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MSEs Female Entrepreneurs and Credit Acquisition from Micro-finance Institutions in Githunguri Sub-county of Kiambu County in Kenya

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Abstract:
Women entrepreneurship could be an effective strategy of eradicating poverty in a country, since women forms the majority of the country's population. However, it is discovered that women entrepreneurs, mostly in developing countries are faced with myriad challenges in their entrepreneurial activities such as lack of adequate credit acquisition from micro financial institutions, poverty, and societal discrimination among others. This study sought to investigate the constraints of credit acquisition by MSEs female entrepreneurs in Githunguri Sub-county of Kiambu County. The general objective of this study was to investigate the constraints of credit acquisition by MSEs female entrepreneurs from Micro Financial institutions in githunguri Sub-County of Kiambu County. The specific objectives were to establish the relationship between collateral security, level of education and cultural norms and social aspects, and acquisition of credit by MSEs female entrepreneurs in Githunguri Sub-County. The study adopted descriptive survey approach to collect data. The target population was 600 enterprises owned by women entrepreneurs in Githunguri Sub-County. A sample of 10% was drawn from each stratum to get a sample size of 60 respondents. Primary data was collected using questionnaires which were self-administered through drop and pick method to sampled women owner's respondents. The data was then analyzed using descriptive statistics. The study revealed that lack of collateral, inadequate level of education and cultural norms and social aspects, hinders women entrepreneurs from accessing credit facilities from Micro-financial institutions. The study concluded that, lack of collaterals required, inadequate level of education and cultural norms and social aspects had a strong and negative impact towards finance accessibility by women entrepreneurs in Githunguri Sub-County.

Keywords: *Microfinance, women entrepreneurs' credit acquisition, MSEs*

1. Introduction

Women entrepreneur is a female who have initiated a business, is actively involved in managing it and owns at least 50 percent of the firm and have been in operation one year or longer (Ahmed and Nor 2011). Women play an essential role in economic growth and development of a country together with their families and communities at large but certain constraints such as low household income, lack of finance, poverty, unemployment, social segregation and societal discriminations especially in third world or developing countries have limited their effective performance of that role. As a result most women engage in entrepreneurship activities to support themselves together with their families economically although they face challenges to maintain their business enterprises due to difficulties in accessing to micro credit facilities. Women entrepreneurs around the world are making a difference. They contribute numerous ideas and a great deal of energy and capital resources to their communities, and generate jobs as well as create additional work for suppliers and other spin-off business linkages (Common wealth secretariat, 2002). Siwadi and Mhangami (2011) adds that it is undeniable that women entrepreneurs are the major actors in entrepreneurship sector and contributors to economic development and are becoming increasingly visible in the local economies of developing countries. However according to Wole(2009) Securing capital for women business operation in urban centers is one of the major obstacles of every women entrepreneur.

Githunguri-Sub County is one of the densely populated sub-counties in Kiambu County and women population forms a substantive percentage of the entire population. Most of the women are in entrepreneurship activities so as to support themselves and their family economically, considering that cost of living has drastically risen over the recent years. Despite the crucial role of women entrepreneurs in the economic development of their families and countries; it is, however, discovered that women entrepreneurs have low business performance compared to their male counterparts (Akanji, 2009); and this is caused by factors which normally affect entrepreneurial performance. Such factors include lack of finance, education or training, and social capital (Shane, 2008).

Literature supports the fact that women entrepreneurs, mostly in developing countries, do not have easy access to credit for their entrepreneurial activity (Ibru, 2009; 2008; Kuzilwa, 2005; Lakwo, 2007).The rate of women participation in the informal sector of the economy is higher than males (Akanji, 2008; Akinyi, 2009).This is due to poverty, unemployment, low household and business income and inability to save (May, 2009; Roomi & Parrot, 2008). Women entrepreneurs, mostly in developing countries, lack the ability to save (Akanji, 2006; Mkpado & Arene, 2007), yet savings are needed to accumulate and protect income, act as a security for loan and could be re-invested in the business (Akanji, 2008)).According to the 2009 National MSEs Baseline survey, there were 812,848 women in Micro and Small Enterprises (MSEs) in Kenya, accounting for 47.4 per cent of all those in MSEs. Kenyan government recognizes that women entrepreneurs have not been on an equal footing when it comes to their access to opportunities, finance and assets but it has yet to effectively address the barriers facing women in business (Athanne, 2011). Lack of capital to start or run business led women to request for credits from micro-finance institutions which is not easily accessible (Ibru, 2009; Kuzilwa, 2009). According to Kotey and Folker (2010), Microfinance is the provision of financial services such as savings, loans and insurance to poor people living in both urban and rural areas who are unable to obtain such services from the formal financial sector. It is from this background that this study sought to establish the constraints of credit acquisition by female entrepreneurs from micro-finance institution in Githunguri sub-county.

1.1. Statement of the Problem

Micro and Small Enterprises (MSEs) play an important role in the Kenyan economy**.** In MSEs Women owned businesses are known for their low start up and working capital (Siwadiet al 2011).It is observed that under normal circumstances women's enterprises have low growth rate and limited potential partially due of lack of finance. most female owned businesses are noted to be smaller, grow slower and generates lower sales turnover than their male counterparts (Minniti 2009).As a result several women entrepreneurs in Githunguri Sub-County have turned to micro-financial institutions to solace for funds to start, run and expand their businesses. However Limited access to finance has been identified as the key constraint facing women entrepreneurs globally (Jamali2010).This study sought to establish the constraints women entrepreneurs in Githunguri Sub-County faced as they solaced funds from micro financial institutions.

1.2. Objectives of the Study

The general objective of this study was to establish the constraints of credit acquisition by MSEs female entrepreneurs from Micro Financial institutions in Githunguri Sub-County of Kiambu county.

1.3. Specific Study Objectives

The study aimed to achieve the following specific objective

i. To establish the relationship between collateral security and credit acquisition by MSEs female entrepreneurs from micro-financial institutions in Githunguri sub-county.
ii. To examine the relationship between level of education and credit acquisition by MSEs female entrepreneurs from micro-financial institutions in Githunguri sub-county.
iii. To determine the relationship between cultural norms and social responsibilities on credit acquisition by MSEs female entrepreneurs from micro-financial institutions in Githunguri Sub-county.

1.4. Research Hypotheses

- H01: There is no relationship between collateral security and credit acquisition by MSEs female entrepreneurs from micro-financial institutions in Githunguri sub-county.
- H02: There is no the relationship between education and training and credit acquisition by MSEs female entrepreneurs from micro-financial institutions in Githunguri sub-county.
- H03: There is no relationship between Cultural norms and social responsibilities and credit acquisition by MSE female entrepreneurs from micro-financial institutions in Githunguri sub-county.

2. Literature Review

2.1. Introduction

This chapter covers literature review, the theories that were relevant to acquisition of financial services, the empirical review and conceptualization. This provides the theoretical and empirical foundation to the study.

2.2. Theoretical Literature

Several theories are available that explain why an investor or entrepreneur would select a particular sources of finance to finance business activities. This study was guided by three theories of loanable funds, liquidity preference theory and the pecking order theory. The three theories are discussed below in detail to explain some of the factors that may have influenced finance acquisition from financial institutions.

2.3. Loanable Funds Theory

This theory was proposed by Hansen A.H in 1951.According to this theory the quantity of money supplied depends on the demand for money in the market which is determined by the interest charged on loans lent which is the price of financial service acquired when all other economic factors are held constant .Borrowing from banks and other financial institutions is one of those ways through which firms and individuals can acquire external funding to finance their operations (Adekanye & Adedoyin, 2011). Individuals and institutions that require funds get it from those who have excess funds to save through the intermediaries such as banks and other financial institutions. For the suppliers of the funds in the market to supply the required funds to those who need the funds, there are costs charged on the funds disbursed. Similarly, quantity of money demanded in the market depends on price and interest when other factors are held constant. When the price is low, interest will be high and the quantity supplied low. This implies that less loanable funds will be available. But when the price increases, the interest falls and the supply increases. Theory is relevant to the study since women entrepreneurs consider the cost (interest rate) of acquiring finance from financial institutions before they proceed to get the finance. If interest rate high, they shy away from applying for finance.

2.4. Financial Capital/Liquidity Theory

This theory was formulated by John Maynard in 1936 and suggests that people with financial capital are more able to acquire resources to effectively exploit entrepreneurial opportunities, and set up firms. Entrepreneurs have individual-specific resources that facilitate the recognition of new opportunities and the assembling of new resources for the emerging firm (Alvarez and Busenitz, 2010).Empirical research has shown that, founding of new firms is more common when people have access to financial capital (Evans and Jovanovic, 2009) Studies have shown that, financial aspects of setting up a business are without doubt the biggest obstacles to women entrepreneurs (Zororo 2011). Women entrepreneurs often lack information about how to get loan, lack the necessary collateral to obtain one and/or face discriminatory laws or practices related to finance and credit (Common Wealth Secretariat 2002).

2.5. Pecking Order Theory

This theory was developed by Myers and Majluf (1984) as an alternative explanation as to why a firm would select a certain capital structure. According to (La Rocca., and Cariola, 2009) the theory suggestes that firms should finance their activities in a hierarchical fashion. The theory explains how firms choose to obtain new financing for their establishments, future expansion and growth. MSEs by their very nature are generally financed by self due to lack of accessibility to external financing like long term debt which is the basis of the Pecking Order Theory. The theory suggests use of internal sources followed by debt and then equity. For MSEs, female entrepreneurs in Githunguri Sub –County, self-financing come first followed by loans from family members and friends. Others request credit from micro-financial institutions which is sometimes hard to get due to constraints imposed (Ibru 2009). Therefore this Theory was found to be one of the most relevant theories to this study since most MSEs tend to finance their business activities to a large extent by self and then friends.

2.6. Empirical Literature Review

In most developing countries including Kenya, women entrepreneurs encounters barriers to get employment in formal labour market and have to opt to entrepreneurship as a form of employment and economic gain (Minniti 2009).Female entrepreneurs have become increasingly point of focus in relation to their growth and development. They play a crucial role in economic growth and development of the countryas they generate income, create employment and contribute to Nation's welfare in the long run. However certain constraints such as lack of sufficient finance, lack of adequate training and skills, level of tertiary education, social discrimination, legal business start up requirements and multiple chores are major obstacles to their effective performance as entrepreneurs**.** Past studies reveal that female entrepreneurs have low business performance compared to their male counterparts (Akanji 2009) and this is attributed to the factors that affect entrepreneur activities (Shane 2008).Women business tend to be smaller, grow slower, less profitable and generates lower sales turnover than their male counterparts (minniti and Naude 2009). Most studies report higher failure rates for female owned businesses than those for male. This is supported by study conducted by Riding and Swift (2011). Study by Mukhtar, (2010) found that there are a variety of constraints on women entrepreneurs and the ability of women entrepreneurs to upgrade their production continuously. These include poor access to market information, technology, and finance, poor linkages with support services and unfavorable policy and regulatory environment. On accessing finance, Carter (2008) observes, women entrepreneurs tend to have fewer resources to start up business, which is manifested in personal savings being less available.

Women entrepreneurs are investing less in their businesses; appear less successful in their business performance and growth and in achieving their business goals. Mukhtar, (2010) in his study agrees that, financial gain does not represent such an important start-up goal as, for instance, independence or flexibility to interface family and work commitments. According to studies conducted by Arthur (2011) one of the major obstacles faced by female entrepreneurs is access to finance. Lack of access to financial services especially credit affected performance of MSEs female entrepreneurs. As a result of the problems limiting acquisition of financial services most of MSEs continue to perform at low levels or are bound to close shop. According to national survey of 1999 indicated that 36 percent of small business went down because of lack of capital (Republic of Kenya, 1999).Some of the constraints female entrepreneurs face as they solace funds from micro financial institutions are discussed below:

2.7. Lack of Collateral Security

Worldwide, women face several challenges in starting and running a business. According to World Bank report (2012) on Women Business and Law, women in Middle East and North African countries have fewer inheritance rights than men. The report also indicates that women only own one percent of the world's property. This implies that few women in the world have assets registered under their names and it becomes difficult for them to provide collateral security to micro-financial institutions when they want to secure credit. In Kenya although inheritance laws were raised with the succession Act of 1981 women have rarely inherited land and other property in their own rights. The greatest barrier facing women entrepreneurs in Kenya is access to finance(Arthur 2011). In Kenya only 1% of women own property and that makes it very difficult for women to provide collateral security to micro financial institutions to access credit. The financial aspects of setting up a business are without doubt the biggest obstacles to women (Zororo 2011).

Women entrepreneurs often lack information about how to get a loan, lack the necessary collateral to obtain one and /or face discriminatory laws or practices related to finance and credit (Common wealth secretariat 2002). Finding the finance to start a new business, or to grow an existing one is a difficult challenge. Women entrepreneurs have financial social demands that compete with business capital, leading to a diversion of capital away from business needs. According to Kinyanjui (2010), some entrepreneurs felt that it was difficult to obtain loans as they had to show credit records and they did not fully understand the requirements getting and paying loans. Formal financial support is seen to be too expensive for many women entrepreneurs and hence they treat this as a lastresort. (Stevenson and St-Onge, 2009). Female entrepreneurs don't have easy access to external funds due to their inability to provide tangible security. According to World Bank (2008) there is great need for women entrepreneurs to get access to credit facilities and the policymaker should understand and address this issue. Studies have shown that loans to MSE entrepreneurs only satisfy a fraction of women entrepreneurs of their financial needs (Women Entrepreneurs in Kenya, 2008). Women are forced to participate in lending groups and very few of them are able to access financing because they do not have resources(property, collateral) to act on an individual basis (Fletschner, 2008).It is established that adequate finance promote entrepreneurship (Gatewood, Brush and Carter 2011).

2.8. Level of Education

Levels of basic and tertiary education have positive effect on entrepreneur's credit acquisition and business performance. Basic education enhances the overall quality of the entrepreneur by providing him/her with basic numerical and literacy skills, thus increasing the chance of business survival (Carter and Jones (2008). In the study by (Ibru 2009), many women entrepreneurs lack tertiary education and training especially in developing countries. Banks and other lending institutions consider knowledge acquired through formal education and training as evidence of proficiency. Kira (2013) noted that firms owned and managed by less educated and less experienced had challenges accessing finance from banks and other financial institutions.

Lack of education and entrepreneurship training are some of the constraints facing MSEs female entrepreneurs in acquiring financial services from financial institutions and even delivering their service. Adequate knowledge is needed so as to know and understand the procedure to be followed to acquire finance from micro-financial institutions. In education, preference is given to boys, thus the educational level of most women entrepreneurs is very low, creating a barrier to them accessing training and other business developments services including finance. (Women entrepreneurs in Kenya, 2008). For borrowing, it is not only formal education that is necessary. Even those who have better training than primary education still have difficulty accessing loans from banks and other financial institutions. Women are usually less educated than men, making them less well equipped to manage a business (Commonwealth secretariat, 2002).

Lower education levels puts women entrepreneurs in Kenya at a disadvantage compared to men. While gender gap in primary education in Kenya has decreased in recent years, the gap remains high at secondary and tertiary education levels. Women have little access to education which results to their limited capacity for growing their business beyond the informal micro enterprise sector. Consequently the businesses of most women entrepreneurs are constrained by weak managerial and marketing skills, finance and technology absorptive capabilities (Wole, 2009). Lack of sufficient education and training for women is a barrier to micro-enterprise success. It decreases the chances that women will have the knowledge needed to excel in business, and thereby contribute to the country's overall economic growth. Culturally, the girl child is not given equal opportunity to study like the boys; hence they had limited education and training which tends to affect effective performance in later life. Female entrepreneurs have low level of education than their male counter parts and about ten percent of all the entrepreneurs had no formal education (GOK 1997). This affects them when exploiting entrepreneurial opportunity including acquisition of funds from financial institutions. Women entrepreneurs often lack information about how to get a loan, lack the necessary collateral to obtain one and /or face discriminatory laws or practices related to finance and credit (Common wealth secretariat 2002).

2.9. Cultural Norms and Social Aspects

Socially accepted norms of behavior and the roles women play in their families can have profound effects on the type of economic activities women engage in, the technologies available to them, people and agencies they interact with, the time they have, the availability and control of finances (Fletschner and Kenney, 2011. Socio cultural norms restrict women's mobility, their ability to attend trainings or receive formal education; access to information, institutions, finance and markets is compromised. Access to finance is a challenge common to all MSEs but women entrepreneurs faces a complicated challenge which is compounded by the multifaceted gender related problems that inhibit their ability to access credit. Securing capital for starting business is one of the major obstacles of every entrepreneur particularly in the MSE sector but women entrepreneurs face additional constraints to secure financial resources (Wole, 2009).

Women compared with men tend to have more limited control over resources accepted as collateral, less access to information and finance, to be more risk averse and face a different set of activities regulated by social norms. They tend to have lower access to credit facilities, education, land and training facilities than their male counterparts. Katepa, (2009) noted that women tend to have lower access to credit facilities, education, land and training facilities than their male counterparts. Many socio-cultural factors in Kenya impact negatively on the upbringing of girls. Many ethnic cultures socially condition girls to acquire the need for affiliation, rather than achievement. According to Kuratko and Welsch, (2010), women entrepreneurs have long been victims of gender related discrimination. Women seems to be worse in African countries where the financial sector is male oriented for example, they experience particular difficulties in gaining bank finance for their ventures (Abor and Biekpe 2011).

Women's access to financial resources is limited by biased lending practices that emerge when financial institutions in the area consider them smaller, less experienced and therefore less attractive clients, or when institutions lack the knowledge to offer products tailored to women's preferences and constraints (Fletschner, 2009). Sometime women are not taken seriously by providers of funds when applying for funds. It is noted that due to patriarchal social authority structures worldwide, women receives substantial family support in the start-up stages of their businesses, but later on such support is limited, restricted or withdrawn for fear of husbands losing dominance over their wives. Past studies in countries like Paraguay, Malawi and Bangladesh find that women are more likely to be credit constrained than men, and the factors affecting whether or not they are able to meet their needs for capital are different (Fletschner, 2009). The extent to which institutions reach out to women and the conditions under which they do vary noticeably, but women are at a disadvantage when an institution does not fund the type of activities typically run by women, when it does not accept female guarantors, when its requirements are not clear or widely known, as it is typically the case, loans to women are smaller than those granted to men for similar activities (Fletschner, 2008, World Bank, 2008). Women face specific challenges associated with their gender (Wole, 2009). This has made it worse for women to participate fully in entrepreneurship.

3. Conceptual Flame work

According to Mugenda (2008), a conceptual framework is a hypothesized model portraying the relationship between variables graphically or diagrammatically. It is used to explain how the independent variables affect the dependent variable. In this study, the conceptual framework is based on three important variables that are assumed to limit the accessibility of finance by MSEs women entrepreneurs in Githunguri Sub -County. They include: lack of collateral, level of education and training and cultural norms and social aspects factors.

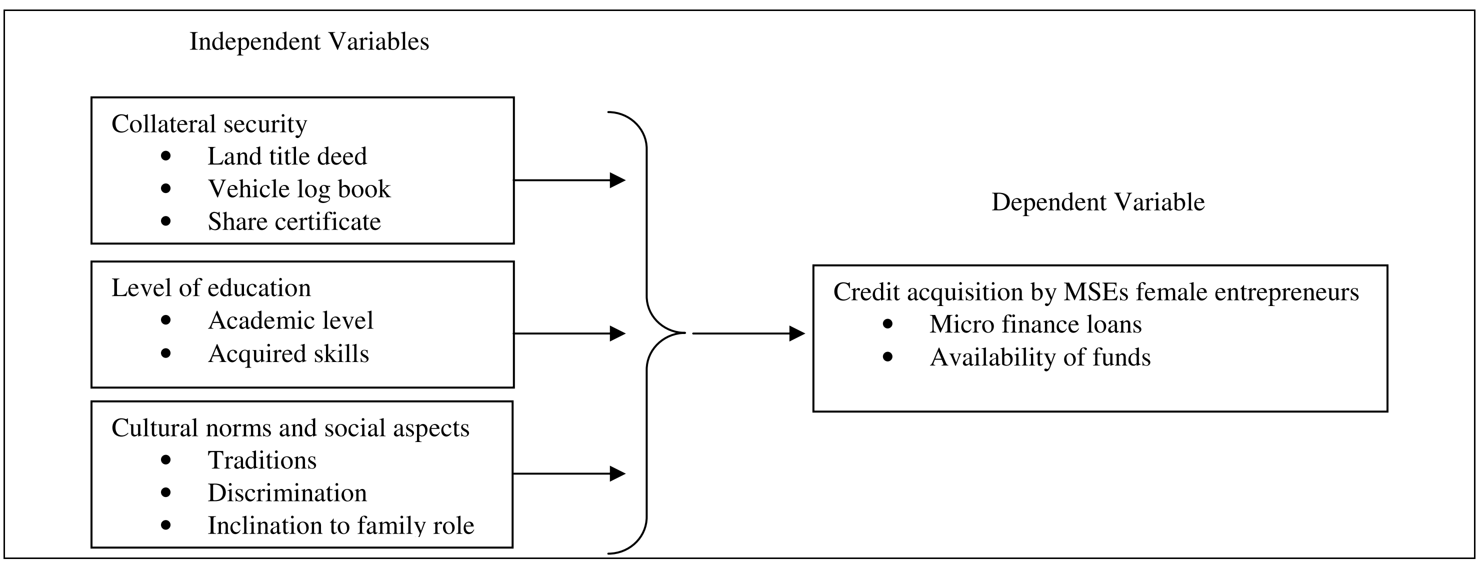

Figure 1

Source: Researcher, 2016

3.1. Research Gaps

In the past several studies have been done on women entrepreneurship and the challenges they face that affect the performance of their enterprises negatively. Limited access to finance has been identified as the key constraint globally (Minniti, 2009; Jamali (2009). Despite the resources available, from private and public development finance institutions, only few women are able to access them. Studies indicate that many women rely largely on support from husbands, partners and relatives to successfully start and grow business (Jennings and McDougal, 2008). Very little has been studied on the reasons as to why female entrepreneurs face daunting challenges in accessing business finance from micro finance institution in Githunguri Sub-County in Kenya and this study fills this gap.

3.2. Research Design

According to Kothari (2006) a research design is a conceptual structure within which research is conducted. This study adopted descriptive survey approach to collect data. According to Orodho (2009) this design allows researcher to gather information, summarize, present and interpret for the purpose of clarification. It ensures collection of relevant information with minimal expenditure of effort, time and money.

3.3. Population of Study

This study targeted the licensed micro and small scale female entrepreneurs who operate within Githunguri Sub County. The targeted population was 600 female entrepreneurs who operated different business enterprises within the sub –county. The following table shows various business categories operated by women entrepreneurs in Githunguri Sub-County.

Business Category	**Population**	**Percentage**
Retail shops	154	25
Tailoring and boutiques	90	15
Groceries	96	16
Hotels	83	13
Medical and health	44	8
Telephone bureaus	75	13
Others	58	10
Total	**600**	**100**

Table 1: Total Population Distribution
Source: Githunguri Sub-County Authorities.

3.4. Sampling Techniques and Sample Size

Stratified random sampling was used to identify the female entrepreneurs to participate in data collection. This technique allowed generalization of findings and to make inferences from the sample so as to facilitate conclusion. Random sampling was ideal for the study as it gave the study a representative sample without bias. According to Mugenda and Mugenda (1999), indescriptive research 10% to 20% of accessible population is adequate for a sample. The researcher opted for 10% of accessible population of 600 female entrepreneurs that translate into a sample of 60 female entrepreneurs.

Business Category	**Population**	**10%**	**Sample Size**
Retail shops	154	10%	15
Tailoring and boutiques	90	10%	9
Groceries	96	10%	10
Hotels	83	10%	8
Medical and health	44	10%	4
Telephone bureaus	75	10%	8
Others	58	10%	6
Total	**600**	**10%**	60

Table 2: Distribution of Sample Size
Source: Researcher 2015

3.5. Data Collection Instruments

Data collection instrument is a device used to collect data in an objective and a systematic manner for the purpose of the research (Orodho, 2009).The study mainly relied on primary sources which included administration of questionnaire. The questionnaires were dropped to respondents by the researcher and collected after they were filled. According to Kothari (2006) the information obtained from questionnaires is free from bias and researchers influence and thus accurate and valid data was gathered

3.6. Data Analysis and Presentation

The data from respondents was coded to convert responses into measurements that could be statistically analyzed. The data was then analyzed using Statistical Package for Social Science (SPSS) version 22 and MS Excel. Descriptive statistics and inferential statistical tools (Chi-square) was used to analyze data, and information obtained was tabulated by use of frequencies and percentages. According to Mugenda (2008), the purpose of descriptive statistics is to enable the researcher to meaningfully describe distribution of scores or measurements using statistics. The results of data analysis were then presented in form of frequency tables, percentages and bar charts.

4. Research Findings and Discussion

The researcher conducted chi-square analysis to determine the accessibility of finance by MSEs female entrepreneurs from micro finance institutions in Githunguri Sub-County. The researcher used statistical package for social sciences (SPSS) to code, enter and compute the results of the study.

4.1. Model Summary

Responses	X^2 value	P-Value
• Lack of enough business Startup capital	46.213	0.000
• Difficult in financing business startup capital	74.612	0.000
• Required to produce collateral to access credit	77.300	0.000
• Most women do not own assets required to secure credit financing	137.230	0.000
• Lack of collaterals is the single greatest barrier to women 88.443 0.000 entrepreneurs seeking credit financing		

Table 3: Lack of collateral

From table 3, above it's observed that at 95% confidence level lack of collateral has significance effect to access of finance by women entrepreneurs from micro-finance institutions since all computed P-Values are 0.000, less than the significance level of 0. 05. This implies that collateral is important in acquiring finance from micro- financial institutions. Since most women do not own the tangible assets which acts as collateral, they stand disadvantaged. They are forced to look for alternatives sources of finance that are available like borrowing from friends and family members.

Responses	X^2Value	P-Value
• Some business activities are seen as exclusive male	79.850	0.000
Some communities confine women roles in house affairs	85.260	0.000
• Some family roles do not support women participation in business	132.300	0.000
• Few women own a business account	42.833	0.000
Few women own assets	58.320	0.000

Table 4: Effect of cultural norms on finance accessibility

From table 4 above, it was observed that at 95% confidence level, cultural norms have a significance effect to access of business finance by MSEs women entrepreneurs from micro-finance institutions since all computed P-Values are less than the significance level of 0.05. African culture has been a bit rigid where the place of a woman has been viewed to be in the kitchen apart from taking care of the children. This has denied some of them an opportunity to acquire formal education to a higher level. Those who are lucky to join formal education majority of them end up in courses that are traditional-role based like salonists, groceries and tailoring which they can operate together with their family chores. Those who are greatly affected are those who are young with young families as revealed by the study (age between 21-35 years). Therefore they are denied the chance to venture in male-dominated chores.

4.2. Effect of Level of Education and Finance Accessibility

Result of the research showed that very few women entrepreneurs have high qualification in education. The result illustrated a very small percent of women have attained the degree level (12.4%). Those who have attained diploma level accounted for 23.8% and certificate level 47.5% and others 16.3%.This implies that most of women entrepreneurs don't have sufficient knowledge on how to acquire finance, the requirements, and the cost of the finance and they lack enough entrepreneurial skills to manage large scale businesses. On the other hand, many women who gets an opportunity to advance in education go ahead to seek formal employment. A few of those who are not lucky to secure a formal employment turn into entrepreneurship as their last option.

5. Conclusion

The study sought to establish the constraints of credit acquisition by MSEs female entrepreneurs from Micro Financial institutions in Githunguri Sub-County. The research has revealed that there is no doubt that women entrepreneurs face a lot of challenges while accessing finance from micro-financial institutions.

Lack of collateral was found to be a hindrance to credit accessibility by women entrepreneurs as also is noted in the World Bank report (2012) on Women and Law. This is due to lack of ownership of tangible assets like land, animals, vehicles etc which are used as collateral to secure credit. To a greater extent, it's the reason why the businesses operated by women tend to be small in size.

Cultural norms were found to be an obstacle on finance accessibility by women entrepreneurs For example the African culture has always seen a woman as a housewife. Her major responsibility is to provide for the family taking care of the children and run a small business if any to feed the family. Therefore their small businesses generate very little income. Due to this low income, MSEs women entrepreneurs find it harder to get financing from formal lending institutions (OECD, 2006) as they are perceived to be more risky and non-profitable in terms of profits contribution to the financier .

On level of education and credit accessibility majority of women entrepreneurs are unable to access finance from financial institutions due to their low educational levels. They do not have adequate knowledge on how to acquire finance from financial institutions. Majority of educated women are absolved in formal careers and only the few unlucky ones who do not get formal employment immediately decides to start a business as they wait for the opportunity to come. Further research reveals that the number of women who have graduated with a degree or a diploma and are in business is very low.

6. Recommendations

Contribution of MSEs Women entrepreneurship to the world economy has been globally recognized. Based on the findings of this study, the researcher came up with the following recommendations;

Micro-Financial institutions should come up with a special package of products not pegged on collateral requirement as a means of securing finance by MSEs Women entrepreneurs. This will enable women entrepreneurs to get finance with ease to start and expand their business.

African cultural and norms to be upgraded where women are put on the same footage as their male counterparts. They should be given equal opportunity with men when it comes to education opportunities, ownership of properties and acquisition of finance from financial institutions.

Policy makers to emphasize on entrepreneurship education and training in learning institutions. Business incubation centers to be established in learning institutions, where students can acquire and embrace entrepreneurial skills before they join business world.

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