

# Socio - Economic Factors under Which Women Micro-Entrepreneurs Operate in Nakuru Town West Constituency - Kenya

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**Abstract:** *Women micro-entrepreneurs are known to contribute to employment creation, income generation and family well-being. However, various studies indicate that women face constraints that limit their business growth and survival. Evidence indicate that in Nakuru County, the rate of business survival between 2008 and 2014 was 1:3 in every 3 years for male operated enterprises as compared to 1:4 in every 3 years for female operated enterprises. These issues provided the framework for this study whose specific objectives was to: determine socio - economic factors under which women micro-entrepreneurs operate in nakuru Town west constituency – Kenya. The study used survey research design and adopted cross-sectional approach to achieve these objectives. One hundred and sixty six (166) out of 830 women operated micro-enterprises (MEs) were sampled through multistage sampling procedure. Both primary and secondary data were obtained and used. Descriptive statistics was used to analyze characteristics of women micro-entrepreneurs. The study findings show that majority of the women operators were between 20-40 years, had attained secondary level of education, and were married. Further, findings show that strategies employed by the women micro-entrepreneurs to cope with socio-economic factors that negatively influence the growth of their enterprises include; joining Informal Rotating Savings and Credit Associations (ROSCAs), diversification of goods and services, relocation, and, apprenticeship. The study concludes that women micro-entrepreneurs need to be better equipped to perform better in their entrepreneurial pursuits through developing their human capital. The study recommends that policy makers at national, and County governments should address these limitations so as to promote women micro-entrepreneurs.*

**Keywords:** Constraints, Coping Strategy, Finance, Socio-Economic Factors, Micro-entrepreneur, Service, Trade, Woman operated micro enterprise

## 1. Abbreviations and Acronyms

AMFIs = Association of Microfinance Institutions  
KBS = Central Bureau of Statistics  
DCs = Developing Countries  
ILO = International Labor Organization  
KIPPRA = Kenya Institute for Public Policy Research and Analysis  
KWFT = Kenya Women Finance Trust  
MDGs = Millennium Development Goals  
MESPT = Micro-Enterprise Support Programme  
MEs = Micro Enterprises  
MFIs = Micro Finance Institutions  
NCDR = Nakuru County Development Report  
RoK = Republic of Kenya  
ROSCAS = Informal Rotating Savings and Credit Associations  
SMEs = Small and Micro Enterprises  
WEF = Women Enterprise Fund

## 2. Introduction and Background to the Research Problem

All over the world, entrepreneurship is emerging as an avenue for gainful employment and a way of improving women's' economic and social status (Kiraka *et al.*, 2013). Small and Micro enterprises (SMEs) are viewed as a key driver of economic and social development (ILO, 2008 and IFC, 2011). Participation of women in this category of enterprises is particularly important. This is because many women entrepreneurs create employment opportunities,

generate income and support themselves and their families through the income they receive from their micro enterprises (Stevenson and Onge, 2005).

Across the globe, women entrepreneurs account for 25 to 35 percent of all entrepreneurs. This percentage is higher in Africa at between 40 and 50 percent, and in some countries, up to 60 percent (ILO, 2008). Despite this, many women entrepreneurs operate in difficult conditions which include, among others: limited access to key resources such as land and credit; inadequate infrastructure; high production costs; legal framework; competition, inadequate markets; insecurity and the socio-cultural environment (McCormick, 1997; RoK, 1999; Stevenson & Onge, 2005; Kinyanjui, 2006; and Kiraka *et al.*, 2013). Further, more women than men lack requisite level of education, technical skills and entrepreneurship training (Stevenson & Onge, 2005). Moreover, it is recognized that women in most societies carry the added burden of family and domestic responsibilities (Richardson *et al.*, 2004). This has a detrimental or limiting impact upon their ability to generate income.

Small and micro enterprises (SMEs), through creation of employment and income generation contribute positively to the achievement of The Sustainable Development Goals which include: eradication of extreme poverty and hunger; gender equality and empowerment of women. In addition to this, the main aim of Vision 2030 is to transform Kenya into a newly industrialized middle income country providing a high quality life for all its citizens by the year 2030 (RoK,

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2007). However, the rate of contribution towards this is slow; For instance, the 1999 National SMEs Baseline Survey in Kenya conducted by Kenya Rural Enterprise (K-REP) and Central Bureau of Statistics (RoK, 1999) estimated that 80 percent of the SMEs failed within the first 3 years after starting up. These findings are corroborated by (McCormick, 1997; Stevenson & Onge, 2005) who add that enterprises continue to deteriorate in performance, with 3 in every 5 failing within few months of establishment.

Small and Micro enterprises play an important role in the Kenyan economy and are accorded high priority in the development policy (RoK, 1994). They provide employment opportunities and contribute to income generation. Despite this, the employment growth rates were 1.9 percent in the 1990s with over 3 million Kenyans unemployed, while similar number was estimated to be underemployed (RoK, 1997). Most of the unemployed and underemployed live on less than a dollar a day of which 70 percent are women (ILO, 2006). In addition, Nakuru County Development Report (NCDR, 2013) acknowledges that in order to enhance growth of the economy in the county, there is need to enhance measures aimed at creating employment activities to absorb the unemployed and especially women and the youth. The question is, if SMEs are known to contribute to creation of employment and income generation, could there be major constraints to women micro-entrepreneurs' performance in Nakuru Town West Constituency?

This paper therefore, seeks to undertake a survey on socio economic factors under which women micro entrepreneurs operate in Nakuru Town West Constituency. The study will compliment other studies done on SMEs such as (Wegulo, 1998; RoK 1999; Ronge *et al.*, 2002; Richardson, 2004; Kinyanjui, 2006; Mairura, 2011 and Kiraka *et al.*, 2013), but differs significantly from these studies in 2 ways: First, whereas the unit of study in the previous studies was in a majority of cases, the enterprises, this paper focuses on entrepreneurs themselves and specifically women micro-entrepreneurs operating in Nakuru Town West Constituency.

### 3. Theoretical Framework informing the study

This study is informed by WID, WAD and GAD Theoretical Approaches as described below.

Women in Development (WID), Women and Development (WAD), and Gender and Development (GAD) are useful theoretical perspectives for understanding gender differences in entrepreneurship. Liberal feminism theory which is part of WID sees women as disadvantaged as compared to men due to discrimination and factors which deprive them of vital resources required for business and economic decisions such as; finance, education and experience (Fisher, Reuber & Dyke, 1993). This theory works towards an egalitarian society which would uphold the right of each individual to fulfill their potential (Kutani & Bayraktaroglu, 2003). The integrationist approach, stemming from Ester Boserup's book, "Women's Role in Economic Development" (1970), emphasizes "the economic woman". However, WID is criticized for the underlying assumption that women were not already participating in development, thus downplaying

women's roles in household production, informal economic and political activities (Razavi, S & Miller, C, 1995)

WAD came into force as a reaction against the weaknesses / loopholes in WID's argument. WAD suggested that women have always been an integral part of development, and did not suddenly appear in the early 1970s. The WAD approach suggested that there be women-only development projects that were theorized to remove women from the patriarchal state. The WAD approach emphasizes the distinctive nature of women's knowledge, work, goals, and responsibilities, and thus advocating for the recognition of their distinctiveness. However, some of the common critiques of the WAD approach include concerns that the women-only development projects would struggle, or ultimately fail, due to their scale, and the marginalized status. Moreover WAD concentrates primarily on women's productive role (Rathgeber, E. 1990). As a result of these critiques, GAD was formed.

The GAD framework makes the role of gender clearer (Razavi, S & Miller, C 1995). The GAD framework established the demand for "agenda setting" and women as an active part in planning programmes in identifying their needs and problems. The GAD approach examines the interaction between men and women, the causes of women's exclusion and their constraints. With GAD, the rationale for conducting women development programs began to shift from efficiency to equity and empowerment. Equity and empowerment is required by women micro-entrepreneurs to effectively contribute to economic development This can be achieved through the relevant laws for gender equality, gender policies, regulations against gender-based discrimination, and tax regulations (North, 1990). In study women micro entrepreneurs' performance can be improved through the application of relevant laws of gender equality, gender policies and regulations against gender based discrimination

## 4. Study Area and Research Methodology

### 3.1 The Study Area

The study was conducted in Nakuru Town West Constituency, in Nakuru County (Fig.2). Nakuru Town is located in Kenya's Rift Valley, 160 km north-west of Nairobi. It is the fourth largest town in Kenya (after Nairobi, Mombasa and Kisumu). The population for Nakuru Town is given as 800,000 people (Central Bureau of Statistics 2010).

Nakuru is a transitory town to Western Kenya and to Uganda (through Busia and Malaba) and Tanzania (through Isebania). On the other side, it links with Central Kenya, the city of Nairobi, Coastal Kenya and Tanzania. Nakuru District has four major tourist sites i.e. Lake Nakuru, Menengai crater, Mt. Longonot and Hells Gate. The transitional nature of Nakuru town together with tourist attractions within the district has enhanced incomes of the people living in the town and its surroundings. Most of the income earned is derived from wholesale and retail trade, service and manufacturing (Nakuru District Development Plan 2005-2010).

The enterprise sector is expected to play a leading role in generating employment opportunities (Nakuru District Development Plan, 2005-2010). This is especially to women who represent the poorest and also constitute 46 percent of the unemployed in the county (NCDR, 2013). The town has a rich agricultural hinterland that benefits from entrepreneurial culture. The entrepreneurial culture has given rise to several micro, small, medium and large scale enterprises. Micro scale activities spread all over the town among them handicraft, food processing, textiles, restaurants, salons, trade and leather work.

### 3.2 Research Design

The study adopted survey research design. The survey research design is relatively simple and many responses can be elicited on a given topic. Questionnaires, interview guides, and observation were the main instruments used.

The 830 women micro entrepreneurs operating in Nakuru Town West Constituency were distributed within the seven wards in the constituency. The seven wards in Nakuru Town West Constituency include: Hospital, Rhoda, Shabab, Kaptebwo, Barut East, Barut West and Viwandani Wards

(IEBC 2012). Thus a total of 830 micro entrepreneurs within the seven wards provided the population of the study.

A sample size of 166 micro-entrepreneurs, which constitute 20% of the total women micro-entrepreneurs (830) in Nakuru Town West Constituency, was selected for the study. According to Mugenda & Mugenda (2003), a sample size of between 10 and 30% is a good representation of the target population and hence the 20% sample size is adequate.

Multi-stage sampling procedure was used to determine the sample of women-operated MEs to be included in the survey. Out of the total seven wards, three wards (Hospital, Shabab and Kaptebwo) were randomly selected and lists of women-operated MEs generated separately from each of the three wards: Hospital ward= 75, Shabab ward=177, Kaptebwo ward=168, giving a total of 420. Secondly, lists of MEs generated separately from each of the three wards was stratified based on MEs type i.e. trade, service and artisan categories as illustrated in table 1. This is because each category of ME was likely to depict varied constraints faced by micro entrepreneurs, as well, as coping strategies adopted.

**Table 3.1:** Stratification of MEs based on Trade, Service and Artisan

Hospital ward		Shabab Ward		Kaptebwo Ward	
Category	Total No.	Category	Total no.	Category	Total no.
Trade	40	Trade	98	Trade	94
Service	30	Service	62	Service	58
Artisan	5	Artisan	17	Artisan	16
<b>Total</b>	<b>75</b>	<b>Total</b>	<b>177</b>	<b>Total</b>	<b>168</b>

Third, the sample size which constitutes 20 percent of the sampling frame (made of 166 of 830 micro-entrepreneurs) was then proportionally distributed to the three wards and to the categories (trade, service and artisan) as illustrated below.

#### Proportionate distribution of the sample size (166 MEs) to the total 420 Female operated enterprises within the 3 wards

$$\begin{aligned} \text{Hospital} &= 75 \times 166 / 420 = 30 \\ \text{Shabab} &= 177 \times 166 / 420 = 70 \\ \text{Kaptebwo} &= 168 \times 166 / 420 = 66 \\ &\quad \quad \quad \underline{420} \quad \quad \quad \underline{166} \end{aligned}$$

**Table 3.2:** Proportionate Distribution of the Sample Size (166) to the three wards and to the Categories

Hospital Ward			Shabab Ward			Kaptebwo Ward		
Category	Total No.	Sample Size	Category	Total no.	Sample Size	Category	Total no.	Sample Size
Trade	40	16	Trade	98	39	Trade	94	37
Service	30	12	Service	62	25	Service	58	23
Artisan	5	2	Artisan	17	6	Artisan	16	6
<b>Total</b>	<b>75</b>	<b>30</b>	<b>Total</b>	<b>177</b>	<b>70</b>	<b>Total</b>	<b>168</b>	<b>66</b>

Stratified sampling technique ensures that all subsets of the frame are given an equal probability and hence minimizes bias. Each element of the frame therefore has an equal probability of selection.

Finally the MEs that were included in the sample were randomly picked. Random sampling allowed all the micro-entrepreneurs within each subset equal chances of inclusion into the sample (Dillon and Hardaker, 1993). This technique is also known to eliminate bias (Kothari, 1996).

#### Sources and Methods of Data Collection

Data was from both primary and secondary sources. Primary data sources were women micro-entrepreneurs and key

informants. Secondary data sources were relevant academic literature, working papers and government publications which were reviewed and relevant materials extracted to inform discussions and analysis on various issues. The main method which was used in collecting primary data was questionnaire. Questionnaires were administered to the sample population. Interviews and observations were also be used.

Interviews with key informants were used to collect additional data. Key informants purposively selected from Women Enterprise Fund (WEF) Nakuru Branch, and from micro finance institutions were interviewed. In addition, observation was used to get information on women micro-

entrepreneurs' constraints to performance. All these were recorded using a well designed observation schedule and photography.

**Validity and Reliability**

To establish validity, the researcher sought the supervisors' opinion concerning the research instrument. Furthermore the researcher also consulted experts in survey research methodology before embarking on data collection exercise.

To test reliability of the instrument, the questionnaire which was the main data collection instrument was pre-tested using twenty respondents. The twenty respondents were purposively picked from Nakuru Town East Constituency. This location was chosen because it has similar characteristics to those of the study area. The selection of respondents was as follows; two from manufacturing, seven from service and eleven from trade subsector. This is in accordance with the ratio of categories of microenterprises existing in Nakuru County (Nakuru County Licencing Office, 2014). The twenty respondents is the recommended smallest number that yields meaningful results in a survey research (Kathuri and Pals, 1993). The piloted questionnaire was later subjected to the Cronbach's formula analysis technique to gain the desired reliability coefficient. An acceptable reliability coefficient was based on the threshold of 0.7. From the reliability analysis, the cronbach's alpha was established as 0.880, suggesting that the instruments were a reliable measure for determining the objectives of this study.

**Ethical Considerations**

Permission to carry out to administer the questionnaire was sought from Egerton University and more importantly from the National Council of Science and Technology/Innovation. The participants were informed about the nature and purpose of the study and participation was on voluntary basis. Rights, privacy and confidentiality of the participants in the proposed research were protected and respected.

**Data Analysis and Discussions of Findings**

Descriptive statistics was used in data analysis, using Statistical Package for Social Sciences software (SPSS) version 20.0.

**Socio-Economic characteristics of Women Micro-Entrepreneurs in Nakuru Town West Constituency**

**Age distribution of Respondents**

The general distribution of age of the respondents is shown in Table 4. Majority of the women micro-Entrepreneurs ages were between 30-39 years (37.5 %). In general most of women micro-entrepreneurs were below the age of 40 (61.3%). This implies that most of these women are generally youthful. This is in line with the National findings of the 1999 National Baseline Survey Report (RoK, 1999) which estimated that about 80% of women entrepreneurs in Kenya were within the 16 – 39 years age bracket.

**Table 1.1: Age Distribution of Respondents**

Age bracket	Frequency	Percent	Valid Percent	Cumulative Percent
16-29 years	38	23.8	23.8	23.8
30-39 years	60	37.5	37.5	61.3
40-49years	20	12.5	12.5	73.8
50- 59 years	15	9.3	9.3	83.1
60 -70 years	27	16.9	16.9	100
Total	160	100	100	

The predominance of young women micro entrepreneurs may be explained in the context of lack of formal for the women and the youth in Nakuru County (NCDR, 2013). The Report indicates that women and the youth constitute 46% of the unemployed in the County (NCDR, 2013). This suggests that micro-enterprises continue to offer first line employment for women and the young people in an economic environment characterized by high levels of unemployment.

**Education Level of Respondents**

Education has been observed to be one of the factors that impact positively on growth of enterprises (King and McGrath, 1998). Those entrepreneurs with higher stocks of human capital in terms of education and or vocational training are better able to adapt to constantly changing business environments (King and McGrath, 1998). In this study, education attainment is measured in three levels; primary, secondary and post secondary.

**Table 4.2: Education Level of Respondents**

Education level	Frequency	Percent	Valid Percent	Cumulative Percent
Primary	26	16.2	16.2	16.2
Secondary	107	66.9	66.9	83.1
Post sec.	27	16.9	16.9	100
Total	160	100	100	

The results from this study corroborate the findings of Bosire (2000) who in his study found that most operators had formal education up to form four. Similarly, Study on Entrepreneurial Characteristics among Micro and Small-Scale Women Owned Enterprises in North and Central Meru Districts, Kenya by Naituli, Wegulo and Kaimenyi indicate that 96% of the women entrepreneurs have some education. Only four per cent are illiterate. The discrepancy (4% illiterate) could be attributed to the fact that North and Central Meru Districts are in rural area whereas Nakuru Town West Constituency is urban area where literacy rates are higher as compared to rural areas.

Study by government (RoK, 1999) indicates that 36% of women entrepreneurs were educated up to secondary school level, while 34% had primary level education. Only 3% were university graduates, and that about 10% of all the entrepreneurs had no formal education (RoK, 1999). Compared to the result of RoK (1999), this study shows that more women with higher levels of education have ventured into micro enterprises, a phenomenon that could be attributed to increasing unemployment in Kenya. Also, improved educational attainment by respondents may be an indication that women with relatively higher levels of education are gradually appreciating the essence of entrepreneurs' culture. With higher levels of education, one

would expect improved performance by women micro entrepreneurs and hence more meaningful contribution to the economic development.

It is important to note that there is no consensus by different studies on the level of education required by an entrepreneur. Some indicate that formal education is a prerequisite, while others indicate that formal education is not a prerequisite. However, most respondents in this study strongly indicated that a certain measure of formal education is a prerequisite requirement by an entrepreneur.

**Marital Status of Women Micro-entrepreneurs**

Majority of women micro entrepreneurs, (70.6%) were married (Table 6). Only 29.4% were single. This result is not surprising considering that first; the general proportion of married women in Kenya is higher than that of single. Second, married women may be given support by their husbands in terms for financial, security, moral and therefore they may be more in numbers than single

**Table 4.3:** Marital Status of Respondents

Marital Status	Frequency	Percent	Valid Percent	Cumulative Percent
Married	113	70.6	70.6	70.6
Single	47	29.4	29.4	100
Total	160	100	100	

However, as confirmed elsewhere in this study by the performance indicators (growth in capital, sales growth rate, and net profit margin), women micro-entrepreneurs do not do so well in their enterprises. This could be explained by the fact that majority of married women confessed that whereas they run the businesses, their spouses control the finances. This implies that most married women lack the independent spirit of entrepreneurship which may lead to low performance. This finding is in consistence with the 1999 National Baseline Survey (RoK, 1999) which showed that even when women manage the business, the man controls the finances. Furthermore, the status of women in a patriarchal social structure makes women dependent on males in their lives, husbands or fathers (Ronge *et al.*, 2002).

**Experience**

As illustrated in table 7, of the total number of women micro-entrepreneurs sampled, 23.8% had operated for one year. 26.8% had operated for two years, 22.5% for three years, and another 23.8% for four years. Only 3.1% had operated for five years and above. 73.1% of women micro entrepreneurs had operated for 3 years and below. This suggests that around two thirds of women-operated businesses do not operate beyond three years. This findings is in consistence with various studies (McCormick, 1997; Stevenson & Onge, 2005; Kinyanjui, 2006; RoK, 1999; Kepha, 2013) which indicate that only a third of business survive beyond 3 years and that chances of entrepreneurs operating an enterprise beyond five years are very slim. This implies that women who venture into micro-enterprises experience constraints that limit their performance at an early stage of their business start-up as well as in the long term survival of their enterprises.

**Table 4.4:** Experience of the Women Micro-entrepreneurs

Number of Years	Frequency	Percent	Valid Percent	Cumulative Percent
1 year	38	23.8	23.8	23.8
2 years	43	26.8	26.8	50.6
3 years	36	22.5	22.5	73.1
4 years	38	23.8	23.8	96.9
5- above	5	3.1	3.1	100
Total	160	100	100	

23.8% of entrepreneurs had operated their current business for at least 4 years, implying a good level of stability in their business, which may be attributable in part, to their experience. This implies that more years (more experience) of running the same or related business lead to relative decline of constraints. As one takes longer period in business, the more capable she becomes in finding ways to cope with business challenges. Accordingly we may deduce that the few women micro-entrepreneurs (23.8%) who had operated their business for over 4 years had acquired skills and knowledge which sustained them. These findings are also supported by regression results which show experience of an entrepreneur significant at 5% confidence level, for the performance indicators used in this study.

However, it is important to note that the 23.8% of women micro entrepreneurs have remained “small” in the same business for over 4 years (table 7 and 12). This implies lack of remarkable growth in spite long experience. The phenomena lends credence to what has been argued elsewhere (in the next subtopic) in this study that, the type of business women are engaged in are in sectors that are likely to be in saturated markets and have low margins of returns (Parker, 1996).

**The Category of Business**

Forty four percent of the women micro entrepreneurs engaged in retail business. 36.3% in salons, 3.1% in dressmaking, 13.1% in food outlets, and 3.1% in payphone vendors, (Table 8 and Figure 3).

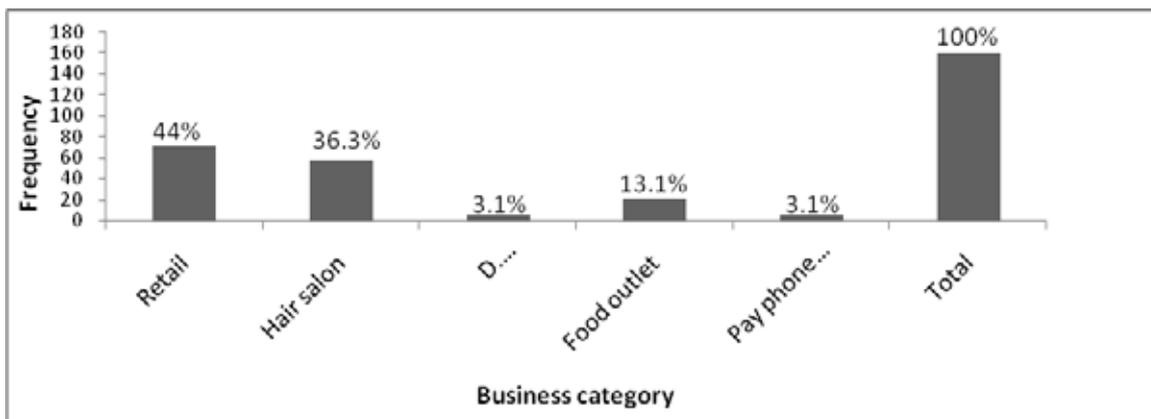
**Table 4.5:** Distribution of Entrepreneurs by Category of Business

Category of Business	Frequency	Percent	Valid Percent	Cumulative Percent
Retail	71	44.4	44.4	44.4
Hair salon	58	36.3	36.3	80.7
D. making/tailoring	5	3.1	3.1	83.8
Food outlet	21	13.1	13.1	96.9
Pay phone vendors.	5	3.1	3.1	100
Total	160	100	100	

These results are in consistent with the findings of (Richardson *et al.*, 2004, RoK, 1999, and UDEC, 2002). The studies indicate that women tend to operate enterprises associated with traditional women’s roles, labeled as ‘gender’ or ‘feminized’, such as hairstyling, restaurants, hotels, and retail shops. Further, Zewde *et al.*, (2002) noted that, “even relatively better off women in Ethiopia tend to focus on areas in which they have traditional gender-based skills and know-how. These include food processing, clothing and hairdressing sectors. Parker, (1996) adds that

the challenges with women-operate micro enterprises is that they are likely to be in saturated markets and have low

margins of returns



**Figure 2:** Distribution of Entrepreneurs by Category of Business

### Women objectives of Starting a Business

The study sought to determine the motives of establishing the business. Variety of reasons given by women micro entrepreneurs for starting their businesses is presented in table 9. Majority, (41.8%) of the businesses were established due to unemployment. 37.5%, due to low capital investment required. Further, 10% ventured into business because they inherited from families. Only 6.9% of the total women micro entrepreneurs were driven by marketing opportunities to start their business.

**Table 4.6:** Reasons for Starting a Business

Reason	Frequency	Percent	Valid Percent	Cumulative Percent
Low capital investment	60	37.5	37.5	37.5
Unemployment	67	41.8	41.8	79.3
Retrenchment	6	3.8	3.8	83.1
Marketing opportunity	11	6.9	6.9	90
Inherited from families	16	10	10	100
Total	160	100	100	

These findings corroborate the study on Women Enterprise Fund by Kiraka *et al.*, (2013) who asserts that entrepreneurship is emerging as an avenue for gainful employment and a way of improving women's economic and social status. Further, majority of women micro entrepreneurs whose motivation of business start up was due to low capital investment required confessed that through this, they are able to feed and educate their children. This is in consistence with the study by Ronge *et al.*, (2002) on review of government policies for promotion of SMEs for KIPPRA, which notes that the goal of many women entrepreneurs is mainly to feed and educate their children.

The fact that the motive of many women micro-entrepreneurs was; first, due to unemployment and two; ability to feed and educate their children and not market opportunities may partly explain why women enterprises rarely grow into "mega" businesses. This is unlike men who undertake business risks in pursuit of profits (Ronge *et al.*, 2002). In conclusion, the findings confirms three things; first, Micro-enterprises sector provide employment opportunities for women; second, micro-enterprises require low capital investments; and third, rarely do women-operated micro-enterprises grow into "mega" businesses

### Sources of Start-up Capital

The result of access to credit especially to women-entrepreneurs in Kenya is often seen in improved income, output, employment and welfare of entrepreneurs (Machira *et al.*, 2014). As shown in table 10, personal saving was the main source of start-up capital for the majority, (82.4%) of women micro entrepreneurs. Informal Rotating Savings and Credit Associations (ROSCAS) otherwise known as "merry-go-round" and self help groups were the main sources for 10% of women micro entrepreneurs interviewed. 3.8% of the capital sources were from family members while another 3.8% of the sampled respondents were funded by formal financial institutions.

**Table 4.7:** Sources of Start-up Capital

Start-up Capital	Frequency	Percent	Valid Percent	Cumulative Percent
Personal saving	132	82.4	82.4	82.5
Household	6	3.8	3.8	86.2
Self help groups	16	10	10	96.2
Formal financial inst.	6	3.8	3.8	100
Total	160	100	100	

This scenario seems to suggest that women micro entrepreneurs have problems in acquiring credit for business start up or expansion purposes. These results are consistent with findings of Kinyanjui & Munguti, (1999), who assert that women still lack full access to finance and credit. Although inheritance laws were revised with the Succession Act of 1981, women have rarely inherited land and other property as their own right. This means that they lack title deeds which are still the most commonly used form of security for borrowing money (Kinyanjui, 2006).

An interview with one of the key informant (WEF) was carried out and the most severe constraint ranked was lack of credit. The findings indicated that many women micro-entrepreneurs lack start-up capital for fear to take formal financial institutional loans, lack of awareness of existing facilities, and collateral related issues, among others. Further, most respondents interviewed confessed they had collateral related issues and they also fear consequences in case they fail to repay the loan. The WEF personnel suggested that, more awareness is needed in the sector, empowerment, and training for capacity building so as to

realize the high potential within women micro-entrepreneurs.

### Capital Investments

A summary of the start up and capital investment at the time of survey is shown in table 11. Of the total women micro-entrepreneurs sampled, 39.4% had less than 10,000 start up capital. 26.9% invested between 10,000 and 20,000 shillings. Further, 15.6% invested between 20,000 to 30,000 shillings. The findings show that by the end of the year 2014, the percentage women micro entrepreneurs who had invested less than 10,000 as start-up capital had dropped from 39.375% to 22.5%. Similarly, those who had invested 10,000 to 20,000 had dropped from 26.9% to 10%. Still, those who had invested between 20,000 to 30,000 shillings had dropped from 15.6% to 14.4%. It is worth noting that the percentage of women micro entrepreneurs who had invested relatively higher amount, 30,000 to 40,000 and 40,000 to 50,000 had risen from 6.875% to 28.750% and from 5% to 15% respectively. This implies that there is higher number of women micro entrepreneurs who had invested relatively higher amount of money by 2014. The above scenario confirms two things: First, that women operated micro-enterprises have potential for growth. Second, majority among women operated micro enterprises are started and run on relatively low capital base.

**Table 4.82: Start-up and Current Capital Investment**

Range in Ksh	Start up Year		Current Year	
	Frequency	Percentage	Frequency	percentage
0-10000	63	39.375%	36	22.500%
10001-20000	43	26.875%	16	10.000%
20001-30000	25	15.625%	23	14.375%
30001-40000	11	6.875%	46	28.750%
40001-50000	8	5.000%	24	15.000%
50001-100000	6	3.75%	10	6.25%
100001-250000	4	2.50%	5	3.13%

## 5. Summary, Conclusions and Recommendations

### Introduction

The research was carried out in Nakuru Town West Constituency, Nakuru County. The study investigated the constraints to enterprises performance among women micro-entrepreneurs. The specific objective was; to identify socio-economic environments under which women micro entrepreneurs operate in.

### Summary of the Key Findings

From the findings, it is clear that majority of the operators are in the youthful age range of 16-40 years. As for education, the study indicates that majority of the respondents had attained secondary and post secondary levels. A significant number of women micro-entrepreneurs were married and therefore could probably get support from their husbands. Further, the study reveals that for most women micro-entrepreneurs, personal savings was the main source of their business start-up capital.

Performance of women micro-entrepreneurs is affected by among others; socio-economic constraints which include; age, level of education, marital status, training/skills, experience, finance, market, tax, and security. It was found that these constraints affected the performance of women micro-entrepreneurs as shown in “sales growth rate”, “net profit margin”, and “growth in capital” indices. Accordingly, some of the key effects to these constraints are; lack of growth, poor performance, and business decline leading to closures. However, study findings demonstrate that performance can be improved through increased formal education, training and skills, access to credit, improved market, reduced taxation, and improved security. It was also noted that women micro-entrepreneurs used variety of methods Strategies such as joining informal business associations, diversification of products and services, relocation, and training to combat the identified constraints.

### Conclusion and Recommendations

From the research findings, it is clear that women micro-entrepreneurs in the study area are aged between 20-40 years, are married and also involved in variety of businesses

The national government should invest more in education and training for women micro entrepreneurs to be better managers in their enterprises. In addition, The National Government should fully implement the existing policies on credit access to women micro-entrepreneurs as a means to boost their performance. Further, the National Government should also develop policies on reduced taxation to women micro-entrepreneurs as a means to boost their performance.

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