inclusions in Kenya, which is a major hindrance of business women from accessing the financial services. The study concludes that; collaterals, access to financial information, and women financial inclusion could significantly predict dependent variable; accessibility to financial services. The study recommends that financial lending institutions should simplify their ways of women accessing the financial facilities, by developing women friendly lending environment to enable these entrepreneurs to access finance for their empowerment. The study further recommends that non-governmental agencies, human rights bodies, Kenyan governments and stakeholders should provide relevant training and education in entrepreneurship, financial matters and on their rights for their empowerment to significantly influence the business success of women entrepreneurs in the country and equipped to manage business.

**Keywords:** Collateral, Financial Empowerment, Financial Information, Financial Inclusion, Socio-Economic Barriers

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## **DEDICATION**

This research study is dedicated to my children Richard, Ryan, and Rubby for their understanding and support during the study period.

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## **ACRONYMS AND ABBREVIATIONS**

<b>BoP</b>	Bottom of Pyramid
<b>IFI</b>	International Financial Institutions
<b>KWFT</b>	Kenya Women Finance Trust
<b>MSE</b>	Micro and Small Enterprises
<b>SMEs</b>	Small and Medium Enterprises

## OPERATIONAL TERMS AND DEFINITION

**Access to affordable financial services** is empowering and equipping the rural women to make their own choices and build their way out of poverty in a sustained and self-determined way (Bowen *et al.*, 2009).

**Access to financial information** is the knowledge that relates to financial service proved to women entrepreneurs by (Otieno *et al.*, 2010)

**Access to finance** is the extension of very small loans (microloans) to rural women borrowers

**Collateral requirements** are the main reasons that make them not seek for credit from financial institutions. It is a security in terms of property or other assets that a borrower offers a lender to secure a loan. It is also defined as an asset required by the lender from a borrower to secure the loan (Gatakaa, 2012).

**Economic empowerment** is the capacity of women to participate in, contribute to and benefit from growth processes in ways which recognize the value of their contributions, respect their dignity and make it possible to negotiate a fairer distribution of the benefits of growth (Kirwood, 2009).

**Entrepreneurship** is the recognition of business opportunities and taking actions to exploit those opportunities profitably (Benjamin, 2010).

**Women entrepreneurs** are women running their own business rather than employed in any organization (Josiane, 2006)

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the Study

Despite their potential, women-owned businesses in Kenya are less likely to grow, are smaller, and are twice as likely to be operating from home as male-owned businesses (Cutura (2007). Women-owned entrepreneurship are earning only 57 percent of income that male business owners earn and have fewer employees. The average number of employees in a Women-owned in 1999 was 1.54, compared to 2.1 for a male-owned business. In 1999 only 4 percent of the workers in women-owned businesses were hired. The remainder consisted of family members and apprentices. Women are becoming increasingly important in the socio-economic development of both developed and developing economies as they account for significant percent of the operators of enterprises (Josiane, 2006). Women entrepreneurs make a substantial contribution to national economies through their participation in start-ups and their growth in small and medium businesses (United Nations, 2006).

Although women constitute slightly more than half of the Kenyan population, they have been made to appear like they should always be dependent on men in all areas inducing financial contributions and participation (Institute of Economic Affairs – Kenya, 2008). Owing to this perception, roles accorded to men in Kenya appears more superior than those accorded to women. As a result, men acquire more rights and privileges to women in this country. These privileges awarded to men create a door for them to migrate, usually to urban areas, leaving most women in charge of the management of the activities at their rural homes. In fact, 80 % of women in Kenya live in the rural areas (Ellis *et al.*, 2007; Richardson, 2013) and where they do casual or seasonal employment which does not provide any security of tenure and lacks employment benefits, providing 60-80% of the farm labour (Richardson, 2013; Wasike, 2013).

Majority of Kenyan Women are engaged in the farming, such as food and cash crops growing; livestock keeping; and in agro-based income generating activities. Such an employment is characterised with low and uncertain wages, making women to be classified as being among the poorest of the poor (Ellis *et al.*, 2007).

Cutura (2007) demonstrates that there various socio-economic inequalities that hinder womenfolk from access finance as opposed to their male counter parts. Without increased attention to the addressing these socio-economic dimensions of economic development (UN DESA *et al*, 2012), Women's historic exclusion from political structures and processes is the result of multiple structural, functional and personal factors that vary in different social contexts countrywide. However, beyond these specificities of national and local contexts, there is a generic issue in women's financial access participation that relates to the wider context of national and international development (Sagwe, Gicharu&Mahea, 2011). Kenya is therefore unlikely to meet its economic growth targets addressing these barriers in Kenya could generate significant economic growth for the country.

The subordinate status of women vis-à-vis men is a universal phenomenon, though with a difference in the nature and extent of subordination across countries. Gender role ideology does not only create duality of femininity and masculinity, it also places them in hierarchal fashion in which female sex is generally valued less than male sex because of their socially ascribed roles in reproductive sphere. The gender status quo is maintained through low resource allocation to women's human development by the state, society and the family. This is reflected in the social indicators which reflect varying degrees of gender disparities in education, health, employment, ownership of productive resources and politics in all countries (Bari, 2005).. Additionally gender is mediated through class, caste and ethnicity that structure access to resources and opportunities.

The socio-economic dependence of women is one of the key detrimental factors to their political participation in public political domain.

Women often lack social capital because they are often not head of communities, tribes or kinship groups, resulting in the absence of constituency base for them and means of political participation such as political skills, economic resources, education, training and access to information (Bari, 2005). The socio-economic challenges facing women entrepreneurs in financial empowerment are attributable to the remoteness of their regions and their gender (most of these regions falls below the national average in all social development indicators). The majority of entrepreneurial women groups are illiterate or semi-literate, a phenomenon that impacts negatively on enterprise development (Hassan & Mugambi, 2013). Most women entrepreneurs are less educated women may face financial and human capital constraints which limit their business pursuits.

Prevailing social and cultural gender based inequalities and biases weigh heavily against women (Barwa, 2003). Knowledge and resources are culturally embedded and influences availability of resource and exploitation of potentials of women entrepreneurship. Benjamin (2010) argues that women entrepreneurs in Kenya put up with lack of confidence, lack of strong individual involvement and unwillingness to take risks. Women's weak social position is exacerbated by lack of role model in entrepreneurship, poverty and illiteracy that increase invisibility and marginalization of their enterprises, the presence of biased cultural practices.

### ***1.1.1 Kajiado County***

Kajiado sits on an area of 21,901 square kilometers and borders Nakuru, Nairobi and Kiambu to the north, Narok to the west, Makueni and Machakos to the east and Taita-Taveta and Tanzania to the south. The county has a population of 687,321 people (50.2% male and 49.8% female),

according to the 2009 National Census. Kajiado was initially occupied by the Maasais but people from other Kenyan tribes as well as foreigners have since moved in. The Maasai are nomadic cattle herders, although some members of this community practice subsistence agriculture. The animals are a sign of wealth in the community and are often used in payment of dowry. Some have intermarried with the Maasais, others settled primarily to do business while some are employed by government and non-governmental organisations such as AMREF and Action Aid (Kajiado County).

Traditionally, Maasai women were tasked with building homes (manyattas), collecting firewood, preparing food, among other domestic chores, while men were left free to be warriors - defending their territories and cattle. The role of the children was to look after the livestock. However, this tradition has diminished over time and many Maasai children are now allowed to go to school. The Maasai men are traditionally polygamous, while women are allowed to have intimate relationships with their husbands' age-mates so as to bring forth warriors (Kajiado County).

Kajiado is the capital town of Kajiado County. The town is located about 80km south of Nairobi along the Nairobi-Arusha road. Kajiado is a flourishing trading centre where commodities such as spices, millet, beads, jewelers, sandals and clothing are traded. An open-air market in Kajiado town, which opens on Wednesdays and Thursdays, is an ideal place to go shopping for vegetables, fruits, spices, millet and other commodities. It's often a chaotic atmosphere as traders outdo each other to draw customers' attention. Other major urban centers in Kajiado include Kitengela, Rombo, Loitokitok and Namanga. Rombo and Loitokitok are near the Tanzania border and they offer excellent views of Mount Kilimanjaro (Kajiado County, 2015).

### ***1.1.2 Women Empowerment***

Credit facilities have been designed and crafted in a manner that usually lock most rural business women from accessing it since it does not recognize that women are active, productive and engaged in business (Sagwe, Gicharu&Mahea, 2011) and thus they face their own financial constraints and needs. 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. The extent to which institutions reach out to women and the conditions, under which they do it, vary noticeably. Women are at a disadvantage when an institution does not fund the type of activities they run and collateral requirements are not clear or widely (Baydas, Meyer and Aguilera 1994).

Kenyan women are being empowered using different avenues such as; banks, Microfinance institutions, the government or other financial institutes. For instance banks recently embarked on micro-credit finance through a dedicated product known as "BORESHA". The product which in Kiswahili means (EMPOWER) has received overwhelming response from clients particularly from women groups who for long have waited for this kind products (First Community Bank, 2010). Kenya Women Finance Trust (KWFT)'s fight against poverty socio-culture hindrance and other institutional policy issues such as: right to own property, right to education, own land, manage and inherit property, conduct business, among others. Simultaneously, other bilateral donors, and International Financial Institutions (IFIs) have launched a series of initiatives that provide both financial and technical assistance to women in Kenya (Benjamin, 2011).

### ***1.1.3 Socio-Economic Barriers and Women Empowerment***

Globally, women's access to finance is a major constraint and improving women's direct access to credit leads to higher investments in human capital and have a stronger impact on a country's economy in terms of health, education and long term implications for families and societies (FAO, 2015). There is a great need for women in business to get access to credit facilities and the policy makers should understand and develop successful strategies to address the issue (World Bank, 2008). Adequate access to credit facilities women in business will be subjected to socio-economic factors (Diagne& Zeller, 2001). In general proper access to financial services provides opportunities for improving the women's businesses and the economy of the entire communities and countries.

Kenyan women have been largely denied opportunities for empowerment, which have greatly contributed to retarded economy explained (UN DESA et al, 2012). In an effort to eliminate this disparity, the government of Kenya has engaged in tremendous efforts to spur economic growth (Government of Kenya, 2011; United Nations, 2012; Gweyi,Ndwiga&Karagu, 2013) intended to reduce poverty and decrease unemployment (Gweyiet *al.*, 2013). The government has recognised that economic empowerment of women would considerably contribute to the economic growth (Hassan &Mugambi, 2013), remarkably destabilising the status quo (Mwobobia, 2012). More specifically, the key to economic growth in Kenya is by generating employment through the women entrepreneurs (Cutura, 2007; Gatakaa, 2012).

This status of affairs would allow women at the Bottom of Pyramid (BOP) population (the poorest classes of society) access to finance. The opening up of this class in financial empowerment would lead to greater benefits for social justice and long-term growth.The role of Women Entrepreneurs needs to be considered in the economic development of the nation for

various reasons. They have been recognized during the last decade as an important untapped source of economic growth. Women empowerment through the provision of finance has been is a potential solution to women's un-employment, low pay and job insecurity (Gatakaa, 2012).

Despite this realisation, women have always been excluded from the financial empowerment although they would contribute equally as men (Sagwe *et al.*, 2011). They have not been on an equal footing with their counterparts, men (Hassan, & Mugambi, 2013), as far as access to funding and opportunities are concerned (Cutura, 2007; Athanne, 2011).

#### ***1.1.4 Financial Services in Kenya***

About 60% of Kenyans have access to banks or microfinance institutions with 30% of rural users having no access to banking services at all; it further shows shortage in supply of financial services including credit compared to demand (Financial Sector Deepening, 2009). Recently, this increase in demand for these services has led to emergence of mobile telephone money transfer services with the introduction of the M-pesa and Airtel Money services by mobile telephone companies, Safaricom and Airtel respectively. With over 6.1 million subscribers, the M-pesa is becoming an important financial transaction tool for Small Micro Enterprises (SME's) with the unbanked even turning it into a banking institution (Mwongera, 2014).

While the service as it is currently, cannot offer credit service the banks are adopting the system in order to attract the small entrepreneurs, who require micro finance products including loans. The growth of mobile money transactions shows the demand for formal financial services including credit services far outstrips the supply. Wanjohi and Mugure (2008), in acknowledging that credit sources remain a major challenge among the SME's, found out that, in the climaxing of the year 2008, money lenders in the name of 'pyramid schemes' came up promising hope among the small investors that they can make it to financial freedom through soft borrowing. The

rationale behind turning to these schemes among a good number of businesses is to seek source of credit which is not available among the formal financial institutions (Mwongera, 2014).

## **1.2 Statement of the Problem**

Generally social-economic barriers may not be a real issue for women who need access to finance. However, the rural women still face these challenges. For example, Gatakaa, 2012 and Otieno2010). Argue that rural women such as those in Kajiado County are still faced with the problem of financial accessibility. According to (Magri, 2009), the collateral requirement by lending institutions is too stringent for them to provide (Magri, 2009), since they lackadequate collateral to satisfy the requirement demanded by lending institutions as a condition to access loans (Siwadi et al 2011; Kimathi, 2009). Another challenge to rural women in Kajiado County accessing finance is the economic and societal prejudice in accessing opportunities (Adesua-Lincoln, 2011), characterised by a gender gap between men and women in theethnic cultures. In such social condition women are expected to acquire the need for affiliation rather than achievement, since they are not expected to participate in making influential business decisions that could help them grow their income generating activities. Instead, men are supposed to make the final decision in the household (Witbooi & Ukpere, 2011). Even when the rural women can access the financial services, the loan application process is complicated and discourages majority of who are illiterate or have fear. Most of rural women are Illiterate and a majority believes that they do not belong to the class that would get loans. This renders them powerless and useless and end up not seeing the need to apply for financing. Lastly, most women lack business skills; the womenfolk lack adequate skills to prepare business plans, proposals and even conduct market research as evidence to their proposed business (Mwobobia, 2012).

Studies have been conducted on women empowerment in rural areas and how it is influenced by financial structure. Global studies by Magri (2009) and Bowen *et al.* (2009) established that the cost for credit finance is a major barrier to women accessing finance in Kenya while local studies such as by Mwobobia (2012) found that women entrepreneurs in Kenya face the barriers of discrimination in access to finance. Adesua-Lincoln (2011) study revealed that women entrepreneurs who are educated and have experience have better chances of obtaining finances or capital. A local study by Otieno. (2010) study found that women encountered challenges such as necessary enterprise management skills and education, lack of knowledge, collaterals and expensive loans in their access to finance. Although the studies reviewed embarked on highlighting women empowerment through access to finance, they have not comprehensively addressed factors hindering the access to finance by rural women in Kajiado County for their empowerment as; lack of collaterals, lack of financial information, lack of financial inclusion. The key to economic growth in Kenya can only be achieved by empowering women financially through removing the said hurdles. So; more studies and research might yield solutions to the foreseen problems in empowering rural women in Kajiado County. This is to say that there is a knowledge gap that; collaterals, level of financial information and financial inclusions jointly affect access finance by rural women. This motivated the need to conduct the present study to fill the knowledge gap. This study seeks to identify and assess the various socio-economic factors hindering women from accessing financial services for empowerment in Kenya

### **1.3 Objectives of the Study**

The objective of the study was to assess socio-economic barriers and women financial empowerment in Kenya. The general objective of the study was to assess the various socio-

economic factors hindering women from accessing financial services for empowerment in Kenya with a view to recommending ways to overcome these barriers for economic empowerment of all Kenyan equally. The researcher aimed to achieve the following specific objectives;

- i. To establish the extent to which collaterals for loan affect access to finance by Kenyan rural businesswomen.
- ii. To determine the extent to which access to financial information affect access to finance by Kenyan rural businesswomen.
- iii. To establish the influence of women financial inclusions on access to finance by Kenyan rural businesswomen.

#### **1.4 Research questions**

The study answered the following questions;

- i. What are the effects of loan collateral on access to finance by Kenyan rural businesswomen?
- ii. What is the effect of level of access to financial information on access to finance by Kenyan rural businesswomen?
- iii. What is the influence of women financial inclusions on access to finance by Kenyan rural businesswomen?

#### **1.5 Significance of the Study**

The study findings and recommendation would be beneficial to women entrepreneur, governments in Kenya, stakeholders, academicians and scholars. To begin with;

The study recommendations would educate, empower, and protect women with low incomes, enabling them to build assets and make the most of their financial resources. Measures for reducing gender discrimination might contribute greatly to poverty reduction and expansion of economic development, but there was still a large gender gap in human development statistics in Kenya. This was based on the premise that poor women have constructive ideas about change, but usually lack opportunities to express them and influence decisions about economic development interventions.

Similarly the study findings and recommendation might be beneficial to various stakeholders: The government would benefit from the study findings and recommendation by gaining information explaining how they would achieve its objective of successful devolution of funds for socio-economic development through effective empowerment of the woman and the entire population at large. The benefits might include; increased investments, improved quality of life, job creation, and a reduction in poverty levels; hence economic development.

In addition this study finding addressed all components of the gender issue which require strategic mainstreaming of gender justice for gender equality in access, as well as strategies to ensure that this access translates into empowerment and increased well-being, instead of merely leading to capturing women's savings to sustain financial programmes. This might link microfinance with broader economic development, to keep women and their families from becoming over-indebted, which would have serious consequences not only for the families involved, but also for local and national economies.

Similarly the study added knowledge in the field of women financial empowerment, making it useful to academicians and scholars and also was a window opener for more research in the areas of financial management in women financial empowerment, making it useful to researchers and scientists.

Finally the study findings and recommendation would help build the national and county economy. In fact, addressing the financial exclusion of women in Kenya could significantly generate economic growth for the country. Women entrepreneurs can contribute significantly to economic development in Kenya, but their contribution had not been adequately studied and developed. Although it is challenging for both men and women to have access to finance for sustainable financial empowerment, women faced unique challenges to self-employment which must be addressed for Kenya to experience the significant economic development which is what this seminar papers addresses.

## **1.6 Scope of the Study**

The study aimed to assess the factors affecting the women empowerment in Kajiado County. This study collected data about Kajiado County from various institutions such as the GoK, NGOs, donors and local authority. The rationale of choosing the Kajiado County is because the county was regarded as the counties suffering the most social challenges in Kenya and thereby classified as a needy county. Further, Kajiado County had a wide diversity of entrepreneurs in the area. The entrepreneurs come from different business orientations, they had different source of income and come from different ethnicity.

## **1.7 Limitations of the Study**

This study was limited in a number of ways. The study relied on behavior where some respondents might have felt that they are being disturbed and therefore would have refused to participate or supply wrong information. In this regards, sought to overcome this limitation by conducting an orientation before the administration of the research tools to the respondents to create a free environment. Secondly, the respondents had resistance and thereby might have opted to avoid giving appropriate responses to the questions. The study therefore told the truth

about the research to allay any fears that would have resulted in such resistance. Thirdly, the respondents might have taken longer time to respond to the data collection by taking long time to fill the questionnaire, which might have delayed the entire study. The study therefore offered to assist respondents fill the questionnaire and make frequent follow-ups. Lastly, the study time, was too short. The researcher therefore worked extra time and sought the services of a research assistant where necessary to avoid time limitations.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Introduction

This chapter presents a review of literature pertinent to the study as presented by various researchers, scholars', analysts and authors. This chapter summarizes literature that has been reviewed and will be reviewed for the purpose of the study. The literature covers an overview of the literature of previous studies, findings and recommendation showing the research gap to be filled and theoretical framework. The theoretical literature helped the study to develop a conceptual framework. The chapter concludes with a conceptual framework.

#### 2.2 Theoretical Review

The present study reviewed various theories and literature to which were found useful and bringing light to the current study. The said theories were useful as they assisted in the design and development of the study conceptual framework. These theories helped the study in various factors as related and beneficial to the present study.

##### 2.2.1 *Entrepreneurship Theory of Shane*

Entrepreneurship Theory of Shane (2003) states that an ability to identify and tap the opportunity provided by the external business environment to start or improve his/her business differs between individuals and depends on individual's ability to access information and willingness to act upon the information in terms of risk. Ability to access information and willingness to act upon the information in terms of risk could be inferred to represent attitude to risk. Studies have found that attitude and behavioral intention are positively related and that attitude towards behavior leads to intention which eventually leads to actual behavior. The theory consists of

opportunity discovery, evaluation of the opportunity and the decision to exploit the opportunity. Others elements of the theory include self-employment, business operation and performance. The theory highlighted four operational measures of performance which are survival, growth, profitability/income, and experiencing initial public offering. Survival refers to continuation of entrepreneurial activity while growth refers to increase in the venture's sales and employment. Profitability refers to new surplus of revenue over cost while experiencing initial public offer refers to the sale of stock to the public (Shane, 2003).

Opportunities are created by the institutional or external environment for those entrepreneurs who could identify them to start or improve their businesses and subsequently, their welfare. Entrepreneur's ability to identify and tap such opportunities differs between entrepreneurs. It also depends on their ability to access information and willingness to act upon the information in terms of risk; that is their attitude (Shane, 2003). Individual attributes affect discovery of entrepreneurial opportunity. It is made up of psychological and demographic factors such as motives, attitude to risk, education and training, career experience, age and social status.

### ***2.2.2 Theories of Finance***

The trade off theory encourages borrowing for the firm to enjoy the tax advantage. The trade-off theory takes a common sense approach by encouraging firms to gain from the tax advantage in debt financing (Ahmed & Hisham, 2009). Another theory, Pecking order theory, encourages debt financing for the capital structure (Ahmed & Hisham, 2009). In fact, the internal financing is preferred to external financing and debt financing is preferred to other external options. The theory supports the suggestion that debt is cheapest and most attractive of the external sources of financing (Flannery & Hankins, 2007 and Small Stocks, 2008). The third theory, market theory emphasizes that a firm would prefer equity financing when the perceived cost of equity is low

and prefer debt financing when cost of debt financing is low. The financial managers should make security issuance decisions based on the cost of equity capital and cost of debt capital (Ritter&Huang, 2008).

### ***2.2.3 Empowerment Theories***

Growth can be based on endogenous growth theory or neo-classical growth model. The neo-classical growth theory argues that the rate of growth is exogenously determined using the Harrod Damar model or Solow model. Solow-Swan class growth theory which focuses on capital and labour indicates that capital is added when entrepreneur invest but is lost due to depreciation. The indication is that there is capital growth in wealth only when the investment exceeds depreciation (Gardner, 2006). The investment should insist on keeping the capital growing to achieve capital growth. That increase in capital yields leads to an increase in growth of the wealth. The theory explains growth as a factor of accumulation of capital. This model is strongly supported by Harrod Damar Model of development economics (1946) which explains the growth rate in terms of saving and productivity of capital. It explains that increase in investment leads to accumulation of capital.

## **2.3 Empirical Review**

Various empirical studies, found beneficial to the present study were appropriately reviewed to strengthen the present study and thereby build strong foundation. The present study reviewed these past studies.

### ***2.3.1 Collaterals for Financial Access***

A study by Bowen et al (2009) found out that that SME's faced challenges in their business which included; competition, lack of access to credit, cheap imports, insecurity and debt

collection and relevant training or education in entrepreneurship significantly influenced the business success. Otieno *et al* (2010) study found out that woman did not accessed non-credit services to improve on their business and overcome constraints of accessing finance. They encountered challenges such as necessary enterprise management skills. The findings in the study by (Garba, 2011) agreed to those in the earlier study by Otieno (2010). The study by (Garba, 2011) found that collaterals to gain access to finance availability were a major hindrance. This brought a clear on the findings in the study by Otieno (2010), were the collaterals to access finance was shown to be a barrier. These findings were in the current study to consider collaterals as a factor hindering access to fiancé by rural business women.

A study by Adesua-Lincoln (2011) revealed that access to fiancé by rural women was hindered by collaterals required by the banks and other lending institutions. It established that credit institutions required collaterals such as access to land, property rights by women entrepreneurs, which was rare or insufficient. This study also found that, even when women would have access to such debt finance, the available loans were to expensive loans from the women to afford it. This means that the access to finance for rural women is threatened by the requirements for collaterals that the women do not have access to.

The studies reviewed further showed that Kenyan women hold only one to six percent of registered land titles (Otieno, 2010). Yet even though women are a major force in agriculture and provide 70 percent of labor in the sector, they only hold about 1 percent of registered land titles, with around 5-6 percent of registered titles held in joint names (Mwongera, 2014). So, having access to property rights and land is essential for women entrepreneurs because property is used as collateral for business credit.. This lack of collaterals (such as land and property is a significant barrier for Kenyan businesswomen, as such the current study considers collaterals as an independent variable.

### ***2.3.2 Level of Financial Information***

The study by Witbooi and Ukpere (2011) established that rural women would not access finance due to their low level of education. Further, most rural women lacked knowledge on the requirements for accessing debt financing for their empowerment. This is to say that study established that the level of financial information was a major hindrance to women access to finance for their empowerment, according to the study by Witbooi and Ukpere (2011). Employment. So, lack of financial information hinders women for accessing finance. Most Kenyan women are not aware of their right, especially the right to access finance. There I need for Sensitizing women on their right on empowerment; on national gender policy and women's legal access to resources.

The study by Gataka (2012) recommends that the financial institutions should simply their ways of women accessing the financial facilities, and charge reasonable loan rate to enable them to repay with ease, The informed and able stakeholders should carry out major seminars to educate the women on entrepreneurship issues as they advise on the best times to take loan facility and how to manage such.

The study by Hassan and Mugambi (2013) indicated women engaged in entrepreneurship with intent to provide for their families were highly constrained by barriers; gender based biasness (cultural and discriminative societal norms), financial illiteracy; lack of access to credit; inadequate financial resources, and weak networks among others. It was further emphasized that women should have equal rights as with men for them to gain access to finance for their empowerment.

From the studies by Witbooi and Ukpere (2011), Gataka (2012), and Hassan and Mugambi (2013); it was found that education equips women with the knowledge and skills they need to more effectively manage and succeed in their businesses. The level of formal

entrepreneurial activity among women increases as their education rises, and there is a major jump in business ownership among those who go beyond secondary education. Although MSEs are now generally recognized as a viable strategy to even out socio-economic disparities between men and women, socio-economic factors continue to discriminate against women. For example, in education, preference is given to boys.

Thus, the education and level of financial knowledge for most women entrepreneurs is very low, creating a barrier to them accessing training and other business development services. In Nairobi, for example, many of them come from disadvantaged social backgrounds and are not well informed about business processes and operations and, therefore, fail to take full advantage of opportunities. Entrepreneurial education and training play a key role in stimulating entrepreneurship and self-employment.

### ***2.3.3 Women Financial Inclusions***

Magri (2009) also shed light on the barriers to women access to finance by explain that the cost for credit finance is another major barrier to women accessing finance in Kenya today. The interest rates charged are too high to be financed by business being run. Usually the women entrepreneurs seeking for funds have limited income available from business to finance the high bank interest rates and generate profits to keep the business going and avoid stagnation.

Bowen et al (2009) says that women are usual at lower education levels than men which put women entrepreneurs in Kenya at a disadvantage compared to men. This gender gap starts from primary education and increase to secondary and tertiary education levels. Although the primary education does not emphasize entrepreneurship skills, it is the entry point towards education which when not provided decreases the chances that women will obtain the essential knowledge in business to access finance. Generally, lack of knowledge is another barrier to

women accessing training and other entrepreneurial services due to social isolation barrier. As a result, women lack access to entrepreneurial information which the men entrepreneurs have in plenty. The sentiments expose the fact that women are usually less educated than men which makes them less well equipped to 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.

Caretta (2010) study found that women encountered barriers such as lack of any property rights over their land which could be used as collaterals and lack of collateral increases the risks and the costs for commercial banks. Some women get so discouraged that they do not bother to seek bank financing and turn instead to informal savings groups. Women's major problem during the start-up is the credit discrimination (Adesua-Lincoln, 2011). Women may lack title deeds which are still the most commonly used form of security for borrowing money. Women own only 1% of Kenya's land individually, 5-6 percent of Kenyan land is held under joint names usually with the husband (Mwoboia, 2012). Entrepreneurship always involves some level of risk taking. For women in the rural areas, gender stereotyped perception of self, lack of confidence and assertiveness appear to be major barriers. The fear to risk is a big hindrance.

Elsewhere, Adesua-Lincoln (2011) says that although both men and women may experience different kind of constraint, what is common is the funding gap that exists among small business. Women education and established networks are very crucial means in attaining their need of finance or capital. Human capital theory explicitly states why women entrepreneurs who are educated and have experience have better chances of obtaining finances or capital. While in social capital theory it was explained that lack of access to social network can be a constraint to women in accessing finance. In spite of such strategies research shows that women are still consistently and systematically neglected in the development process, under-represented

in economic activities and are still regarded as subordinate to their male counterpart (Adesua-Lincoln 2011).

The status of women in a patriarchal social structure makes women dependent on males in their lives –husbands or fathers –and family resistance is a major disincentive to business start-up. Other close male family members often make decisions for women hence going against the independent spirit of entrepreneurship. In addition, women are usually less educated than men, making them less well equipped to manage a business (Adesua-Lincoln, 2011).

The study by Mwobobia (2012) found that women entrepreneurs faced serious challenges such as lack of finance, discrimination, problems with the city council, multiple duties, poor access to justice, lack of education, among others. The study recommended that these women entrepreneurs need to be accepted and supported financially, legally and more capacity building need to be made available. The study by Ondoro and Omena (2012) found out that there were various sources of funds to support entrepreneurs in business in an effort to alleviate poverty.

Mwobobia (2012) identified another nagging challenge faced by women in access to finance. These sentiments postulate that business women in Kenya face the barriers of discrimination in access to finance. This is to the extent that when women entrepreneurs approach banks for financing, they tend to be discriminated. Women report that bank officials tend to ignore them in meetings and prefer speaking to their husbands or male business partners. The fact that banks engage in gender bias prevents many women from even approaching them.

Low level of women financial inclusions in Kenya blocks women from accessing the financial services. For instance, lower education levels put Kenyan women entrepreneurs at a disadvantage compared to men. While the gender gap in primary education in Kenya has decreased in recent years, the gap remains high at secondary and tertiary education levels. Women are much less likely to enroll in public universities, national polytechnics, and technical

institutes, accounting for only about 39 percent of those enrolled in tertiary education. Lower education and a curriculum that does not emphasize entrepreneurship skills decrease the chances that women will have the knowledge needed to excel in business, and thereby contribute to the country's overall economic growth.

Due to low level of financial inclusion, lenders tend to be reluctant to give loans to women entrepreneurs in particular. The interest rates charged by mainstream commercial banks are regarded as being too high for women entrepreneurs. In addition, it is perceived that banks favor certain types and sectors of business that tend to be dominated by men. Women are often disadvantaged and discriminated against access to finance for their empowerment. Lending institutions have tough loan conditions, collateral requirements, and charge high interest rates to women entrepreneurs (Hassan & Mugambi, 2013).

## **2.4 Research Gaps**

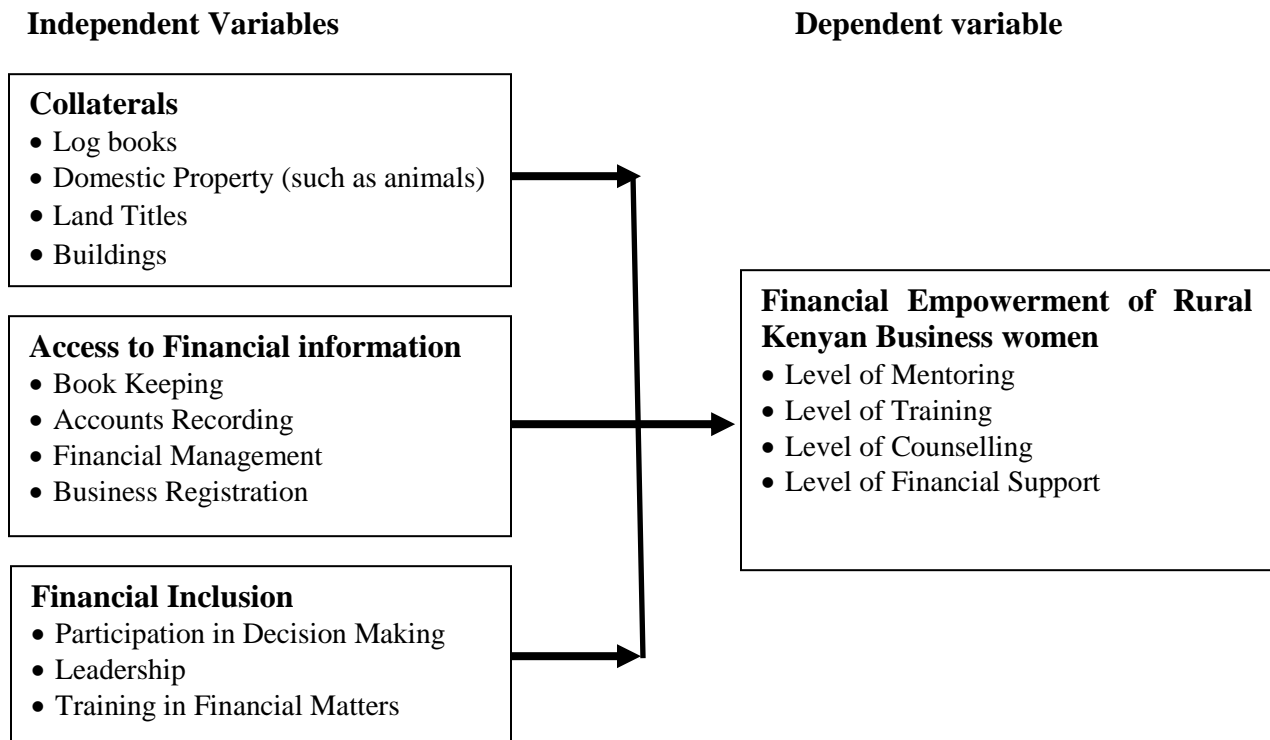
Access to resources and finance is the key to empowering of women financially with a view to alleviate poverty and reduce unemployment in Kenya. After reviewing various past studies and analysis existing evidence, this paper established that there are various challenges which hinder women from accessing finance for their empowerment. These challenges include; financial institutions are located far away from them; illiteracy; Stringent collateral requirement by lending institutions; complicated loan application process which discourages majority of women; high Interest rates charged by financial institutions; Lack of business skills by women ; Culture; Women having minimal involvement in making influential business decisions that could help them grow their income-generating activities. It was however, established that addressing these challenges would provide an avenue for women to access finance which would enhance the

financial empowerment of women in Kenya. Countries where women accessed finance easily and conveniently had high economic growth.

## 2.5 Conceptual Framework

The study developed a conceptual framework adopted from Entrepreneurship Theory (Shane, 2003) which proposed that certain personal factors affecting the rural women empowerment. The study proposes that certain social-cultural factors affect the rural women empowerment in Kenya. These are; lack of collaterals, discrimination, and lack of access to information knowledge women of their right on empowerment.

**FIGURE 1**  
**Conceptual Framework**



*Source: Researcher (2015)*

## 2.6 Operationalization of study variables

This section of the study indicates how the independent variables were manipulated in order to achieve the objectives and hence ensure access to finance by rural women for their empowerment. The operationalization of the study was captured in table 1.

**TABLE 1**  
**Operational Framework**

<b>Variable</b>	<b>Orientation</b>	<b>Objectives</b>	<b>Indicators</b>	<b>Scale of Measurement</b>	<b>Tool of Analysis</b>
<b>Financial Empowerment services</b>	Dependent Variable		<ul style="list-style-type: none"> <li>- Mentoring</li> <li>- Training</li> <li>- Counselling</li> <li>- Financial Support</li> </ul>	Ordinal using 5 point Likert Scale	Descriptive Regression Analysis
<b>Collateral required by banking system</b>	Independent Variable	To establish the extent to which collaterals for loan affects accessibility of financial services by Kenyan business women.	<ul style="list-style-type: none"> <li>- Log Books</li> <li>- Domestic Property (such as animals)</li> <li>- Land Titles deeds</li> <li>- Buildings</li> <li>- Guarantors</li> </ul>	Ordinal using 5 point Likert Scale	Descriptive Regression Analysis
<b>Access to Financial Information</b>	Independent Variable	To determine the extent to which the level of access to financial information influence accessibility of financial services by Kenyan business women	<ul style="list-style-type: none"> <li>- Book Keeping</li> <li>- Accounts Recording</li> <li>- Managing Finance</li> <li>- Sources of finance</li> <li>- Loan requirements</li> <li>- Business Registrations</li> </ul>	Ordinal using 5 point Likert Scale	Descriptive Regression Analysis
<b>Women Financial Inclusions</b>	Independent Variable	To establish the influence of women financial inclusions on accessibility of financial services by Kenyan business women	<ul style="list-style-type: none"> <li>- Participation in decision making in financial matters</li> <li>- Leadership on financial matters</li> <li>- Training in financial matters</li> <li>- Property Ownership</li> </ul>	Ordinal using 5 point Likert Scale	Descriptive Regression Analysis

*Source: Researcher (2015)*

## **2.7 Study Hypothesis**

*H<sub>0</sub>: Social economic Barriers do not significantly influence the access to finance by rural women in Kenya for their empowerment.*

*H<sub>1</sub>: Social economic Barriers significantly influence the access to finance by rural women in Kenya for their empowerment*

## **2.8 Chapter Summary**

This chapter dwelt much on other authors literature; both theoretical and empirical, which was found useful and contributed to the present study. The literature reviewed helped the study develop the variables and sub variables. The chapter also identified gaps left by other authors, which will then filled by the present study.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

This chapter presents the research design that was used in the research target population, sampling, data collection, and how data was analyzed. It explains why specific techniques and methods were used in design, analysis and data collection.

#### **3.2 Research Design**

This study used descriptive survey in soliciting information in the area of research of barriers faced by women in accessing financial services for empowerment in Kenya. Descriptive survey design was used since it provided insights into the research problem by describing the variables of interest. It was used for defining, estimating, predicting and examining associative relationships. This helped in providing useful and accurate information to answer the questions based on who, what, when, and how (Kombo and Tromp, 2006).

Descriptive study is usually the best methods for collecting information that would demonstrate relationships and describe the world as it exists. The descriptive survey is used in describing the characteristics of existing phenomenon Descriptive study design was used since it will provide insights into the research problem by describing the variables of interest. It was used for defining, estimating, predicting and examining associative relationships. This will help in providing useful and accurate information to answer the questions based on who, what, when, and how. The method is crucial for this study because the issue at hand requires to be described and the phenomenon analyzed for conclusions.

### 3.3 Target Population

According to the definitions of target population, the universe is the entire group of persons or elements from which samples are taken (Kombo& Tromp, 2006)). The study used the 98 business women in Sultan Hamud Town of Kajiado County (County Government of Kajiado, 2013). So the target population was the 98business women in Sultan Hamud Town as shown in Table 1. At that time, there were limited employments opportunities in the county and efforts need to be intensified to create off-farm employment through establishment of small-scale enterprises diversification (County Government of Kajiado, 2013).

**TABLE 2**  
**Classification of Target Population**

<b>Category of Business Women</b>	<b>Number</b>
Wholesale Business Owners	5
General Shop Owners	18
Cereals Seller	14
Cloth sellers	13
Vegetable Vendors	17
Chemists	4
Ornaments	13
Bar Owners	7
Household good businesses	5
Agro vet Business	2
Total	98

*County Government of Kajiado (2015)*

Since the target population was small, manageable and accessible the researcher adopted a census design. The study used the 98 business women in Sultan Hamud Town, who were less than 100, as the respondent population (Trochim, 2006).The main goal of census sampling was

to focus on particular characteristics of a population that are of interest, which would best enable to answer to research questions.

### **3.4 Instrumentation**

The study was collected data from primary sources. The study used a structured questionnaire for collecting primary data from the selected respondents. The questionnaires was designed and distributed to the respondents and the researcher assisted them to fill the questionnaire. The questionnaire was designed to address the study objectives; to establish the extent to which proposes that collaterals, level of financial information and financial inclusions affect the accessibility of financial services for empowerment of women entrepreneurs in Kenya. The study questions were based on Likert scale on 5-point scale either on Scale:

#### ***3.4.1 Validity and Reliability***

A pilot testing (pre-testing) was conducted before data is collected to test the research instrument before administering it. This test was used to ensure the reliability and validity of the research tool. Such tests helped identify possible problems, clarify on the instrument and appropriateness of the language during the main study (Kvale, 2007). By so doing, the study assessed the relevance of the research objectives as it tested the understandability of the research tools. It also enabled the researcher to have an idea of how long it would take to complete the data collection using this tool.

Validity, which is the accuracy and meaningfulness of inferences, was measured using content validity. The study used content validity test to test for validity of instruments to measure the degree to which data collected using a particular instrument represented a specific domain of indicators or content of particular concept. The assessment of content validity as measure was

carried out by using two experts, one the supervisor and the other from the financial management sector.

The data was tested for reliability to establish issues such as data sources, methods of collection, time of collection, presence of any biasness and the level of accuracy (Kvale, 2007). The test for reliability established the extent to which results were consistent over time. The study collected data from ten (10) respondents, who did not participate in the study data collection. These respondents were allowed at least three days to respond. The reliability tests were done using the internal consistency test, based on Cronbach alpha. Internal consistency of data was determined by correlating the scores obtained from one time with scores obtained from other times in the research instrument. The result of correlation is the Cronbach coefficient Alpha which is value between -1 and 1. The coefficient is high when its absolute value greater than or equal to 0.7 otherwise it is low. A high coefficient implies high correlation between these items which means there is high consistency among the items and such items should retained in the tools. This study correlated items in the instruments to determine how best they relate. Where the coefficient is very low, then the item would be reviewed by either removing it from the tool or correcting.

### **3.5 Data Collection**

Before data collection commences, the researcher sought permission from the various authorities. The researcher obtained a letter from KCA University to proceed with data collection. The researcher also sought authority to collect data from the various government of Kajiado County where respondents came from. The researcher then made arrangements with the respondents on how and when the data would be collected. A cover letter from the researcher was attached to each questionnaire, to state the purpose of the research, encourage participation,

assure the respondents of confidentiality and thank them for their cooperation. When collecting primary data, the researcher assisted the respondents to fill the questionnaire and at the end they confirmed any issues arising out of the data supplied.

### **3.6 Data Analysis**

The collected data was first checked for errors of omission and commission. Then it was classified and coded, measured, analysed and interpreted accordingly. The data collected was analysed, with respect to the study objectives, using both descriptive and inferential statistics. First, this analysis was achieved using quantitative analysis to produce descriptive statistics which is the assessment of central tendency (convergence), and of dispersion (divergence). Descriptive analysis was carried out for each variable independently to describe that variable and how it related to barriers faced by women in accessing financial services for empowerment in Kenya. This was applied to help establish patterns, trends and relationships, and to make it easier for the researcher to understand and interpret implications of the study (Aneshensel, 2004). The results were presented on figures and tables, and narratives provide to interpret the results.

Next, the study correlated each independent variable (IV) against the dependent variable (DV) to assess the degree/strength of relationship that exists between the determinants (IVs) and the access to finance for empowerment of Kenyan rural women (DV). The study used the Pearson's Product Moment Method to determine the strength of the relationship (Wuensch, 2009). The coefficient of correlation ( $r$ ), determine the degree (strength) of relationship. Where the correlation would be very weak or none the variables would be ignored in further analysis.

Further, regression was used to obtain an equation which describes the dependent variable in terms of the independent variable based on the regression model, (regression is used to determine the type of relationship). Thereafter, a multiple regression analysis was carried out

to determine how the IVs; collaterals, women financial inclusion, and Access to financial Information, best described the barriers faced by women in accessibility of financial services for empowerment of rural Kenyan women using multiple regression analysis (Ho, 2006). The multiple regression analysis was establishing the nature of the relationship based on the model;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \dots\dots\dots(i)$$

Where:

$\beta_0$ - is a constant, which is the value of dependent variable when all the independent variables are 0

$\beta_1$ , to  $\beta_3$  = Regression coefficients of independent Variables or change induced by  $X_1$ ,  $X_2$ , and  $X_3$

$\varepsilon$  = Error of prediction

$Y$  = Accessibility to financial services for empowerment

$X_1$  = collaterals

$X_2$  = Access to Financial Information

$X_3$  = Women Financial Inclusion

The study used the mean of means where it first obtained the mean for each variable using the means of each variable's indicators. The mean already obtain was used to obtain the values for the respective variables (Accessibility of financial services for empowerment) and independent variables (collaterals, Access to financial Information, and women financial

inclusion), which was then used to estimate the study model. The means thus obtain was regressed using multiple regression to estimate the study model.

### **3.7 Ethical Issues**

The study ensured that the research is done in an ethical manner. First the research sought for a letter from the KCA University to allow her to conduct the study. The study also ensured confidentiality and security of data gathered from the respondents. In this regard, all the data collected was kept in safe custody. The respondents were not required to write their names on the questionnaire to avoid exposing who gave what information. A letter of request to participate in the study was addressed to the respondents. This was a show of courtesy to the respondents as well as a mechanism of ensuring informed consent to participate in the study.

## **CHAPTER FOUR**

### **RESEARCH FINDINGS AND DISCUSSIONS**

#### **4.1 Introduction**

This chapter is an analysis, presentation and interpretation of the study results, obtained using the collected data. These results were represented pictorially, using tables and figures, for ease of understanding with a narrative accompanying each analysis. The first part of the chapter contains the pre-testing results obtained after testing the research instrument. Thereafter is the data analysis which is based on the research objectives. Inferential analysis, to establish whether the independent variables actually measure the dependent variables is annexed towards the end of the chapter.

#### **4.2 Pre-testing**

A pilot testing (pre-testing) was conducted before data is collected to test the research instrument before administering it. This test was used to ensure the reliability and validity of the research tool.

##### **4.2.1 Reliability Tests**

The study tested the questionnaire for reliability using Cronbach Alpha (Nunally, 1978) internal consistency test on SPSS ver. 20.00. The test was done 10 subjects who did not participate in the study. The study tested the 22 fields used to obtain answers for the dependent and independent variables. The results obtained were captured in Table 3 and Table 4.

**TABLE 3**  
**Reliability Statistics**

Cronbach's Alpha	N of Items
0.717	22

*Source: Research Data (2015)*

The reliability coefficient (Cronbach's Alpha) was 0.717, above 0.7, the threshold. According to Nunnally (1978) a reliability coefficient of 0.7 and above is high and any reliability coefficient of less than 0.7 is low. When the reliability coefficient is 0.7 and above, there is a high consistency of the items in the tool and all the items are retained in the tool (owing to the high consistency). In the present study, the reliability coefficient was above 0.7, implying high consistency, and as such all the 22 items in the questionnaire were retained. Further results are held in the Table 4

**TABLE 4**  
**Total Statistics**

Item	Effect of Cronbach's Alpha if Item Deleted
Highest Education Level Attained	.760
Time been at Sultan Hamud Town Kajiado County	.721
Age Bracket	.716
Number of times applied for loans	.708
Number of times awarded loans	.695
Number of times approached by officials from financial firms to apply for a loans	.610
I have heard of women being awarded loans	.610
Log Books	.719
Domestics Property (such as animals)	.731
Land Titles deeds	.704
Buildings Ownership details	.702
Male Guarantors	.675
Knowledge of basic accounting(book keeping)	.719
Accounts Recording	.719
Training in finance	.719
Information on Sources of Finance	.719
Lack of an information on bank (such as Loan requirements)	.713
Women always participate in decision making in financial matters in Kajiado County	.720
Rural Women in Kajiado County always participate leadership in financial matters	.674
There are adequate training programmes in financial matters for Rural Women in Kajiado County	.660
Women in Kajiado County have a stake Property Ownership in their households	.750
Women views are always listened by others	.733

*Source: Research Data (2015)*

Although item total statistics show that removal of some items, such as Highest Education Level Attained, would have increased the reliability of the instrument, the change in reliability would not have been significant and owing to such the study ignored removal of such items. For example, removal of the item “Highest Education Level Attained” would have

increased the reliability coefficient to 0.760, an increase of 0.043 (6.0%), which was not making a significant change. The study therefore retained all the items in the research tools, since the tool was reliable. The results showed that the Cronbach's Alpha coefficient was .717, which was above the 0.7 threshold recommended by Nunnaly (1978). The index shows high consistency between the items of the tool.

#### 4.2.2 Validity Tests

The validity tests were conducted using content analysis by the supervisor and expert in financial management. They evaluated the tool and made recommendations accordingly. They both concurred that the research instruments (Questionnaire) would measure the desired objective and could be used in the industry. They however, suggested changes to be incorporated in the questionnaire, which were effectively done. The questionnaire was reviewed through restructuring and reduction of the questions. The questionnaire was reviewed accordingly and made available for administration.

### 4.3 Response Rate and Respondents Demographics

**TABLE 5**  
**Analysis on Study Response**

<b>Category of Business Women</b>	<b>Sample Population</b>	<b>Response Rate</b>	<b>Percent</b>
Wholesale Business Owners	5	3	60.00
General Shop Owners	18	15	83.33
Cereals Seller	14	10	71.43
Cloth sellers	13	13	100.00
Vegetable Vendors	17	14	82.35
Chemists	4	3	75.00
Ornaments	13	12	92.31
Bar Owners	7	5	71.43
Household good businesses	5	4	80.00
Agro vet Business	2	2	100.00
<b>Total</b>	<b>98</b>	<b>81</b>	<b>82.65</b>

*Source: Research Data (2015)*

The results on Table 5 show the study response rate. From the results, there was a response rate of 82.65%, which was very high (very good) according to Mugenda and Mugenda (2003) who said that a response rate of over 69% is very good. The high response rate may be attributed to fact that the research assistants assisted the respondents most of the times during questionnaire filling. In only a few circumstance that the respondents were left to fill the questionnaire alone. The high response rate may be attributed to the approach used in data collection and the respondents' willingness to participate.

Among those who participated in the study, most of them, who formed 35.00% of the total respondents, had stayed in Sultan Hamud Town in Kajiado County for between two to four years, as shown in Table 6.

**TABLE 6**  
**Period Stayed in Sultan Hamud Town of Kajiado County**

<b>Time been at Sultan Hamud Town</b>	<b>Frequency</b>	<b>Percent</b>
Less than 2 years	23	28.75
2 to 4 years	28	35.00
5 to 8 years	15	18.75
Over 8 years	14	17.50
<b>Total</b>	<b>80</b>	<b>100.00</b>

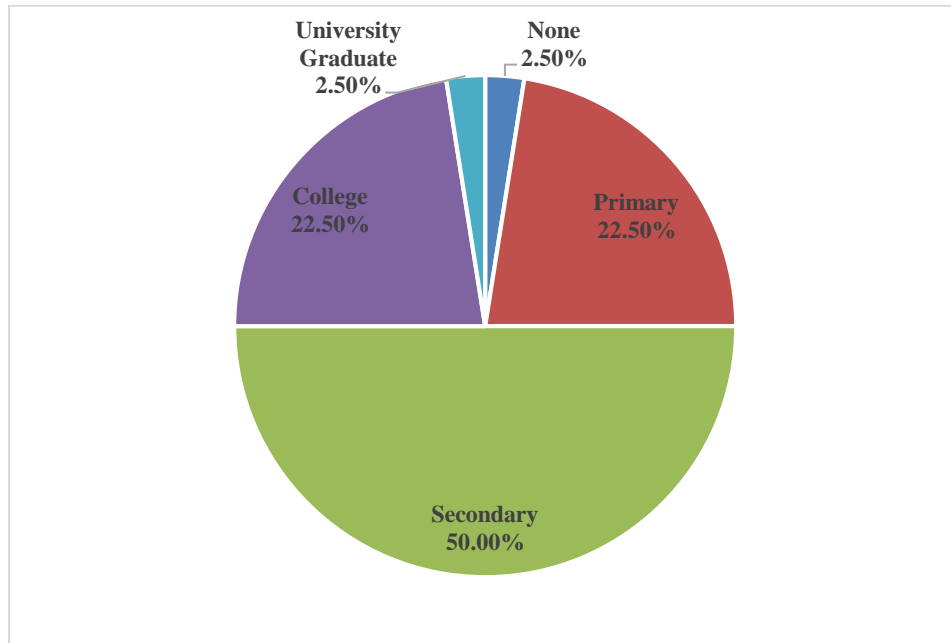
*Source: Research Data (2015)*

Those who had Sultan Hamud Town in Kajiado County for between two (2) and four (4) years, who were the most, formed 35.00% of the total response. They were closely followed by those who had been there less than 2years, who made up 28.75% of the total response. Those who had been at Sultan Hamud Town in Kajiado County for between five (5) and eight (8) years formed 18.75% of the total response. The least were those who had been at Sultan Hamud Town in Kajiado County for more than 8 years. They formed 17.50% of the total response.

The study sought to obtain information on the highest education level of the respondents and results were shown in figure 2.

**FIGURE 2**

**Respondents Highest Education Qualification**



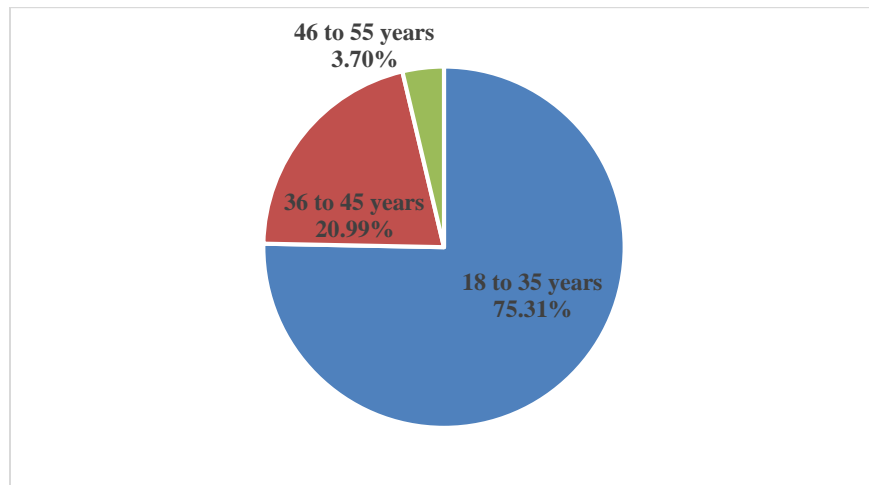
*Source: Research Data (2015)*

The results show that majority of the respondents had secondary school education (50.00%). These were followed by those college certificates (22.50%). Another 22.50% were primary school drop outs. Those who had university degrees as their highest qualifications formed 2.50%. However, another 2.50% showed that they did not have any academic qualifications.

As regards the demographics, the study requested the respondents to indicate their age brackets. The results obtained were represented in figure 3.

**FIGURE 3**

**Analysis by Age Bracket**



*Source: Research Data (2015)*

From the results, a majority of 75.31% of the respondents were between 18 and 35 years. They were followed by those who were between 36 and 45 years. The least were those who were between 46 and 55 years. From these results none of the respondent was below 18 years and no one was above 55 years. This shows that the business women in Sultan Hamud of county Kajiado County were of labour force of a population, which is between 15 years and 64 years (County Government of Kajiado, 2013).

#### **4.4 Descriptive Statistics**

The study analysed the dependent and independent variable data, which was collected using a 5 point likert scale (1-5). The results are captured in Table 7, Table 8, Table 9, and Table 10

##### ***4.4.1 An Assessment of Accessibility to Financial Services in Kajiado County***

The study produced quantitative results on dependent variable measured on a 5 point Likert scale using the scale: Never = 1: Once= 2: Twice = 3: Thrice = 4: More than Three times = 5..A

mean was obtained for each indicator in a variable and an overall mean for the variable eventually computed. The study measured the data based on the percentage (%) of the response on each indicator.

**TABLE 7**  
**Accessibility to Financial Services**

<b>Availability of financial services</b>	<b>Never</b>	<b>Once</b>	<b>Twice</b>	<b>Thrice</b>	<b>More than</b>	<b>Mean</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>thrice %</b>	
Number of times applied for loans	55.60	7.40	14.80	7.40	14.80	2.19
Number of times awarded loans	58.80	8.80	12.50	5.00	15.00	2.09
Times approached to apply for loans	66.30	3.80	5.00	5.00	20.00	2.09
Heard of women being awarded loans	78.80	1.30	5.00	7.50	7.50	1.64
Overall	64.88	5.33	9.33	6.23	14.33	2.00

*Source: Research Data (2015)*

The results show a majority of 55.60% of the respondents indicating that they never applied for loans. This was when 14.80% showed that they applied for loans more than three times and equivalent 14.80% showed that applied two times. There results also show 7.40% as having indicated that they applied for loans three times and another 7.40% applied for loans only once. The results indicate that the response rarely applied for loan as indicated by a mean of 2.19 (which close to 2 that represents once)

As regards number of times awarded loans, a majority of the respondents, who formed 58.80% showed that they were never awarded loans, 15.00% showed that they were awarded loans for more than three times. Some respondents, who formed 12.50%, indicated that they were awarded loans twice as 5.80% indicated that they were awarded loans twice. From the results, 5.00% showed that they were awarded loans three times. From the results it can be seen that the respondents were rarely awarded loan from the mean of 2.09, which was close to 2 (for once).

As 66.30%, who were never approached by officials from financial institutions to be awarded loans, 20.00% showed that approached by officials from financial institutions to be awarded loans more than three times. The results showed that 5.00% were approached by officials from financial institutions to be awarded loans twice and another 5.00% showed that were approached by officials from financial institutions to be awarded loans three times. The remaining 3.80% were approached by officials from financial institutions to be awarded loans only once. The results indicate that businesswomen were rarely approached by officials from financial institutions to be awarded loans since the mean was 2.09 which was close to 2 (for once).

A majority of 78.80% showed that they had never heard of women being awarded loans. This was when 7.50% showed that they had heard of women being awarded loans over three time and another 7.50% showed that they had heard of women being awarded loans three times. However, 1.30% showed that they had heard of women being awarded loans only once. The mean for this indicator was 1.64, which was greater than never and less than once. Overall, the results indicated that majority, who formed 64.88%, of the respondents were not accessible to financial services for their financial empowerment.

The results obtained show that business women in Kajiado County lack access to financial services from lending institutions. The finding agree to those in the study by Adesua-Lincoln (2011) which found that although both men and women may experience different kind of constraint, what is common is the funding gap that exists among small business owned by women (Cutura, (2007). Although the study by Ondoro and Omena (2012) found out that there were various sources of funds to support entrepreneurs in business in an effort to alleviate poverty, the support was not available in this County. This may be associated with the findings in the study by Mwobobia (2012). Mwobobia (2012) study revealed that there were challenges

faced by women in access to finance. This expresses that businesswomen in Kenya face the barriers of discrimination in access to finance. This is to the extent that when women entrepreneurs approach banks for financing, they tend to be discriminated. Women report that bank officials tend to ignore them in meetings and prefer speaking to their husbands or male business partners. The fact that banks engage in gender bias prevents many women from even approaching them.

The Solow-Swan class growth theory which focuses on capital and labour indicates that capital is added when entrepreneur invest was found related to these results. The indication is that there is financial empowerment of businesswomen, which would growth in their wealth (Gardner, 2006). The investment should insist on keeping the capital growing to achieve capital growth since increase in capital yields, through financial empowerment, leads to an increase in growth of the wealth. In the reference, increase in investment by businesswomen would lead to accumulation of capital, hence their financial empowerment.

#### *4.4.2 Effects of Collaterals on Accessibility to Financial Services*

The results on study objective 1 were measured using a 5-point Likert scale and the **Scale:** Never =1; Rarely = 2; Sometimes =3; Most times = 4; Always = 5. A mean was obtained for each indicator in a variable and an overall mean for the variable eventually computed. The study measured the data based on the percentage (%) of the response on each indicator

**TABLE 8**  
**Effects of Collaterals**

<b>Asked for Collaterals</b>	<b>Never %</b>	<b>Rarely %</b>	<b>Sometimes %</b>	<b>Most times %</b>	<b>Always %</b>	<b>Mean</b>
Log Books	1.80	3.60	3.60	83.90	7.10	3.91
Domestic Property	9.10	12.70	1.80	65.50	10.90	3.56
Land Titles deeds	16.40	12.70	0.00	70.90	0.00	3.25
Buildings Ownership details	17.90	3.60	1.80	50.00	26.80	3.64

Male Guarantors	8.80	3.50	3.50	54.40	29.80	3.93
<b>Overall</b>	<b>13.05</b>	<b>8.13</b>	<b>1.78</b>	<b>60.20</b>	<b>16.88</b>	<b>3.60</b>

*Source: Research Data (2015)*

The results obtained showed that a majority of 83.90% indicated that most of times lending institutions requested for log books as collaterals to access financial service as 7.10% showed that lending institutions always requested for log books as collaterals to access financial service. From these results, 3.60% show that lending institutions sometimes requested for log books as collaterals to access financial service and another 3.60% indicated that the lending institutions rarely requested for log books as collaterals to access financial services. However, 1.80% indicated that the lending institutions never requested for log books as collaterals to access financial service. The mean for this indicator was 3.91, very close to 4, which represent most times.

Majority of the respondents, who formed 65.50% of the total response, indicated that most of times, lending institutions requested for domestic property as collaterals to access financial services. It was shown that 12.70% indicated that lending institutions rarely requested for domestic property as collaterals to access financial services and 10.90% indicated that lending institutions always requested for domestic property as collaterals to access financial services. As , 9.10% showed that the lending institutions never requested for domestic property as collaterals to access financial services, 1.80% showed that lending institutions sometimes requested for domestic property as collaterals to access financial services. The study found that the lending institutions most times requested for domestic property as collaterals to access financial services (Mean = 3.64)

From the results, a majority of 70.90% showed that most times the lending institutions requested for land title deeds as collaterals to access financial services as 16.40% showed that

lending institutions never requested for land title deeds as collaterals to access financial services. The results showed that 12.70% indicated that lending institutions rarely requested for land title deeds as collaterals to access financial services. None of the respondents (0.00%) indicated that lending institutions always requested for land title deeds as collaterals to access financial services nor sometimes. The study found that the lending institutions most times (Mean = 3.25) requested for land title deeds as collaterals to access financial services.

Most of the respondents, who made up 50.00%, indicated that lending institutions most times requested for buildings ownership details as collaterals to access financial services as 26.80% indicated that lending institutions always requested for buildings ownership details as collaterals to access financial services. The results showed that 17.90% indicated that lending institutions never requested for buildings ownership details as collaterals to access financial services and 3.60% showed that lending institutions rarely requested for buildings ownership details as collaterals to access financial services. However, 1.80% of the respondents indicated that lending institutions sometimes requested for buildings ownership details as collaterals to access financial services. The study found that the lending institutions most times (Mean = 3.64) requested for buildings ownership details as collaterals to access financial services.

On the last indicator of collaterals, a majority of 54.40% of the respondents indicated that lending institutions most times requested for male guarantors as collaterals to access financial services. 29.80% indicated that the lending institutions always requested for male guarantors as collaterals to access financial services as 8.80% indicated that the lending institutions never requested for male guarantors as collaterals to access financial services. As 3.50% indicated that lending institutions rarely requested for male guarantors as collaterals to access financial services, another 3.50% indicated that lending institutions sometimes requested for male guarantors as collaterals to access financial services. The study found that lending institutions

most times (Mean = 3.93) requested for male guarantors as collaterals to access financial services.

From these results, the study found that collaterals were always required (Mean = 3.60) by lending institutions to access financial services, as shown by a majority of 60.20%. These findings agreed to findings in the study by Garba(2011), which found that collaterals to gain access to finance availability were a major hindrance. The findings in the study by (Garba, 2011) agreed to those in the study by Otieno. (2010). The study by Otieno. (2010) revealed that collaterals to access finance were shown to be a barrier. This also supported in the study by Adesua-Lincoln (2011), which revealed that access to finance by rural women was hindered by collaterals required by the banks and other lending institutions. The study established that credit institutions required collaterals such as access to land, property rights by women entrepreneurs, which was rare or insufficient. This means that the access to finance for rural women is threatened by the requirements for collaterals that the women do not have access to financial services. So, having access to property rights and land is essential for women entrepreneurs because property is used as collateral for business credit. This lack of collaterals (such as land and property) is a significant barrier for Kenyan businesswomen. The Otieno (2010) study found out that women did not access credit services to improve on their business and overcome constraints of accessing finance.

Caretta (2010) study found that women encountered barriers such as lack of any property rights over their land which could be used as collaterals and lack of collateral increases the risks and the costs for commercial banks. Some women get so discouraged that they do not bother to seek bank financing and turn instead to informal savings groups. The study by Gataka (2012) recommends that the financial institutions should simplify their ways of women accessing the

financial facilities, and charge reasonable loan rate to enable them to repay with ease, The informed and able stakeholders should carry out major seminars to educate the women on entrepreneurship issues as they advise on the best times to take loan facility and how to manage such.

The Pecking order theory, encourages debt financing for the capital structure (Ahmed & Hisham, 2009), which the businesswomen lack do not have access to. The theory supports the suggestion that debt is cheapest and most attractive of the external sources of financing (Flannery & Hankins, 2007 and Small Stocks, 2008). This finance theory was found useful to the study in identify the need for debt financing from financial institutions. From the result the businesswomen did not have access to such debt financing.

#### ***4.4.3 Effects of Access to Financial Information on Accessibility to Financial Services***

The results on study objective 2 were measured using a 5-point Likert scale and the Scale: Strongly Disagree =1; Disagree = 2; Neither =3; Agree = 4; Strongly Agree = 5. A mean was obtained for each indicator in a variable and an overall mean for the variable eventually computed. The study measured the data based on the percentage (%) of the response on each indicators. Results were recorded in Table 9.

**TABLE 9**  
**Analysis by Access to Financial Information**

<b>Access to financial information</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neither</b>	<b>Agree</b>	<b>Strongly Agree</b>	<b>Mean</b>
	%	%	%	%	%	
Knowledge of basic accounting	24.50	2.00	24.50	36.70	12.20	3.10
Accounts Recording	12.50	2.10	20.80	45.80	18.80	3.56
Training in finance	20.40	6.10	20.40	38.80	14.30	3.20
Information on Sources of Finance	12.50	2.10	22.90	45.80	16.70	3.52
Lack of an information on bank (such as Loan requirements)	25.00	0.00	25.00	39.60	10.40	3.10

Overall	17.60	2.58	22.28	42.50	15.05	3.35
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*Source: Research Data (2015)*

The results showed that most of the respondents, who formed 36.70%, indicated that they agreed to the statement that knowledge of basic accounting (book keeping) influenced access to financial services. From these result, 24.50% showed that neither knowledge of basic accounting (book keeping) influenced access to financial services. As 2.00% disagreed to the statement that knowledge of basic accounting (book keeping) influenced access to financial services. Another 24.50% showed that they totally disagreed that knowledge of basic accounting influenced access to financial services. As 12.20% strongly agreed that neither knowledge of basic accounting influenced access to financial services, 2.10% showed they disagreed that knowledge of basic accounting influenced access to financial services. Form these results, the study found that knowledge of basic accounting highly (Mean = 3.10) influenced access to financial services

Most of the respondents, who formed 45.80%, showed that they agreed that account recording influenced access to financial services as 20.80% showed that account recording moderately influenced access to financial services. The results showed that most of the respondents (18.80%) indicated they strongly agreed that account recording influenced access to financial services as 12.50% indicated they strongly disagreed that account recording influenced access to financial services. However, 2.00% indicated they disagreed that account recording influenced access to financial services. The study found that account recording highly (Mean = 3.56) influenced access to financial services.

The results obtained showed most of the respondents, who made 38.80% of the total response, indicated that they agreed to the proposition that training in finance influenced access to financial services. As 20.40% were neutral on the proposition, another 20.40% strongly disagreed to this proposition and 14.30% strongly agreed to the proposition that training in

finance influences access to financial services. However, 6.10% disagreed to the proposition that training in finance influenced access to financial services. The study found that training in finance highly (Mean = 3.20) influenced access to financial services.

From the results, most of the respondents, who formed 45.80%, showed that they agreed that information on sources of finance influenced access to financial services as 22.90% showed that were neutral on the statement information on sources of finance influenced access to financial services. The results showed that 16.70% of the respondents indicated they strongly agreed that information on sources of finance influenced access to financial services as 12.50% indicated they strongly disagreed that information on sources of finance influenced access to financial services. However, 2.10% indicated they disagreed that that information on sources of finance influenced access to financial services. The study found that information on sources of finance highly (Mean = 3.52) influenced access to financial services.

As regards, the loan requirement, the results showed that most of the respondents, who made 39.60% of the total response, indicated that they agreed to the lack of information on bank influenced access to financial services. As 25.00% were neutral on this statement, another 25.00% strongly disagreed to this statement and 10.40% strongly agreed to the statement that lack of an information on bank influenced access to financial services. None of the respondents disagreed to the proposition that lack of an information on bank influenced access to financial services. The study found that lack of an information on bank highly (Mean = 3.10) influenced access to financial services.

The study found that overall, access to financial information highly (Mean = 3.35) influenced access to financial services. The findings confirmed the findings in the study by Bowen. (2009), which found that relevant training or education in entrepreneurship significantly

influenced the business success. They encountered challenges such as necessary enterprise management skills. The same applies to the study by Witbooi and Ukpere (2011), which established that rural women would not access finance due to their low level of education. Further, most rural women lacked knowledge on the requirements for accessing debt financing for their empowerment. This exactly what the present study found. Further the study by Hassan and Mugambi (2013) indicated women engaged in entrepreneurship were highly constrained by financial illiteracy; lack of access to credit; inadequate financial resources, and weak networks among others. It was further emphasized that women should have equal rights as with men for them to gain access to finance for their empowerment.

This is to say that study established that the level of financial information was a major hindrance to women access to finance for their empowerment, according to the study by Witbooi and Ukpere (2011). Bowen *et al.* (2009) found that gender gap starts from primary education and increase to secondary and tertiary education levels. Generally, lack of knowledge is another barrier to women accessing training and other entrepreneurial services due to social isolation barrier. As a result, women lack access to entrepreneurial information which the men entrepreneurs have in plenty. The sentiments expose the fact that women are usually less educated than men which makes them less well equipped to 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. The study by Gataka (2012) recommends that informed and able stakeholders should carry out major seminars to educate women on entrepreneurship issues as they advise on the best times to take loan facility and how to manage such.

For instance, lower education levels put Kenyan women entrepreneurs at a disadvantage compared to men. While the gender gap in primary education in Kenya has decreased in recent

years, the gap remains high at secondary and tertiary education levels. Women are much less likely to enroll in public universities, national polytechnics, and technical institutes, accounting for only about 39 percent of those enrolled in tertiary education. Lower education and a curriculum that does not emphasize entrepreneurship skills decrease the chances that women will have the knowledge needed to excel in business, and thereby contribute to the country's overall economic growth.

The findings are line with the entrepreneurship Theory of Shane (2003) states that an ability to identify and tap the opportunity provided by the external business environment to start or improve his/her business differs between individuals and depends on individual's ability to access information and willingness to act upon the information in terms of risk. Ability to access information and willingness to act upon the information in terms of risk could be inferred to represent attitude to risk. Studies have found that attitude and behavioral intention are positively related and that attitude towards behavior leads to intention which eventually leads to actual behavior. The theory consists of opportunity discovery, evaluation of the opportunity and the decision to exploit the opportunity. Others elements of the theory include self-employment, business operation and performance. The theory highlighted four operational measures of performance which are survival, growth, profitability/income, and experiencing initial public offering. Survival refers to continuation of entrepreneurial activity while growth refers to increase in the vesture's sales and employment. Profitability refers to new surplus of revenue over cost while experiencing initial public offer refers to the sale of stock to the public (Shane, 2003).

The findings are line with the entrepreneurship theory (Shane, 2003) which explains that entrepreneurs' ability to identify and tap such opportunities depends on their ability to access information and willingness to act upon the information. The entrepreneurs' ability is made up of

psychological and demographic factors such as motives, attitude to risk, education and training, career experience, age and social status.

#### **4.4.4 Effects of Women Financial Inclusion on Accessibility to Financial Services**

The results on study objective 3 were measured using a 5-point Likert scale and the Scale: Strongly Disagree =1; Disagree = 2; Neither =3; Agree = 4; Strongly Agree = 5. A mean was obtained for each indicator in a variable and an overall mean for the variable eventually computed. The study measured the data based on the percentage (%) of the response on each indicator. Results were recorded in Table 10.

**TABLE 10**  
**Analysis by Women Financial Inclusion**

<b>Women Financial Inclusion</b>	<b>Strongly Disagree %</b>	<b>Disagree %</b>	<b>Neither %</b>	<b>Agree %</b>	<b>Strongly Agree %</b>	<b>Mean</b>
Women always participate in decision making in financial matters	22.80	39.20	19.00	7.60	11.40	2.46
Rural Women always participate leadership in financial matters	12.80	46.20	6.40	20.50	14.10	2.77
There are adequate training programmes in financial matters	16.70	38.50	11.50	23.10	10.30	2.72
Women have a stake Property Ownership in their households	11.50	43.60	12.80	15.40	16.70	2.82
Women views are always listened by others	20.50	38.50	14.10	12.80	14.10	2.62
<b>Overall</b>	<b>15.38</b>	<b>41.70</b>	<b>11.20</b>	<b>17.95</b>	<b>13.80</b>	<b>2.73</b>

*Source: Research Data (2015)*

The results obtained showed that 39.20% of respondents disagreed to the statement that “Women always participate in decision making in financial matters in the County”. On the same, 22.80% strongly disagreed to this statement as 19.00% were neutral to it. As 19.70% strongly agreed to the statement “Women always participate in decision making in financial matters in the Count”, 7.60% disagreed to it. This was an indication that women did not always (Mean = 2.46) participate in decision making in financial matters in the County.

From the same results, 46.20% disagreed to the proposition that the “Rural Women in the County always participate leadership in financial matters” as 20.50% agreed to it. As 14.10% strongly agreed to the statement “Rural Women in the County always participate leadership in financial matters”, 12.80% strongly disagreed to it. However, 6.40% were neutral on the statement that “Rural Women in the County always participated leadership in financial matters”. From these results, the study found that rural Women in the County do not always (Mean = 2.77) participate leadership in financial matters.

The study sought to establish whether there were adequate training programmes in financial matters. The results showed that most respondents, who formed 38.50%, indicated that they disagreed to the statement that “There are adequate training programmes in financial matters for Rural Women in the County” and 23.00% agreed to it. From these results, 16.70% strongly disagreed to the statement “as 11.50% were neutral on this statement “There are adequate training programmes in financial matters for Rural Women in the County”. The results showed 10.30% strongly agreeing to the statement that “There are adequate training programmes in financial matters for Rural Women in the County”. These results indicate there were inadequate training programmes in financial matters (Mean = 2.72) for rural women in the County.

The study results showed that 43.60% of respondents indicated that they disagreed to the statement that “Women in the County have a stake Property Ownership in their households” and 16.70% strongly agreed with the statement. The same results showed that 15.40% agreed to the statement that “Women in the County have a stake Property Ownership in their households”, 13.80% were neutral and 11.50% strongly disagreed with it. Overall, the study found that women in the County did not have stake Property Ownership in their households.

Lastly on women financial inclusion, the results showed that 38.50% indicated that they disagreed with the statement “The views by rural women in the county are always listened to by others” and 20.50% strongly disagreed with the statement. It was also shown that 14.10% strongly agreed to the statement that “The views by rural women in the county are always listened to by others 14.10% and another 14.10% were neutral on the statement. The study found that the views by rural women in the county were not always listened to by others. Overall, the study found that most of the respondents indicated that women financial inclusion highly (Mean = 2.73) affected the access to financial services as most of respondents (41.70%) showed that all the indicators of women inclusion were absent.

The findings confirm the study by Bowen *et al.* (2009) which found that women are usually at lower education levels than men which put women entrepreneurs in Kenya at a disadvantage compared to men. Women’s major problem during the start-up is the lack on inclusion (Adesua-Lincoln, 2011). For women in the rural areas, gender stereotyped perception of self, lack of confidence and assertiveness appear to be major barriers. The fear to risk is a big hindrance (Mwoboia, 2012). In spite of such strategies research shows that women are still consistently and systematically neglected in the development process, under-represented in economic activities and are still regarded as subordinate to their male counterpart (Adesua-Lincoln 2011).

The status of women in a patriarchal social structure makes women dependent on males in their lives –husbands or fathers –and family resistance is a major disincentive to business start-up. Other close male family members often make decisions for women hence going against the independent spirit of entrepreneurship. In addition, women are usually less educated than men, making them less well equipped to manage a business (Adesua-Lincoln, 2011).

Low level of women financial inclusions in Kenya blocks women from accessing the financial services. Due to low level of financial inclusion, lenders tend to be reluctant to give loans to women entrepreneurs in particular. The interest rates charged by mainstream commercial banks are regarded as being too high for women entrepreneurs. In addition, it is perceived that banks favor certain types and sectors of business that tend to be dominated by men. Women are often disadvantaged and discriminated against access to finance for their empowerment. Lending institutions have tough loan conditions, collateral requirements, and charge high interest rates to women entrepreneurs (Hassan & Mugambi, 2013).

#### 4.5 Inferential Analysis

The study conducted tests on the study variables in an effort to establish whether the independent variable were determinants of dependent variable. The study first tested the data for normality and multi-collinearity.

The test for normality used Kolmogorov Smirnov method which was suitable for a sample population greater than 50.

**TABLE 11**  
**Test for Normality**

Study Variable	Kolmogorov Smirnov
Accessibility to Financial Services	.178
Collaterals	.141
Access to Financial Information	.258
Women Financial Inclusion	.272

*Source: Research Data (2015)*

The p-values for all the independent variables had values greater than the 0.05 level of significance, indicating that the data was normally distributed.

The data was tested for multi-collinearity and the results obtained (in Table 12) show that tolerance values for all predictor variable indicators were greater than 0.1 (i.e. greater than 10%), which was indication that there were no multi-collinearity problems among the variables. This was an indication that the indicators were reliable.

**TABLE 12**  
**Results for Multi-collinearity Test of Independent Variables**

	Tolerance (1 –R <sup>2</sup> )	Variance Inflation Factor (VIF)
Collaterals	.998	1.002
Access to Financial Information	.991	1.009
Women Financial Inclusion	.990	1.010

N= 388

*Source: Research Data (2015)*

The tolerance values for all predictor variables were greater than 0.1, an indication that there were no occurrence of multi-collinearity in the data.

Multiple regression was carried out on the independent variables (Collaterals, Access to Financial Information, and Women Financial Inclusion) against the dependent variable (Accessibility to Financial Services) to estimate the model. The analysis used the multiple regression analysis will establish the nature of the relationship based on the model;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \dots\dots\dots(ii)$$

Where:

$\beta_0$ - is a constant, which is the value of dependent variable when all the independent variables are 0

$\beta_1$ ,  $\beta_2$ ,  $\beta_3$ = Regression coefficients of independent Variables or change induced by

$X_1$ ,  $X_2$ , and  $X_3$

$\varepsilon$  = Error of prediction

Y = Accessibility to financial services for empowerment

X<sub>1</sub> = collaterals

X<sub>2</sub> = Access to Financial Information

X<sub>3</sub> = Women Financial Inclusion

The study first obtained the means of the indicators of each variable then a mean was obtained for each variable using the means of the indicators, using mean of means method. The means were then regressed to estimate the study model using ordinary least-squares (OLS) regression. OLS is a generalized linear modeling technique that may be used to model a single response variable which has been recorded on at least an interval scale (Hutcheson, (2011).

The study first produced an analysis of Variance (ANOVA) results which reports how well the regression equation fits the data (i.e., predicts the dependent variable). The results obtained were captured in Table 13.

**TABLE 13**  
**ANOVA for All Variables (Measure of Fitness)**

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	7.289	3	2.430	4.296	.007 <sup>b</sup>
Residual	43.544	77	.566		
Total	50.833	80			

a. Dependent Variable: Access to Financial Service

b. Predictors: (Constant), Women Financial Inclusion, Collaterals, Access to Financial Information

**Source: Research Data (2015)**

The study generated a hypothesis to test the study model. The hypothesis was

$H_0: \beta_1 = \beta_2 = \beta_3 = \beta_4 = 0$  (the coefficient of Women Financial Inclusion, Collaterals,

Access to Financial Information are all zero)

$H_a$ : At least one  $\beta_i \neq 0$

$H_0$  is not rejected if p-value  $>.05$  (at 5% level of significance)

$H_0$  is rejected if p-value  $\leq .05$  (at 5% level of significance) and  $H_a$ : is accepted

Since  $p < 0.007$ , which is less than 0.05, and indicates that the regression model statistically significantly predicts the outcome variable (i.e., it is a good fit for the data). From Table 16, it can be observed that p-value = .007. Since p-value  $<.001 < .05$  ( $F= 4.296$ , P-value=.007), then we reject the null hypothesis and accept the alternative hypothesis. So, at the 5% significance level (i.e.  $\alpha=0.05$ , level of significance), there exists enough evidence to conclude that at least one of the predictors; Women Financial Inclusion, Collaterals, Access to Financial Information, is useful in predicting Access to Financial Service. Therefore the model is useful in explaining Access to Financial Service.

The study obtained result shown in Table 14.

**TABLE 14**  
**Regression of Independent Variables against the Dependent Variable**

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	.967	.366		2.639	.010
Collaterals	.177	.081	.230	2.183	.032
Access to Financial Information	.075	.046	.173	1.633	.107
Women Financial Inclusion	.244	.117	.220	2.073	.042

a. Dependent Variable: Access to Financial Service

*Source: Research Data (2015)*

From the results, the coefficient for all predictor variables were positive, an indication that all the dependent variables were directly proportional to accessibility to financial services. That is,

an increase in any one of independent variable caused an increase in accessibility to financial services. The results also show that the p-values for each predictor variable were less than 0.05, an indication that there was a significant relationship between each independent variable and the dependent variable. The model is fitted as;

$$Y = 0.967 + 0.177 X_1 + 0.075 X_2 + 0.244 X_3 \dots\dots\dots(iii)$$

Lastly the study obtained a model summary as in Table 15,

**TABLE 15**  
**Model Summary**

R	R Square	Adjusted R Square	Std. Error of the Estimate
.379 <sup>a</sup>	.143	<b>.110</b>	.75200

- a. Predictors: (Constant), Women Financial Inclusion, Collaterals, Access to Financial Information

*Source: Research Data (2015)*

One pitfall of R-squared is that it can only increase as predictors are added to the regression model. This increase is artificial when predictors are not actually improving the model’s fit. To remedy this, a related statistic, Adjusted R-squared, incorporates the model’s degrees of freedom. Adjusted R-squared will decrease as predictors are added if the increase in model fit does not make up for the loss of degrees of freedom. Likewise, it will increase as predictors are added if the increase in model fit is worthwhile. Adjusted R-squared is always be used with models with more than one predictor variable. It is interpreted as the proportion of total variance that is explained by the model. The study therefore adopted the adjusted R<sup>2</sup>

From these results, the adjusted  $R^2$  was 0.11, which meant that 11.10% of variance (change) in accessibility to financial services was explained by; collaterals, access to financial information, and women financial inclusion.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter contains the summary of research findings, discussions on the findings based on the literature review, conclusions and recommendations made by the study. The summary of findings follows the research objectives. Conclusions are derived from the summary of findings and recommendations drawn from the same thereafter. The recommendations are classified into policy recommendations and recommendations for further research.

The study was guided by the following objectives; to establish the extent to which collaterals for loan affect access to finance by Kenyan rural businesswomen, to determine the extent to which access to financial information affect access to finance by Kenyan rural business women and to establish the influence of women financial inclusions on access to finance by Kenyan rural women entrepreneurs.

#### **5.2 Summary**

The study results showed that there was a very high response (92.65%), which was very high (very good) according to Mugenda and Mugenda (2003) who said that a response rate of over 69% is very good. The high response rate may be attributed to fact that the research assistants assisted the respondents most of the times during questionnaire filling. The study also found that Most of the respondents had stayed in Sultan Hamud Town in Kajiado County for between 2 and 4 years and majority of the respondents had secondary school education as their highest level of academic qualification. Further, it was found that a majority of 75.31% of the respondents were between 18 and 35 years, within the productive age.

The study found out that majority of the women business women never applied for loans and even from those who applied, most of them were never awarded loans. It was found that majority of the business women were never approached by officials from financial institutions to be awarded loans and even most of the business women had never heard of women being awarded loans. Overall, it was found that majority of the business women were not accessible to financial services for their financial empowerment.

As regards collaterals, the study found that most of times lending institutions requested the women to provide log books as collaterals to access financial service and majority of them were requested by lending institutions to provide domestic property as collaterals to access financial services most of times. It was also found that most times the lending institutions requested for land title deeds from women entrepreneurs as collaterals to access financial services. The study found that the lending institutions most times requested the business women for buildings ownership details as collaterals to access financial services. On the last indicator of collaterals, the study found that lending institutions most times requested for male guarantors as collaterals to access financial services. Overall, the study found that requirements for collaterals, which were always required by lending institutions to access financial services, was a major hindrance to access finance for Kenyan businesswomen.

The study found that knowledge of basic accounting (book keeping) influenced access to financial services and account recording influenced access to financial services as well. It was also found that training in finance influenced access to financial services as well as information on sources of finance. As regards, the loan requirement, the study found that lack of an information on bank influenced access to financial services. All in all, the study found that overall, access to financial information highly influenced access to financial services.

Further, the study found that women did not always participate in decision making in financial matters in the County and that rural women did not always participate in leadership and in financial matters. These situations highly hindered women from accessing finance for their empowerment. It was also found that there are inadequate training programmes in financial matters for rural women in the county and women in the county did not have a stake property ownership in their households. The study found that the views by rural women in the county were not always listened to by others, which significantly hindered women entrepreneurs from accessing finance for their empowerment. So business women's major problem during the start-up or business support through debt financing is the lack of inclusion. The study found that gender stereotyped perception of self, lack of confidence and assertiveness appear was common on Kenyan businesswomen. Further, they are under-represented in financial activities and are still regarded as subordinate to their male counterpart. So, there is low level of women financial inclusions in Kenya, blocking women from accessing the financial services for their empowerment.

Lastly, the study found that accessibility to financial services was explained by; collaterals, access to financial information, and women financial inclusion, since all the p-values were less than 0.05. All predictor variable were positive, an indication that all the dependent variable were directly proportional to accessibility to financial services. That is, an increase in any one of independent variable caused an increase in accessibility to financial services. The study found that 11.10% of variance (change) inaccessibility to financial services was explained by; collaterals, access to financial information, and women financial inclusion.

### **5.3 Conclusions**

The study established that business women in Kenya were not accessible to financial services for their financial empowerment.

As relates to objective 1, the study revealed that a requirement for collaterals, which was essential to access financial services, is a major hindrance to access finance for Kenyan businesswomen for their empowerment. Businesswomen lack vital collaterals such as land titles and property ownership, which are prerequisite for access to fiancé from lending institutions. The lending institutions do not have women friendly lending environments.

On objectives 3, the study concludes that access to financial information highly influences access to financial services of Kenyan businesswomen. From the study findings, most rural business women lack knowledge on the requirements for accessing debt financing for their empowerment.

With reference to objective 3, the study concludes that there is low level of women financial inclusions in Kenya, which is a major hindrance of business women from accessing the financial services.

Lastly, the study concludes that all the four independent variables; collaterals, access to financial information, and women financial inclusion could significantly predict dependent variable; accessibility to financial services.

### **5.4 Recommendations of the study**

The study suggested certain policy recommendations and recommendation for further study based on the study findings.

#### ***5.4.1 Policy Recommendations***

First, the study recommends that financial lending institutions should simplify their ways of women accessing the financial facilities, developing women friendly lending environment to enable these entrepreneurs to access finance for their empowerment. This may through charging reasonable loan interest rates to enable them to repay with ease. The national governments and county governments should make legal framework to address property rights over their land by women in their counties. Such laws should ensure that women have equal rights to the property directly under their jurisdiction.

Second, the study recommends that the stakeholders, national government, county governments, Non-governmental agencies, human rights bodies, and women groups should provide relevant training or education in entrepreneurship to significantly influence the business success of women entrepreneurs in the country. This would significantly help in overcoming the challenges encountered by women entrepreneurs; enterprise management skills, financial illiteracy; lack of access to credit; inadequate financial resources, and weak networks among the business women.

Third; Business women would also have to understand about their equal rights as with men for them to gain access to finance for their empowerment. So, the stakeholders should educate the women on entrepreneurship on financial matters and their rights for their empowerment. The county governments and human rights bodies should be on the forefront in advocating for the rights of women entrepreneurs and prospective businesswomen. They should be made to understand that they should be participants of the economic activities in the country and are not always dependent on males in their lives. They should be given space to make decisions for their entrepreneurship activities, creating an independent spirit. The county

governments should ensure that women are equally educated than men, making them well equipped to manage a business.

### **5.5 Recommendations for Further study**

The study recommends that further study should be conducted on the cultural factors influencing access to finance by women entrepreneurs in Kenya. Another study should be conducted to establish the actual effects of legal and institutional framework on the access to finance by women entrepreneurs. Further the study sample population was limited to only one county out of 47 counties, which was significantly small. So the same study should be conducted for all counties in the republic of Kenya.

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## **APPENDICES**

### **APPENDIX I**

#### **INTRODUCTION LETTER**

JEDIDAH WAMUYU GATHUA

ADM NO 10/00693

Dear Respondent

I am a student at KCA undertaking a Masters degree in finance I have chosen you to participate in this study on evaluation of socio-economic barriers hindering women from accessing financial services for empowerment in Kenya (A Case of Kajiado County, Kenya). More precisely, the researcher is making an attempt to study the factors that are hindering women from accessing financial services for empowerment in Kenya. Your responses will only be used for the purpose of the study. All information received from the respondents will be held confidentially. Kindly respond sincerely to the issues in the questionnaire. Please read and answer the questions by ticking the correct answer (choice) to the questions given. Where required, write brief answer in the spaces provided.

Thanking you in advance for your cooperation and participation.

Yours truly,

JEDIDAH WAMUYU GATHUA

ADM NO 10/00693

KCA University

**APPENDIX II**

**QUESTIONNAIRE**

**SOCIO-ECONOMIC BARRIERS AND WOMEN FINANCIAL EMPOWERMENT IN KENYA**

This Questionnaire is meant to collect data among the rural business women. Any information provided in this Questionnaire will be used for purposes of research only and will not be divulged or availed to unauthorized persons

Please take a few minutes to complete this questionnaire

Please answer the questions correctly and as accurate as possible

Tick the correct answer in the boxes provided against the questions where provided

**SECTION II: BACKGROUND INFORMATION**

1. Please indicate your highest education level attained. Tick (√)as appropriate

- |                     |     |               |     |
|---------------------|-----|---------------|-----|
| None                | ( ) | Primary       | ( ) |
| Secondary           | ( ) | College       | ( ) |
| University graduate | ( ) | Post graduate | ( ) |
| Other specify       | ( ) | .....         |     |

2. How long have you been in business woman? Please tick (√)as appropriate

- |                   |     |              |     |
|-------------------|-----|--------------|-----|
| Less than 2 years | ( ) | 2 to 4 years | ( ) |
| 5 to 8 years      | ( ) | Over 8 years | ( ) |

3. Please indicate your Age bracket. Tick (√)as appropriate

- |                    |     |                |     |
|--------------------|-----|----------------|-----|
| Less than 18 years | ( ) | 18 to 35 Years | ( ) |
| 36 to 45 years     | ( ) | 46 to 55 Years | ( ) |
| 56 to 65 Years     | ( ) | Over 65 Years  | ( ) |

## **SECTION II: ACCESSIBILITY TO FINANCIAL SERVICES**

4. This section seeks to establish the extent to which business women have been involved in financial empowerment services. Please indicating using the grid below, by ticking(√)in the appropriate box for each statement below.

**Scale: Never = 1: Once= 2: Twice = 3: Thrice = 4: More than Three times = 5**

	<b>Availability of financial services for Empowerment of Rural Kenyan women Indicator</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
(a)	Number of times applied for loans					
(b).	Number of times awarded loans					
(c)	Number of times approached by officials from financial institutions to apply for a loans					
(d).	Number of times approached by officials from financial institutions to be awarded loans					

## **SECTION III: COLLATERALS**

5. Please indicate the extent to which the following items are required whenever you require a loan facility. Tick  the correct answer in the corresponding space. Use the following grid

**Scale: Never =1; Rarely = 2; Sometimes =3; Most times = 4; Always = 5**

	<b>Collaterals indicator</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
(a)	Log Books					
(b).	Domestics property (such as animals)					
(c)	Land Titles deeds					
(d).	Buildings Ownership details					
(e)	Male Guarantors					

## **SECTION D: ACCESS TO FINANCIAL INFORMATION**

6. Please indicate the extent to which you following access to financial information indicators influence access to financial services for empowerment of rural Kenyan women. Tick  the correct answer in the corresponding space.

**Scale:** Strongly Disagree =1; Disagree = 2; Neither =3; Agree = 4; Strongly Agree = 5

	<b>Access to Financial Information Indicator</b>	5	4	3	2	1
(a).	Knowledge of basic accounting (book keeping)					
(b).	Accounts recording					
(c).	Training in finance					
(d).	Information on sources of finance					
(e).	lack of an information on bank (such as Loan requirements)					

## **SECTION E: WOMEN FINANCIAL INCLUSION**

7. Please establish the extent to which business women in your area have been involved in financial empowerment services. Tick  the correct answer in the corresponding space.

**Scale:** Strongly Disagree =1; Disagree = 2; Neither =3; Agree = 4; Strongly Agree = 5

	<b>Women Financial Inclusion Indicator</b>	5	4	3	2	1
(a).	Women always participate in decision making in financial matters in the County					
(b).	Rural Women in the County always participate leadership in financial matters					
(c).	There are adequate training programmes in financial matters for Rural Women in the County					
(d).	Women in the County have a stake Property Ownership in their households					
(e).	The views by rural women in the county are always listened to by others					

*Thank you for your cooperation*