Journal of Emerging Trends in Economics and Management Sciences (JETEMS) 8(1):37-47
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jetems.scholarlinkresearch.com

Access to Finance for Women Entrepreneurs in Kenya: Challenges and Opportunities

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Abstract
This study investigated the challenges and opportunities affecting access to finance for women entrepreneurs in Kenya with the aim of making positive contributions to the Kenyan economic recovery strategies and policy contributions to the Women Enterprise Fund (WEF) by examining the crucial role that women entrepreneurs play in generating wealth and employment creation in the country. The challenges which were addressed included inadequate capital, lack of management & financial skills, inaccessibility to loans/credit, inadequate loan amount, lack of loan collateral, high taxation, inability/difficulty in repaying loans, increased competition, lack of training on business skills and low literacy levels. Using questionnaires and structured interviews to collect data, a correlation analysis on the variables, factor analysis followed by scale reliability tests were used to determine the validity of the results. Key among the recommendations on improving access to finance for women entrepreneurs is the use of mobile and ICT platforms to access loans from the Women Enterprise Fund. Women entrepreneurs need to use business support services like ICT to become more competitive and explore national and global value chains opportunities. The Women Enterprise fund needs to develop, through appropriate legislations, a funding model that uses mobile telephony for women entrepreneurs to access credit. The study findings are significant as they would enable the government to come up with appropriate legislative frameworks, a funding model and business support services that would improve access to finance for women entrepreneurs. This study concludes that the government should improve access to finance for women entrepreneurs, through strengthening friendly loan policies, regulations and use of ICT platforms like mobile telephony to provide loans. It is further concluded that the government through the Women Enterprise Fund should increase the number of loan holding banks to include SACCOs.

Keywords: women enterprise fund, kenya, challenges, opportunity, factor analysis, scale reliability tests.

INTRODUCTION

According to the World Bank (2014), women make up 40% of the world's workforce. It is noted that many of the sectors that are critical for economic growth in some of the developing countries depend heavily on women. Small and medium-sized enterprises (SMEs) with female ownership represent 30% to 37 % of all SMEs (8 million to 10 million women-owned firms) in emerging markets. These businesses have unmet financial needs of between US$260 billion and US$320 billion a year. This is their biggest barrier to growth and development.
The challenges small enterprises face in accessing finance to grow are familiar and well-established. Small enterprises might lack the know-how to access formal financing sources, have little or no collateral to offer, or are perceived as high-risk clients by banks or other financial intermediaries. In the developing world, increased recognition of the role small enterprises play in driving economic growth has led to a proliferation of programs to make it easier for small and medium-sized enterprises to access finance and expand their operations.

It is appreciated that small business owners find it difficult to access finance in general, women entrepreneurs in the developing world face some of the toughest challenges, including lack of supportive policy environments and economic infrastructure, lack of suitable financial products, and limited networks and information.

Access to finance and credit can open up economic opportunities for women entrepreneurs. For example, in the US and South America, the Inter-American Development Bank (IDB) and the Multilateral Investment Fund (MIF), a member of the IDB Group, set aside up to $55 million to help financial intermediaries in Latin America and the Caribbean to implement lending models that support growth in women's businesses. The initiative, called women entrepreneurship banking, aims to provide incentives to banks and other financial intermediaries to test innovative, inclusive lending models for women-owned small and medium enterprises (SMEs).

In Kenya, towards the end of 2007, the government established the Women Enterprise Fund under the Ministry of Gender, Children and Social Development through Legal Notice No. 147 *Government Financial Management (Women Enterprise Fund) Regulations*. The Fund was established as a flagship project of Kenya Vision 2030 and as a step towards ensuring resources reach excluded women. It is also a demonstration of the Kenya Government's commitment to the realization of the Millennium Development Goals (MDGs) on gender equality and women empowerment. Successful execution of the Fund's mandate is supposed to address the existing hurdles women face in venturing and growing sustainable enterprises (Government of Kenya 2009). With regard to its funding, the Fund receives 100% financial support from the Government of Kenya through the annual budgetary allocation.

Statement of the Problem

According to Siwadi et al 2011, under normal circumstances women's enterprises have low growth rate and limited potential partially due to limited access to finance. Kimathi 2009, emphasize that small businesses are held back by tough local conditions such as inability to raise huge collaterals demanded by banks as a condition to access loans. Economically empowered women are major catalysts for development, as they usually re-invest their money in their families' health, nutrition, and education. Reducing gender inequality in resources and improving the status of women is thus "smart economics."

Objectives of the Study

This study investigated the challenges and opportunities affecting access to finance for women entrepreneurs in Kenya. The analysis of these challenges and opportunities affecting access to finance aimed to make positive contributions to the Kenyan economic recovery strategies and policy contributions to the Women Enterprise Fund (WEF) by examining the crucial role that women entrepreneurs play in generating wealth and employment creation in the country.

To investigate the challenges related to access to finance facing women entrepreneurs in Kenya. Recent literature highlights lack of finance as one of the key challenges facing women entrepreneurs in Kenya without analysing and proposing practical measures and a financial model to address this challenge. Using questionnaires and structured interviews to collect data, a correlation analysis on the variables, factor analysis followed by scale reliability tests were used to determine the validity of the results. This study sought to propose a financial model for supporting women entrepreneurs, especially in light of the challenges faced.

Secondly, the study evaluated the opportunities available for women entrepreneurs to access finance. Studies on opportunities for access to finance have highlighted use of mobile money services and business development services including loans offered by financial institutions. However, little has been done on willingness by women entrepreneurs to utilize these opportunities to access finance as well as the factors that affect their willingness. This study highlighted gaps in the existing services. Questionnaires were used to collect data from respondents. A principal factor analysis combined with a multivariate analysis was used to develop a business development services model for women that would suggest practical interventions to enhance these opportunities for women entrepreneurs to access finance.

The study proposed policy recommendations on funding women entrepreneurs through the Women Enterprise Fund to enhance the quality and service delivery. Studies here have made general proposals and recommendations to the WEF but not related to ICT (Information Communication and Technology) or improved business development services. Kenya Vision 2030 and Jubilee manifesto acknowledges ICT as an enabler of other sectors especially women entrepreneurship. There is a gap in practical policy proposals of appropriate ICT tools and applications for SMEs and particularly women entrepreneurs. Using a survey questionnaire, the current ICT tools and business development services in the market were identified and analysed using factor analysis to evaluate the different ICT tools and practices and business development services that make a difference to women to access to finance.

Women make significant contributions to their economies. In many economies, women are starting businesses at a faster rate than men and making significant contributions to job creation and economic growth.

It is estimated that there are about 8 to 10 million formal SMEs with at least one women owner in developing countries. Kenya Vision 2030 flagship project is the institutionalization of WEF to increase its overall amount and efficiency. Jubilee government commitment to women empowerment is to encourage growth of MFIs targeting mainly women. Additionally, review the WEF to assist women entrepreneurs access finance.

The study proposed three hypotheses:

H_1: There is a relationship between collateral requirements and access to finance;

H_2: There is a relationship between business development services and access to finance;

H_3: There is a relationship between awareness of funding opportunities and access to finance.

LITERATURE REVIEW

SMEs have been defined in variety of ways by various countries using such parameters as: number of persons employed, amount of capital invested, amount of turnover or nature of the business and so on. The World Bank states that if any enterprise has below 99 people, it can be defined as an SME.

SMEs sector is considered the core segment of economic development in the country. SMEs play an important role in economic development through creating employment opportunities, mobilizing domestic savings, poverty alleviation, income distribution, regional development, training of workers and entrepreneurs, creating an environment in which large firms flourish, and contributing to export earnings. The study employed two theories: The Innovation Theory of Schumpeter and Economic Theory of Entrepreneurship. A dynamic theory of entrepreneurship was first advocated by Schumpeter (1949) who considered entrepreneurship as the catalyst that disrupts the stationary circular flow of the economy and thereby initiates and sustains the process of development. Embarking upon 'new combinations' of the factors of production – which he succinctly terms, innovation - the entrepreneur activates the economy to a new level of development. Schumpeter introduced a concept of innovation as the key factor in entrepreneurship in addition to assuming risks and organizing factors of production. The entrepreneur sees the opportunity for introducing new products, new markets, new sources of supply, new forms of industrial organization or for the development of newly discovered resources. The entrepreneur is the prime mover in economic development; his function, to innovate or carry out new combinations.

The Economic Theory of Entrepreneurship reveals that entrepreneurship and economic growth will take place in those circumstances where particular economic conditions are in favour of the business environment. The main advocates of this theory were Papanek and Harris. According to them economic incentives are the main forces for entrepreneurial activities in any country. There are a lot of economic factors which promote or demote entrepreneurship in a country. These factors are the availability of bank credit, high capital formation with a good flow of savings and investments, supply for loanable funds with a lower rate of interest, increased demand for consumer goods and services, availability of productive resources, efficient economic policies like fiscal and monetary policies, communication and transportation facilities.

According to Tambunan, T. (2007), common constraints faced by SMEs include lack of capital, limited access to finance, difficulties in procuring raw materials, lack of access to relevant business information, difficulties in marketing and distribution, low technological capabilities, high transportation costs, communication problems, problems caused by cumbersome and costly bureaucratic procedures, especially in getting the required licenses, and, policies and regulations that generate market distortions. The focus of this research is challenges facing women entrepreneurs in accessing finance.

According to IFC (2013), the total supply of formal finance to women-owned enterprises in India in 2012 was around Indian rupees 2.31 trillion ($42 billion). This resulted in a finance gap of Indian rupees 6.37 trillion ($116 billion), or 73% of total demand. The global experience of banks such as Westpac in Australia, Wells Fargo in the United States, and Royal Bank of Scotland clearly indicates that financial institutions can proactively and profitably engage with women entrepreneurs as clients to bridge funding gaps. Financial institutions that have created specific approaches for women entrepreneurs as part of their overall SMEs strategies have seen an increase in the number of women clients, both as entrepreneurs and as consumers.

It has been noted that interest rates charged by banks in Sub-Saharan Africa create disincentives for most borrowers to access funds to invest in their businesses. On the other hand, the interest rates charged by banks discourage most small businesses from applying for bank financing who cannot afford the rates (Diagne and Zeller, 2002; Foltz, 2004).

In India, IFC work to demonstrate that lending to women-owned enterprises as a distinct segment is still unexplored when compared to lending to MSMEs. Due to a lack of segmental focus and, perhaps, due to a higher perception of risk, formal financial institutions have made little effort to better understand this segment. There is a lack of awareness among bankers of the potential business opportunity presented by this segment. One reason for this is the lack of data that would help present a business case to target this emerging sector. In cases where formal institutions have created women enterprises targeted credit schemes, lack of awareness and limited outreach (especially in rural areas) has meant that the impact is limited. IFC thus aims to build awareness about opportunities in access to finance for women-owned businesses; demonstrate commercial viability of offering financial services to this sub-segment; and strengthen capacity of the financial sector to offer targeted financial services to women entrepreneurs.

Fatoki and Smit (2011) in South Africa grouped the major factors that influence the low access to finance by SMEs in two ways; internal and external. The internal factors include business information, collateral, networking, and managerial competences. External factors constitute the legal environment, crime and corruption, ethical perceptions, and macro-economy.
According to OECD (2015), several actions can be taken to mitigate the constraints of SMEs financing and enhance its potential. Supporting the market infrastructure around SMEs funding which include setting up and maintaining central depositories of high quality and easily accessible information around SMEs creditworthiness through public initiative, standardize product offerings and processes, encourage tax-neutrality between debt and equity, nurture vibrant and healthy SMEs-specific ecosystems, ensure a coordinated approach on regulation and a level playing field across products with similar characteristics. To facilitate and induce the use of market-based finance by the SMEs themselves: bridge the educational gap that SMEs are facing, raise their awareness of capital market financing options for SMEs and equip them with the skills required for them to tap the public markets, secure proportionate access costs in a number of ways – including the establishment of SMEs-specific trading platforms or the standardization of custom products tailored to SMEs needs.

Promoting the currently underdeveloped investor base, catalysing long-term institutional investor participation in the SMEs asset class: address any unwarranted regulatory impediments to the participation of long-term investors in SMEs markets, enhance transparency to allow for informed decision-making by patient capital holders, address fragmented markets to stimulate long-term investor appetite and participation on a cross-border basis. Also, encourage the channelling of retail investor funds into SMEs instruments, for example through pension funds, with the relevant investor protection safeguards. These measures are not intended to be mandatory or binding but represent instead potential actions that could be undertaken to support market-based financing of SMEs. Governments should have discretion as to the adoption of any these measures, taking into account their domestic circumstances and other policies.

A study by the ILO (2008) identified a number of government initiatives and strategies aimed at supporting women's entrepreneurship in Kenya. Among these were the establishment of the Women Enterprise Development Fund, the registration of women's groups so that they could benefit from group guarantee loans and access to information and training. The ILO (2008) study also highlighted a number of recommendations, especially targeting financial institutions. First was the need for the development of women-tailored products. One such product would be a combination of asset financing and lease hire facilities. This would minimize the diversion of funds to non-business needs – one of the common problems among women borrowers. Second, institutional capacity and structure of financial institutions needs to be designed in such a way as to address women clients. The institutions should also make deliberate efforts (including the use of specialized programmes) to develop the capacity of women enterprises in terms of their business skills to complement financial services. These programmes should contain inbuilt mechanisms to monitor the progress of such capacity building initiatives. Third, is the need for distribution of special funds. Funds aimed at addressing gender imbalances do not always trickle down to disadvantaged women enterprises. The terms that are imposed by the participating financial institutions sometimes negate the original objectives. It is therefore proposed that the government intervenes and plays a more active role in ensuring that these funds reach these women. Fourth, there is need for advocacy for change. In order for the situation of women enterprises to improve, negative perceptions held by financial institutions about the viability of women-owned enterprises need to be addressed.

METHODOLOGY

A structured questionnaire was administered on a random sample population of women entrepreneurs in three main markets around Nairobi (Kayole, Kitengela and Ongata Rongai). Out of the 300 questionnaires administered to women entrepreneurs, 279 were filled and returned. This represented a response rate of 93% confirming Bailey's (2000) statement that a response rate greater than 50% is adequate. Data obtained from the questionnaires were cleverly analysed using the Statistical Package for Social Science (SPSS) and Excel. Data were also arranged in a meaningful form, into tables of frequencies, percentages, and charts.

The questionnaire had three main sections; section one, captured the demographic details of the entrepreneurs which were analysed using descriptive statistics.
Section two had questions that investigated the challenges related to access to finance facing women

entrepreneurs in Kenya, the data from this section were analysed using a factor analysis on the variables as relates to the hypothesis, and scale reliability test to determine the validity of the results.

Section three evaluated government support services and opportunities available from women enterprise fund. A descriptive statistics and multiple regression were used to identify the main services offered by the government and the opportunities available for women entrepreneurs through the women Enterprise Fund.

The last section sought policy recommendations for improving finance to women entrepreneurs through the Women Enterprise Fund to enhance quality and service delivery of the Fund. A factor analysis and scale reliability test were used to evaluate the different recommendations.

DATA ANALYSIS AND RESULTS

ENTREPRENEUR PROFILE

Age group of the respondents

The age of the respondents was necessary to ascertain their approach to challenges and opportunities on access to finance for women entrepreneurs. The age was grouped in brackets of 20 – 25 years, 26 – 30 years, 31 – 35 years, 36 – 40 years and 41– above years.

Table 1: Age bracket of respondents

Age	Frequency	Percentage (%)
20-25	72	26%
26-30	117	42%
31-35	63	23%
36-40	18	6%
41-above	9	3%
Total	**279**	

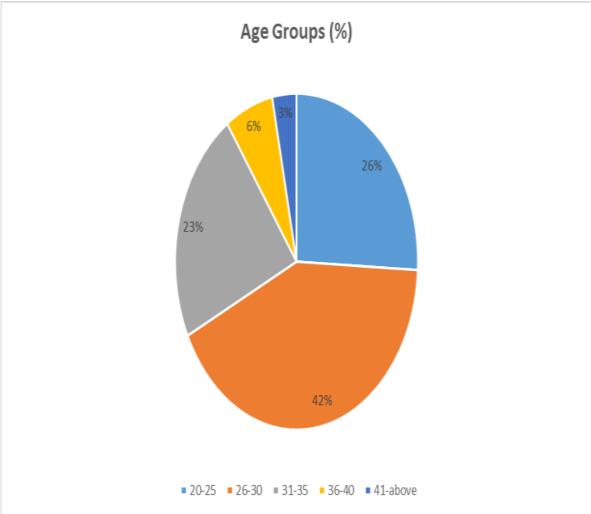

Figure 1: Age group of the respondents

The findings in Table 1 and Figure 1 above indicate that majority of the respondents were of ages between 26 – 30 years representing 42% of the respondents. This is a prime age of young and energetic women who are at the most active period of their lives reflected in their entrepreneurial activities.

Level of Education

It was necessary to seek information to establish the level of education which was categorized as Primary, Secondary, College/University and other.

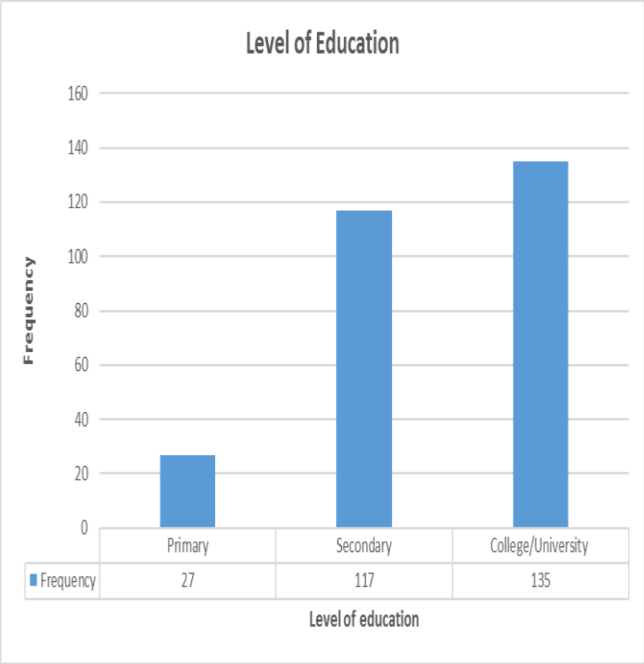

Figure 2: Level of Education

From the findings in Figure 2 above, 48% of the respondents had at least acquired a college/university education. This was important because literacy levels have an impact on access to finance for women entrepreneurs.

Skills and Acquisition

Table 2: Skills and how they were acquired

Skills and abilities	Frequency	Percentage (%)
Management skills	108	29%
Technical skills	81	21%
Financial Skills	72	19%
Marketing Skills	108	29%

Acquisition	Frequency	Percentage (%)
on-job training	135	42%
workshops	54	17%
formal training	90	28%
other	45	14%

The findings from Table 2 above, show that 19% of the respondents only have financial skills relevant to the business. These skills were mainly acquired through on the job training (42%). These findings may explain some of the challenges related to access to finance for women entrepreneurs. However, it is noted that 29% of the respondents have both management and marketing skills relevant for the women enterprises.

ENTERPRISE PROFILE

The researchers sought to find out the profile of the business in terms of the type of business, the reasons for getting into business, the duration of the business and the type of registration. This was important in finding out the challenges and opportunities for the women entrepreneurs in accessing finance.

Type of Business and reason for going into business

Table 3: Type of business and reasons for going into business

Type of business	Percentage (%)
Green grocer	19%
Wholesale/retail	13%
Bakery	3%
Farming	3%
Cosmetics/beauty shop	34%
Mitumba/clothes/shoes shop	19%
General shop	6%
Mpesa	3%
Total	

Reasons for business	Percentage (%)
Lack of source of income	29%
need for additional source of income	32%
Influence from family/friends	3%
Own initiative	35%

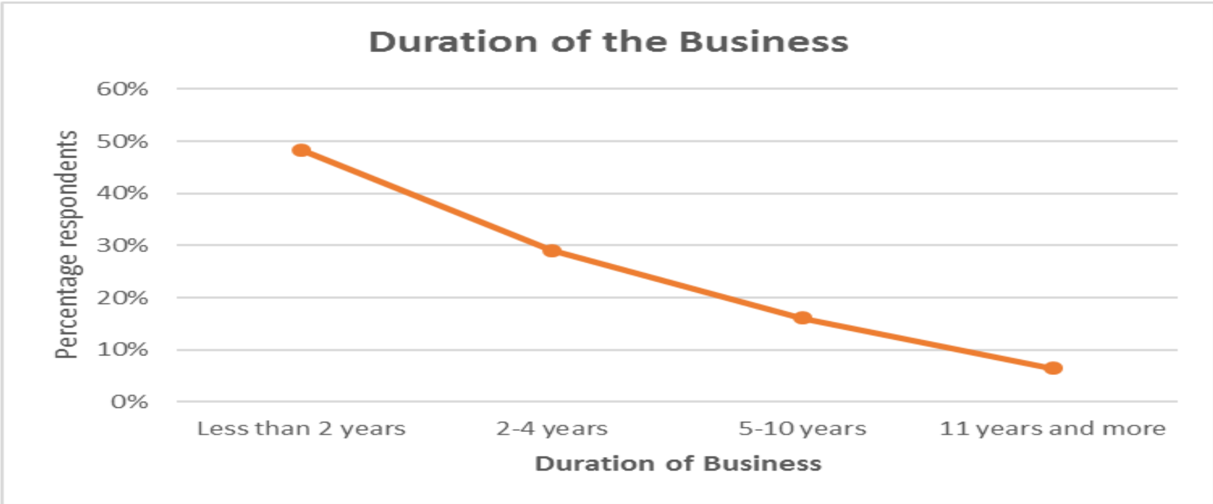

Table 3 and Figure 3 above indicate that 34% of the women entrepreneurs were engaged in cosmetics/beauty business which they indicated the reason for going into this business as their own initiative (35%) and the need for additional income (32%). It is to be noted that the respondents age group was 25 – 30 years (42%) supporting the entrepreneurial zeal among the young women.

Duration of business and type of registration

Table 4: Duration and type of registration of the business

When did you start your business	Frequency	Percentage (%)
Less than 2 years	135	48%
2-4 years	81	29%
5-10 years	45	16%
11 years and more	18	6%

Type of registration	Frequency	Percentage (%)
Single owner	198	71%
Partnership	81	29%

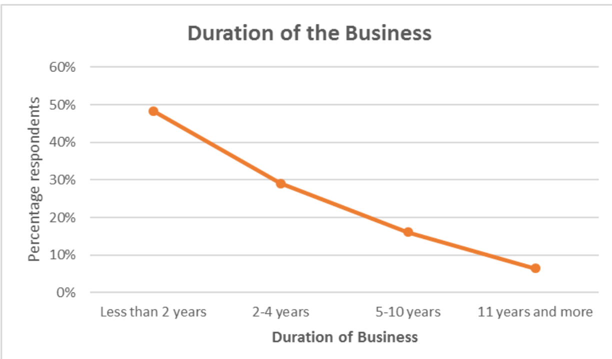

Figure 4: Duration of the business

From the findings in table 4 and figure 4 above, 71% of the respondents have their businesses registered as single owner and were started less than 2 years ago (48%) keeping in mind that 42% of the respondents were aged between 25 – 30 years.

Challenges Facing Women Entrepreneurs

Using Likert scale of points 1 – 5, the women entrepreneurs were requested to rate how often they face 10 selected challenges based on available literature review. These challenges included; Inadequate capital, lack of management & financial skills, inaccessibility to loans/credit, inadequate loan amount, lack of loan collateral, high taxation, inability/difficulty in repaying loan, increased competition, lack of training on business skills and low literacy levels.

A factor analysis and scale reliability tests were conducted to identify the most common challenges faced by women entrepreneurs as shown in the rotated matrix table below and reliability statistics below.

Table 5: Rotated factor matrix for all the challenges

Rotated Factor Matrix[a]			
	Factor		
	1	2	3
Inaccessibility of loans and credit	.907	.218	.217
Lack of loan collateral	.855	.236	
Inadequate loan amount	.811	.152	.278
Inability and difficulty in repaying loan	.752	.272	.246
Inadequate capital	.608	.161	-.122
Low literacy levels	.223	.869	
Lack of management and financial skills	.163	.639	
Lack of training on business skills	.230	.620	.262
High taxation			.936
Increased competition			.203
Extraction Method: Principal Axis Factoring. Rotation Method: Varimax with Kaiser Normalization.			
a. Rotation converged in 5 iterations.			

Table 6: Reliability statistics for the top 5 challenges

Reliability Statistics	
Cronbach's Alpha	N of Items
.914	5

Table 7: Summary reliability statistics

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Inadequate capital	11.09	28.632	.561	.933
Inaccessibility to loans and credit	12.04	22.736	.903	.868
Inadequate loan amount	12.12	23.568	.814	.887
Lack of loan collateral	12.18	22.133	.843	.882
Inability and difficulty in repaying loan	12.28	24.526	.792	.892

From Table 5 above, the top 5 challenges with high value of communality were: inadequate capital, inaccessibility to loans and credit, inadequate loan amount, lack of loan collateral, inability and difficulty in repaying loan. These challenges were further subjected to scale reliability test. A Cronbach's alpha of 0.914 was considered good according to Cooper and Schindler 2008; Sekaran and Bougie, 2013. The alpha coefficients were all greater than 0.7, indicating an acceptable reliability.

This also agrees with the literature from the World Bank Global Report (Global Partnership for Financial Inclusion, 2011) that indicated that access to finance and related challenges are key barriers to women entrepreneurs globally including Kenya. In addition, it supports Siwadi et al 2011, observation that under normal circumstances women's enterprises have low growth rate and limited potential partially due to limited access to finance.

Government Support To Women Entrepreneurs

The women entrepreneurs were asked to express their feelings about the selected government support services. A descriptive statistics test was carried out on all the selected variables.

Table 8: Descriptive statistics on government support services

Descriptive Statistics				
Government support services	**N**	**Mean**	**Std. Deviation**	**Percentage (%)**
Easy license process	279	4	1.035	74%
Provision of loans through banks and sacco	279	4	1.124	73%
Loans and business support services through women enterprise fund	279	4	1.342	70%
Friendly policies and regulations	279	4	1.259	70%
Networking opportunities	279	3	1.48	58%
Access to information	279	3	1.274	52%
Linkage to markets	279	3	1.24	52%
Access to training	279	2	1.067	48%

From the findings in table 8 above, 70% and above of the respondents agreed that easy license process (74%), provision of loans through banks and SACCO (73%), loans and business support services through Women Enterprise Fund (70%) and friendly policies and regulations (70%) are key support services that the government must support to enable women entrepreneurs access to finance. Access to training was considered the least support service at 48%. This is in line with OECD (2015), which postulated several actions that the government can undertake to mitigate the constraints of women entrepreneurs financing and enhance their potential. The findings also corroborate ILO (2008) recommendation that governments need to make deliberate efforts (including the use of specialized programmes) to develop the capacity of women enterprises in terms of their business skills to complement financial services.

Loan Opportunities From Women Enterprise Fund

A multiple regression was carried out to test the following hypotheses

H_1: There is a relationship between collateral requirements and access to finance;

H_2: There is a relationship between business development services and access to finance;

H_3: There is a relationship between awareness of funding opportunities and access to finance;

Table 9: Multiple regression model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.502[a]	.252	.249	.768	.252	93.162	1	277	.000
2	.684[b]	.468	.464	.649	.216	112.015	1	276	.000
3	.690[c]	.476	.470	.645	.008	4.266	1	275	.040

Table 10: Pearson correlation coefficient matrix

Correlations					
		Easy access to loans	Affordable loans	Effective support services	Easy access to information
Pearson Correlation	Easy access to loans	1.000	.502	.650	.411
	Affordable loans	.502	1.000	.487	.484
	Effective support services	.650	.487	1.000	.407
	Easy access to information	.411	.484	.407	1.000

Table 11: R-square model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.690[a]	.476	.470	.645

The results in table 9 show that the P-Value is .000, .000 and .040 are all less than alpha value of 0.05. Therefore, the null hypothesis is rejected in favour of the alternative hypothesis confirming that there is a strong relationship between collateral requirements, business development services and awareness of funding opportunities to access to finance by women entrepreneurs.

The results in Table 10 show that the study sought to establish the influence of collateral requirements, business development services and awareness of funding opportunities on access to finance. Gitman 2003, defines collateral as the assets committed by borrowers to a lender as security for debt payment. This agrees with Rambo (2013) observations that most women entrepreneurs are not aware of funding programs and that they face difficulties in accessing funds. It also agrees with Global Partnership for Financial Inclusion (2011), that identified lack of sufficient collateral as one of the main reasons cited for rejection of loans and discourages many women from approaching banks. In addition, the results agree with Charbonneau and Menon (2013) who suggests that women entrepreneurs need to use business support services like ICT to become more competitive and explore national and global value chains opportunities. The results in Table 11 show the model summary which indicates the adjusted R square used as test for model fitness. The F-test was carried out to test the significance of the regression model in predicting the dependent variable (access to finance). From the results, it was found that the independent variables moderately predict access to finance in women enterprises (adjusted R squared = .470). That means the model explains 47 % the variance in the access to finance.

Recommendations For Improving Access To Finance For Women Entrepreneurs

A factor analysis was carried out to identify the key recommendations from the respondents on how to improve access to finance for women entrepreneurs.

Table 12: Reliability statistics on improving access to finance

Reliability Statistics	
Cronbach's Alpha	N of Items
.796	7

Table 13: Statistics for the various variables

Item Statistics			
	Mean	Std. Deviation	N
Increased funding	4.26	.843	279
Use of mobile and ICT platforms to access loans	4.27	.891	279
Access to information	4.43	.716	279
Introduce business incubators for start-ups	4.46	.586	279
Increase number of loan holding banks	4.28	.865	279
Timely disbursement of funds	4.17	.864	279
Reduced collateral and minimum loan guarantee	4.09	.749	279

Table 14: Item-total statistics for all variables

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Increased funding	25.70	9.780	.647	.745
Use of mobile and ICT platforms to access loans	25.69	9.165	.730	.726
Access to information	25.53	12.703	.134	.831
Introduce business incubators for start-ups	25.49	11.870	.418	.788
Increase number of loan holding banks	25.68	9.241	.743	.724
Timely disbursement of funds	25.78	9.831	.612	.752
Reduced collateral and minimum loan guarantee	25.87	11.314	.401	.791

Seven factors as indicated in the table 12 with a Cronbach alpha value of 0.796 was considered good according to Cooper and Schindler 2008; Sekaran and Bougie, 2013. The alpha coefficients were all greater than 0.7, indicating an acceptable reliability. The seven factors recommended by the respondents were: increased funding, use of mobile and ICT platforms to access loans, access to information, introduce business incubators for start-ups, increase number of loan holding banks, timely disbursement of funds, reduced collateral and minimum loan guarantee.

These recommendations agree with Rambo (2013), Global Partnership for Financial Inclusion (2011), and Charbonneau and Menon (2013). In addition, IFC 2013 recommends that in order to enable access to finance to women entrepreneurs, there is need to build awareness about opportunities in access to finance, demonstrate commercial viability of offering financial services to this sub-segment, and strengthen capacity of the financial sector to offer targeted financial services to women entrepreneurs.

LIMITATIONS OF THE STUDY

The study was conducted in three main markets around Nairobi these are Kayole, Kitengela and Ongata Rongai, it will be useful to carry out similar studies in other markets in the 47 counties of Kenya.

CONCLUSION

A number of recommendations are made from this study on improving access to finance for women entrepreneurs. Key among the recommendations is the use of mobile and ICT platforms to access loans from the Women Enterprise Fund (WEF). Women entrepreneurs need to use business support services like ICT to become more competitive and explore national and global value chains opportunities. The Women Enterprise fund needs to develop, through appropriate legislations, a funding model that uses mobile telephony for women entrepreneurs to access credit. It is acknowledged that women entrepreneurs currently access their loan status via mobile telephony. However, access to credit is still not available as one of the mobile services.

Though the government has provided good business support through Women Enterprise Fund, a number of challenges were identified. These challenges included inadequate capital, lack of management & financial skills, inaccessibility to loans/credit, inadequate loan amount, lack of loan collateral, high taxation, inability/difficulty in repaying loan, increased competition, lack of training on business skills and low literacy levels. The government therefore need to enable easy license processes, provide loans through banks and SACCO, improve loans and business support services through Women Enterprise Fund and strengthen friendly policies and regulations to enable women entrepreneurs access to finance.

For further research, it would be useful to carry out a study on regulations and policies conducive for women entrepreneurs to improve access to finance.

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