



Baseline Survey Report

An Assessment of Social and Economic Empowerment of women micro entrepreneurs
in Kakamega County.

January 29th 2021

Report by:
Empower HER Initiative

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We hope that this report will go a long way in informing decisions by the county government of Kakamega, private sector investors, businesses, training institutions, community leaders, business financing stakeholders and potential business partners to improve business performance and increase access to economic opportunities amongst women entrepreneurs in Kakamega County. We also hope that the report will generate interest for further research on women owned businesses in rural Kenya.

Contents

| | |
|--|------------------|
| <u>ACKNOWLEDGMENT</u> | <u>I</u> |
| <u>PROJECT SUMMARY</u> | <u>IV</u> |
| <u>EXECUTIVE SUMMARY</u> | <u>V</u> |
| 1 <u>INTRODUCTION AND BACKGROUND INFORMATION</u> | <u>1</u> |
| <u>STUDY AREA</u> | <u>1</u> |
| 2 <u>LITERATURE REVIEW</u> | <u>2</u> |
| <u>2.0 SOCIAL EMPOWERMENT</u> | <u>3</u> |
| <u>2.1 ECONOMIC EMPOWERMENT</u> | <u>3</u> |
| <u>2.2 BUSINESS FINANCING</u> | <u>4</u> |
| <u>2.3 TRAINING</u> | <u>4</u> |
| <u>2.4 BUSINESS NETWORKING</u> | <u>5</u> |
| <u>2.5 BUSINESS TECHNOLOGIES</u> | <u>5</u> |
| 3 <u>OBJECTIVE OF THE BASELINE SURVEY</u> | <u>6</u> |
| <u>3.1 GENERAL OBJECTIVE</u> | <u>6</u> |
| <u>3.2 SPECIFIC OBJECTIVES</u> | <u>6</u> |
| 4 <u>METHODOLOGY</u> | <u>6</u> |
| <u>4.1 SAMPLING PROCEDURES, METHODS AND TOOLS</u> | <u>7</u> |
| <u>4.2 HIRING AND TRAINING OF ENUMERATORS</u> | <u>7</u> |
| <u>4.3 PRE-TEST</u> | <u>8</u> |
| <u>4.4 DATA COLLECTION TOOLS AND METHOD</u> | <u>8</u> |
| <u>4.5 SURVEY LIMITATIONS</u> | <u>8</u> |
| 5 <u>FINDINGS</u> | <u>1</u> |
| <u>5.0 SOCIO-DEMOGRAPHIC–ECONOMIC-INDIVIDUAL CHARACTERISTIC OF THE RESPONDENTS</u> | <u>1</u> |
| <u>5.1 ISOLATING THE MOST PRESSING SOCIAL AND ECONOMIC CHALLENGES WOMEN ENTREPRENEURS FACE IN KAKAMEGA COUNTY</u> | <u>4</u> |
| 6 <u>RECOMMENDATIONS</u> | <u>7</u> |
| <u>TRAINING</u> | <u>7</u> |
| <u>BUSINESS TECHNOLOGY</u> | <u>7</u> |
| <u>BUSINESS FINANCING</u> | <u>7</u> |
| <u>BUSINESS NETWORKING</u> | <u>8</u> |
| <u>POLICY INTERVENTIONS</u> | <u>8</u> |
| 7 <u>REFERENCES</u> | <u>10</u> |

Abbreviations

| | |
|---------------|--|
| AYNET | African Youth Network for Empowerment and Transformation |
| KNBS | Kenya National Bureau of Statistics |
| KIPPRA | Kenya Institute for Public Policy Research and Analysis |
| UHC | Universal Health Coverage |
| NCPD | National Council for Population and Development |

Figures

| | |
|--|----------|
| FIGURE 5-1: RESPONDENTS DISTRIBUTION BY SUB-COUNTY | 1 |
| FIGURE 5-2: DAILY HOUSEHOLD EXPENDITURE BY WOMEN | 2 |
| FIGURE 5-3: BUSINESS TYPES IN KAKAMEGA COUNTY | 3 |
| FIGURE 5-4: KNOWLEDGE LEVELS OF OPPORTUNITIES WITHIN THE COUNTY | 5 |

Tables

| | |
|--|----------|
| TABLE 5-1: AGE DISTRIBUTION OF WOMEN ENTREPRENEURS | 1 |
| TABLE 5-2: INCOME BEFORE AND DURING THE COVID 19 PANDEMIC | 2 |
| TABLE 5-3: EDUCATION LEVELS OF WOMEN ENTREPRENEURS | 3 |
| TABLE 5-4: MARITAL STATUS OF WOMEN ENTREPRENEURS | 3 |
| TABLE 5-5: FAMILY SIZE (CHILDREN) | 3 |
| TABLE 5-6: ACCESS TO HEALTH CARE INSURANCE | 3 |
| TABLE 5-7: YEARS OF OPERATION | 4 |
| TABLE 5-8: KNOWLEDGE OF OPPORTUNITIES | 4 |
| TABLE 5-9: REGRESSION ON PREDICTORS INFLUENCE OF SOCIO-ECONOMIC FACTORS | 6 |

PROJECT SUMMARY

| | |
|------------------------------|---|
| Customer | Empower HER Initiative |
| Project Title | An assessment of the social and economic empowerment of women micro entrepreneurs in Kakamega county. Baseline Survey Report-2020 |
| Financier | Urgent Action Fund |
| Project Consultant | Wycliffe Guguni and John Odera AYNET Consulting Group |
| Data Collection Team | Nancy Nyaleso, Buya Mukonzo, Kelly Khadiagala, Guguni Wycliffe |
| Data Analytics Tool | Excel and SPSS |
| Baseline Survey Period | August 2020 – January 2021 |
| Scope of Coverage | Kakamega County |
| Target Number Of Respondents | 372 women micro entrepreneurs |
| Date of Report Submission | January 2021 |

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EXECUTIVE SUMMARY

The general objective of this survey was to collect data on the social and economic status of women micro entrepreneurs in Kakamega County. The data and information collected will inform areas of interventions needed to reduce gender inequalities and enable more women in Kakamega County gain access to; *business training, business technologies, financial services, business networks*, social community programs, economic resources and opportunities for entrepreneurship.

AYNET consulting conducted the survey between August and October, 2020 using semi-structured interview questionnaires administered by a team of field research assistants who collected data from trading centers in Lurambi, Shinyalu, Malava, Butere, Lukuyani and Mumias sub counties. The survey profiled 372 women micro entrepreneurs from the selected sub counties within areas of business activity including markets and shopping centres. A total of 349 responses were received from the survey representing 95% of the sample size. A survey research design was employed in this study. The design involved measurement, classification, analysis, comparison and interpretation of data.

The study established that majority of businesses are in Lurambi representing 45.8% while Lukuyani had the least number at 6.6%. The wide gap in number of businesses can be attributed to the fact that Lurambi forms the central business district in Kakamega and is part of Kakamega town. The population in Lurambi is dense and purchasing power may be higher compared to the other sub counties. Majority of women business owners (n=349) fall between age bracket 18-30 years (48.1%) and 31-40 years (33.2%). The number of business owners reduce significantly after 40 years to 12%. This can be attributed to a variety of reasons including nature of business and social factors such as family. Other studies have established that money is not the sole objective among women entrepreneurs to enter into the business. Women in rural areas are motivated by the need to provide to their families and children.

The study found emerging business concerns with reference to the ongoing COVID-19 pandemic. It was noted that income levels for women entrepreneurs in Kakamega county went down by 51.4%. Some businesses were forced to take drastic measures such as reducing their staff to tame the operational cost associated with labor. Productivity reduced by 70% in a period of 6 months. Businesses with supply chains outside the county such as non food imports were mostly affected. The major reason for slow down in business during the COVID 19 period were the restrictions in movement and the curfew hours as it limited the flow of commodities and services.

The predominant business type in Kakamega is retail and wholesale of food items (52%) followed by retail and wholesale of non food items (23%). The retail and wholesale account for 73% of business conducted by women in the County. The service sector is underrepresented by women entrepreneurs in the county. This may indicate barriers to entry such as skills gap, business technology gaps, legal requirements and capital limitations. 60.4% of women entrepreneurs have up to secondary school education. While majority have a secondary education, there is still a need for business skills development considering that the secondary school percentage is only 33.2%. Other studies have also revealed that Rural women prefer informal businesses that are easier to start and do not require heavy bureaucratic procedures.

The study found out that 66.5% of women in business are married. This is a good indicator as a study conducted in Kakamega on the social factors influencing entrepreneurial behaviour among women revealed that a husband's moral support is one of the important contributors to success of women enterprises. The study also revealed that 63.9% of women in entrepreneurship have a minimum of 4 children. This is related to a 2017 study that found out on average women in Kakamega have a higher fertility rate of about 4.4 which is well above the national average of 3.9 children per woman. Efforts should be put towards managing the dependency ratio.

According to the findings, only 45.3% of business women are registered with Health Insurance. The National Health Insurance Fund (NHIF) accounted for 95% of the service provision, indicative of low penetration of private health insurance companies including the low cost mobile based such as M-tiba and Equity Afya. Government is considered the main health service provider by most of the respondents.

The findings revealed that women entrepreneurs have a need for technology but do not have access or do not use the technologies in business. Technologies for payment, value addition, processing and business organization are still lacking among women entrepreneurs in Kakamega. Out of the four opportunities that were profiled, technology was the lowest performing followed by business networking opportunities, business training and ultimately business financing. While most women entrepreneurs have knowledge and access to financing, the uptake of the Women Enterprise Fund (WEF) program loans and grants among the entrepreneurs is still low. Majority of women access financing from the market Chamas.

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1 INTRODUCTION AND BACKGROUND INFORMATION

Women entrepreneurship is an important but untapped source of economic growth and inclusive development (Sujit Roy, 2014). It represents a vast and rich source of innovation, job creation and economic growth in the developing world. However, there are major barriers to women's entrepreneurship including: greater obstacles in accessing credit, training, networks and information, as well as legal and policy constraints (Omwono G. 2015). Research shows that women tend to acquire knowledge on financial literacy later in life compared to men; particularly in societies where girls are not empowered early (Empower Women, 2014). Therefore, men owned enterprises exhibited faster growth than women owned enterprises. Quite simply, research shows that women entrepreneurs are facing three main barriers to entry: lack of access to business skills training, lack of access to finance, and lack of access to mentors/peer networks. Lorunka et al., (2011) argues that the gender of the founder, the amount of capital required at the time of starting the business, commitment of the entrepreneur and growth strategy of the enterprise are the most important factors in predicting growth in a small enterprise.

Evidence suggests that there is a need to involve more women in avenues of economic participation to narrow the existing gender gaps in business. Women entrepreneurs not only create new jobs for themselves and others, but also provide the society with diverse solutions to organizational and business problems. In principle, women entrepreneurs exploit entrepreneurial opportunities in a way beneficial to their families, hence a wider spread of benefits in the societies they thrive in.

Study area

Kakamega County is in the western region of Kenya with a population of 1,867,579, of which 52% is female (Kenya National Bureau of Statistics 2019). The County has a population density of 618. Kakamega North has the highest population of about 238,330. Kakamega makes the fourth most populous county after Nairobi, Kiambu and Nakuru and the most populous rural county in Kenya. About 85.5% of Kakamega county area is rural and the average household size is 4.3 (Daniel Muller 2009). Kakamega has been ranked the poorest county in Kenya both in relative and absolute terms with a poverty incidence of 49.2% (Matsui 2019). The reasons include small land holdings with application of traditional forms of agriculture on the land parcels. Additionally, majority of Kakamega residents have migrated into other parts of the country leaving behind grandchildren, great grandchildren, and the elderly.

Kakamega town is the capital and commercial hub of Kakamega County. Kakamega municipal market is the largest in the western region. Rural women in Kakamega County come to this town to sell their farm products at the markets in addition to the set up kiosks in the central business districts. Wednesdays and Saturdays are the big market days. The two days bring together large numbers of traders. There are 53,000 registered MSME in Kakamega and 300,400 unregistered ones (Kenya National Bureau of Statistics 2019). Micro entrepreneurs are represented by 92.6% of businesses while small and medium make only 6.4% and 1.0% respectively.

2 LITERATURE REVIEW

Entrepreneurship in a society is dependent on closely inter-linked economic, social, cultural, religious, and psychological variables. A combination of pull and push factors influence women's decision to start a business. Socio-economic background is an important factor influencing women's decision to start businesses. Many studies have emphasized the impoverished status of rural women as a main push factor to small businesses; acceptable to their cultural, social, and economic circumstances (Sandra L Fielden, 2003). Buttner and Moore (1997), have discussed and provided extensive supporting citations regarding research into the factors that motivated women to become entrepreneurs, namely: independence; personal development; improvement in their welfare; the desire to emulate their role-models; indirect benefits, including, for example, tax deduction; and the pursuit of opportunity (Moore 1997). They have pointed to the reports that entrepreneurship has provided the liberating benefits to enable women to achieve greater professional satisfaction and pointed to the views of women entrepreneurs regarding their businesses as vehicles for career growth, rather than mere supplementation to their spousal income. However, the evidence shows some variation when it comes to rural women in Kenya.

Women still represent a minority of entrepreneurs in society (Sujit R. 2014). Marginalization of women from the organized economic activities, and the social stigmas attached with women roles in our society have contributed to them being the minority. Research shows that women not only have lower participation rates in entrepreneurship than men, but they also generally select to start and manage firms in specific sectors of industries than men tend to do. Women entrepreneurs choose primarily retail business, small trading, and other service industries, which are perceived as less important to economic development and growth compared to industries applying high level technology and heavy capital investments, including the manufacturing industry.

2.0 Social empowerment

In rural Kenya, men take a dominant role in decision making while women subordinate hence being passive, non-argumentative and easy to accept defeat (Ondiba, 2017). Our study area, Kakamega County, is predominantly occupied by the Luhya community whose cultural traditions do not allow women to own land or other immovable assets (Chege F. 2006). Additionally, local people tend to believe that women's higher education delays marriage (Chege F. 2006). Consequently, majority of the women lack higher education and are married at an early age; thereby they become dependent on their husband's unstable income. After marriage, rural women in Kakamega County usually get busy managing family farms alone or doing small business while their husbands move to towns and cities to work, often as casual laborers (Matsui, 2019). Some women also start businesses as they tend to experience less or no harassment from their husbands while away from home (Ondiba H.A 2019).

From a 2019 survey in Kakamega, husband's moral support was very important for the success of women's entrepreneurial ventures (Ondiba H.A 2019). Additionally, sharing ideas, sharing customer referrals, being social networking groups and engaging in social activities in the market motivate more women into entrepreneurship. Women are motivated into entrepreneurship because of the social activities at the marketplace and to support their families financially (Ondiba H.A 2019).

2.1 Economic empowerment

Research shows that women have demonstrated greater ability to increase and improve agricultural and business outputs compared to men (Davis K. 2012). Olomi (2001) argues that the major driver for women to engage in entrepreneurship in Kenya is to supplement household income or meet basic household needs. Other past studies on women entrepreneurs showed that family is one of the most important factors that affected women's decisions to start a business (Mallon M. 2001). Some women are driven into entrepreneurship by the opportunities available to improve their circumstances and take action to exploit those opportunities (Bennett, 2000). However, it is important to note that money is not the sole objective of women entrepreneurs to enter into the business (Rao S. 2008). Their skills and knowledge, their talents and abilities in business and a compelling desire of doing something positive are additional reasons why women run organized enterprises. Studies have shown that women entrepreneurs tend to integrate their business and personal lives to an extent that is unseen in their male counterparts (Sujit Roy, 2014). In specific, rural women prefer informal businesses that do not require bureaucratic procedures (Ondiba H.A 2019). Typically, selling farm products, clothing apparel and household items on a retail scale.

2.2 Business financing

Exclusion from the financial system is a significant disadvantage to a woman struggling for economic independence, especially in rural areas. Studies show that women and household income improve with access to credit (Omwono G. 2015). However, the challenges of nurturing their businesses and promoting the tradition of innovation and entrepreneurship still confront women owned SMEs. The challenges are associated with a business environment entangled with force of complex socio-cultural, economic, and technological factors that create intricate challenges for women owners. Microfinance, which emphasizes granting small loans to the poorest of the poor without requiring collateral, rests upon the notion that most impoverished people in developing countries typically do not otherwise have access to traditional financial services but that they do possess modest survival skills that make them creditworthy (Omwono G. 2015).

2.3 Training

Studies show that women have lower financial literacy levels than men in both developed and developing countries (Empower Women, 2014). Specific groups of women—young women, widows, the less educated and low-income women—tend to lack financial knowledge the most. Challenges to women's full financial inclusion link to their lower economic and financial opportunities (Empower Women, 2014). Matsui (2019) conducted a survey that showed the age range of 21 to 30 years old women in Kakamega were mostly well-trained jobless women. Whereas efforts have been made to expose the public to financial education, financial literacy among majority of MSE managers in Kakamega Sub County remains low implying that financial literacy education is yet to achieve its objectives (Muturi W. 2016). There is a low level of debt management literacy among MSE managers which may negatively affect their financial decisions of when to borrow, how much and from whom resulting to poor business performance. The Study also concluded that most MSEs in Kakamega do not keep business records that can enable them measure accurately the financial performance of their businesses due to unsatisfactory knowledge and skills on record keeping

Muturi (2016) found a positive relationship between financial literacy and formal education; entrepreneurs that scored high in financial literacy had at least a diploma/certificate education, while in contrast, entrepreneurs with low level of formal education demonstrated low level of financial literacy. Entrepreneurs who have financial literacy and understand key financial concepts that include, debt management, interest rates and bookkeeping, run MSEs that are more successful (Muturi W. 2016). Studies indicate that a large number of MSEs do not survive to celebrate their third birthday because they tend to remain small hence vulnerable to

failure as a result of simple management mistakes as compared to large enterprises (Evelyn Nekesa Lusimbo, 2016). The high failure rate has also been attributed to low financial literacy, which results to poor planning, limited access to finance and poor financial management. Individuals with financial literacy skills tend to make better financial decisions with fewer management mistakes than their counterparts who are financially illiterate. According to a report by MasterCard (2011), financial literacy skills empower and educate investors so that they are able to evaluate financial products and make informed decisions and facilitates proper debt management, which improves the credit worthiness of potential borrowers. Financial literacy also builds the risk management skills of individuals. It prepares investors for tough financial times through strategies that mitigate risk such as accumulating savings, diversifying assets and avoiding debt burdens.

2.4 Business networking

At the marketplace, rural women customarily establish networks that often inspire them to find new business opportunities (Matsui, 2019). According to the survey by Matsui (2019), Kakamega women's active participation in transactions includes how they engage in various social activities in the market. From Matsui research, about 77% of our respondents had participated in various social activities at the marketplace which range from family level to community one. Chama is the most famous with each having its founding principles, objectives, and purposes. The Chama purposes range from financial ones, asset acquisition, welfare or regulatory. From the survey, most respondents had joined Chama for financial purposes. Other social activities included organizing meals together, cleaning the market and assisting funeral or wedding ceremonies.

Business networking involves role models too. To find a mentor to help shape your pathway toward startup and launch. Mentors can continue to coach an entrepreneur through the business process and provide expertise that combines previous experiences with the mentor's knowledge, network, and expertise.

2.5 Business technologies

Business technologies have a close association to training and business performance. Taking more business courses to understand the basic technologies involved in payments, accounting, and business operation tie to other business components like supply chain, logistics and HR. Every enterprise, however simple, requires written records that managers use as guides to routine action, taking of decisions, formulation of general rules and maintaining relationships with other organizations or with individuals (Frankwood, 2010). Therefore, a business without written records is like a blind man without his aid or a vehicle without a driver for it does not know which way

it is going. Frankwood, (2010) identifies the following as the main benefits of keeping business records; they help in calculating business profits or losses, reveal value of debtors in terms of amount due and when payments are due so as to avoid heavy costs of bad debts, they also help in business planning and are needed by lenders of business finance. Lack of business records results to information asymmetry which makes it difficult for financiers to quantify accurately the level of risk involved in a business opportunity so as to fix accurate interest rates which results to high transaction costs due to high cost of information gathering, screening and monitoring of micro enterprises. Consequently, financiers tend to fix high premiums, high interest rates and demand excess collateral which makes it difficult for MSEs to comply. Such severe credit rationing for micro enterprises results to credit constraints making them miss out on projects that are profitable because they cannot raise the external capital necessary to fund them (Ben R. Craig 2009).

3 Objective of the Baseline Survey

3.1 General objective

The general objective of this survey was to collect data on the social and economic status of small-scale women entrepreneurs in Kakamega County. The data and information collected will inform areas of interventions needed to reduce gender inequalities and enable more women gain access to economic resources, technologies, training, financial services, networks and economic opportunities for entrepreneurship in Kakamega.

3.2 Specific Objectives

- To analyze data and present information showing the key emerging social and economic factors influencing the empowerment of small-scale women entrepreneurs in Kakamega county
- To give recommendations on interventions the required stakeholders to apply the recommended interventions for the social and economic empowerment of small scale women entrepreneurs in Kakamega County
- To isolate the most pressing social and economic challenges women entrepreneurs face in Kakamega County.
- To identify the available social and economic opportunities for women entrepreneurs in Kakamega County.

4 Methodology

The design process involved consultations with the sub-county, market administrators and women entrepreneurs on thematic areas of the survey. The process culminated

into development of data collection tools which included a semi-structured questionnaire and a training manual for enumerators.

4.1 Sampling Procedures, Methods and Tools.

The survey used two types of sampling methods. The first step was determining the sample size using the county’s registry of businesses, and this was followed by purposively sampling women owned businesses within the county’s major trading centers.

To determine the sample size, Cochran formula for infinite population was used¹. According to Kakamega County Government (2020), the county has 11,286 retail and wholesale businesses; using the formula, the sample was determined to be 372 businesses.

$$n_0 = \frac{Z^2 \times P \times (1-P)}{e^2} \dots\dots\dots 1$$

Where:

n_0 = sample size

Z^2 = the *abscissa* of the normal curve that cuts off the α at the tails

e = the acceptable sampling error.

P = the acceptable proportion of an attribute that is present in the population

After determining the size, 15 markets were selected randomly in 6 sub counties and women led businesses purposively selected through the assistance of market clerks. 12 businesses were systematically sampled, and the interval was determined by the number of business listed from each market.

4.2 Hiring and Training of Enumerators

In consultation with market committees, four enumerators were recruited and trained by the field team leaders. Preference was given to individuals who could communicate effectively in the local Luhya dialect.

¹See more at: [Stephanie Glen](#). "Sample Size in Statistics (How to Find it): Excel, Cochran’s Formula, General Tips" From [StatisticsHowTo.com](#): Elementary Statistics for the rest of us! <https://www.statisticshowto.com/probability-and-statistics/find-sample-size/>

4.3 Pre-test

After the training of the field team, a pre-test was done to determine the adequacy and validity of the questionnaire. The pre-testing was conducted on a sample of 20 respondents. Additionally, two review meetings were held to clear issues emerging from the pre-test, and to provide input into the final survey tools.

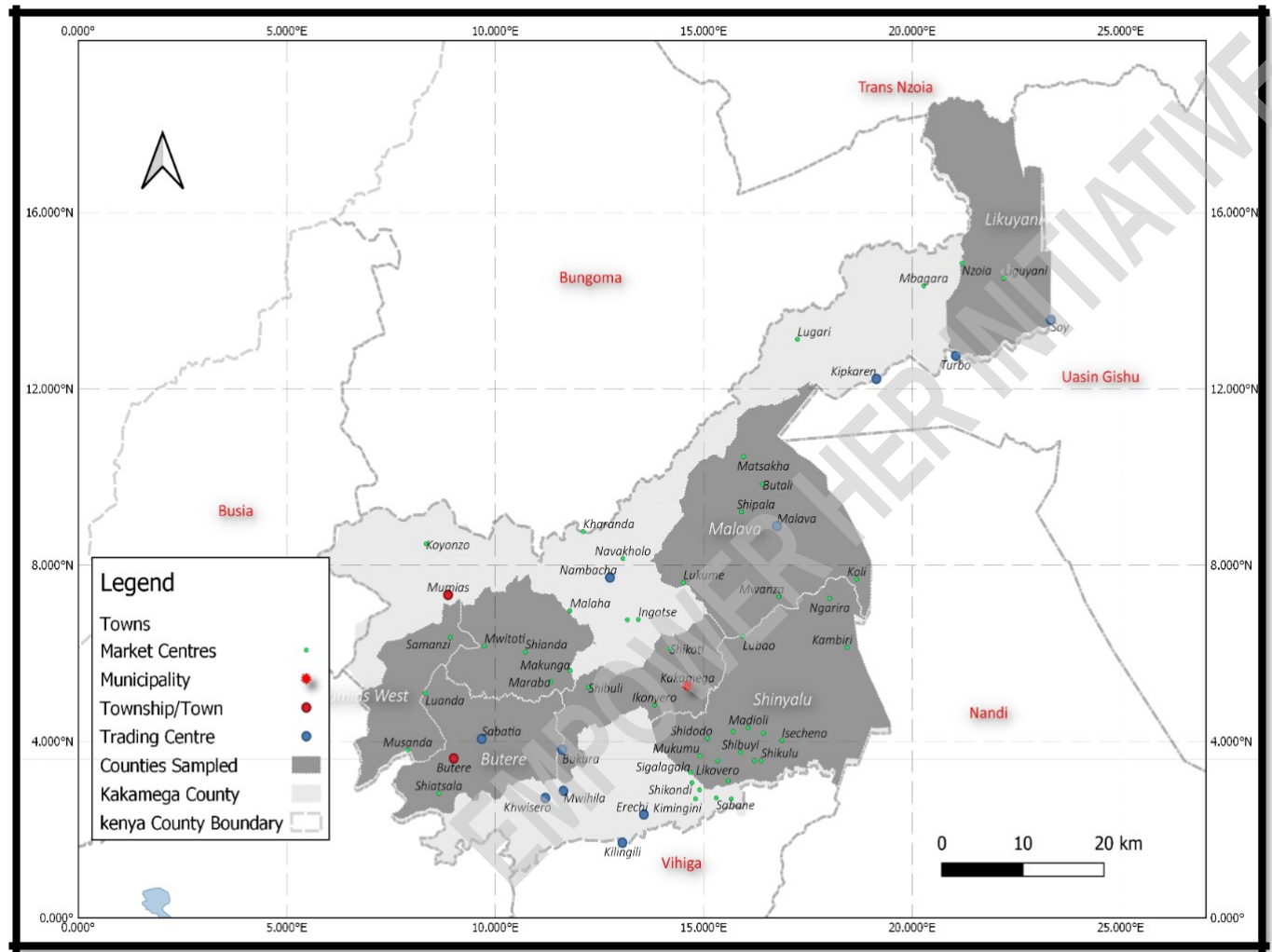
4.4 Data collection Tools and Method

From the pre-test, the questionnaires were reviewed, modified, and customized to suite the objectives of the survey. Official letters were drafted to ease introduction of enumerators to respondents as well as seek assistance from the local authorities.

4.5 Survey Limitations

1. The question on income was found to be sensitive and as such, it was not possible to get meaningful responses from majority of the respondents.
2. The smallholder women entrepreneurs rarely keep any business records which made the collection of quantitative figures difficult and prone to some level of inaccuracies
3. To breakdown the questions to increase clarity the questionnaire ended up being too long and therefore affecting the time taken to complete a questionnaire
4. The Covid 19 pandemic limited the reach of the enumerators, they had to complete data collection early to avoid being caught outside the curfew hours that were in place at the time of the survey.
5. The survey budget was not enough to allow covering all the sub counties in Kakamega County. The survey sampled only 6 out of the 12 sub counties.

Map of the survey area



5 FINDINGS

5.0 Socio-demographic-economic-individual characteristic of the respondents

A total of 349 responses were received from the survey. The response rate represented 95% of the 372 businesses sampled. Table 1 to 7 presents the summary of key socio-economic factors considered in the survey. Most business owners were at secondary level in terms of education level.

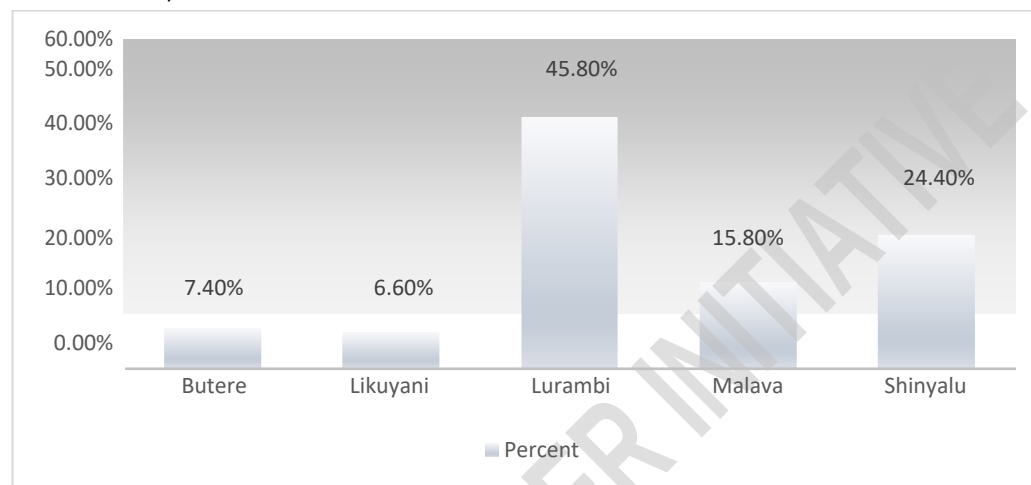


Figure 5-1: Respondents distribution by Sub-county

Majority of business owners (n=349) fall between age brackets 18-30 years (48.1%). The daily income levels shows that most of the women entrepreneurs were well above the international poverty line²; the daily mean was found to be average KES 2,321 and therefore, most are able to meet the monthly food and nonfood expenditure per adult, which is estimated at KES 5,272 (Kenya National Bureau of Statistics (KNBS) 2018). However, it is worth to note that Kakamega is considered one of the counties with high numbers of overall poor people in the country (Kenya National Bureau of Statistics (KNBS) 2018).

Table 5-1: Age distribution of women Entrepreneurs

| | Up to 30 | 31 to 40 | 41 to 50 | 51 to 60 | |
|----------------------------|----------------------------|---------------|------------|-----------|------------|
| No. of women entrepreneurs | 168 (48.1) ³ | 116 (33.2) | 42 (12) | 21 (6) | 2 (0.6) |

²According to the World bank, the international poverty line, currently set at \$1.90 a day, is the universal standard for measuring global poverty. This line helps measure the number of people living in extreme poverty and helps [compare poverty levels between countries](#).

³ Figures in parenthesis indicate percentages in all tables

Emerging concerns with reference to the Covid 19 pandemic were noted at the time of the survey. On average, daily income levels went down by 51.4 percent with some businesses forced to take drastic measures such as reducing the number of staff and stocks to minimize cost and demand plummeted especially for non-food items. The supply of items such as clothes, beauty products and shoes sourced from Nairobi and Kampala were affected as the items were classified as non-essential items at the start of the lock-down.

Table 5-2: Income before and during the Covid 19 Pandemic

| Income per day | | | | Maximum | Mean | Deviation |
|----------------------------|--------------|-----|-----|---------|-------|-----------|
| No. of women entrepreneurs | Pre-Covid | 346 | 200 | 20,000 | 2,321 | 2,419 |
| | During Covid | 99 | 100 | 5,000 | 1,017 | 1,175 |

The study found that most women entrepreneurs spent about KES 401 to 600 per day to meet daily household food and non-food requirements. The study found that on average, the household spent about 514.56 ($SD=419$)



Figure 5-2: Daily Household expenditure by Women

The predominant business type in Kakamega is Retail and Wholesale of Food items (52%) followed by retail/wholesale of non-food (23%) both accounting for a significant portion of businesses conducted by women within the county. The service sector is underwhelming represented indicative that there may be barriers to entry in such businesses as skills gap, lacking technology, lacking education qualifications and or capital.

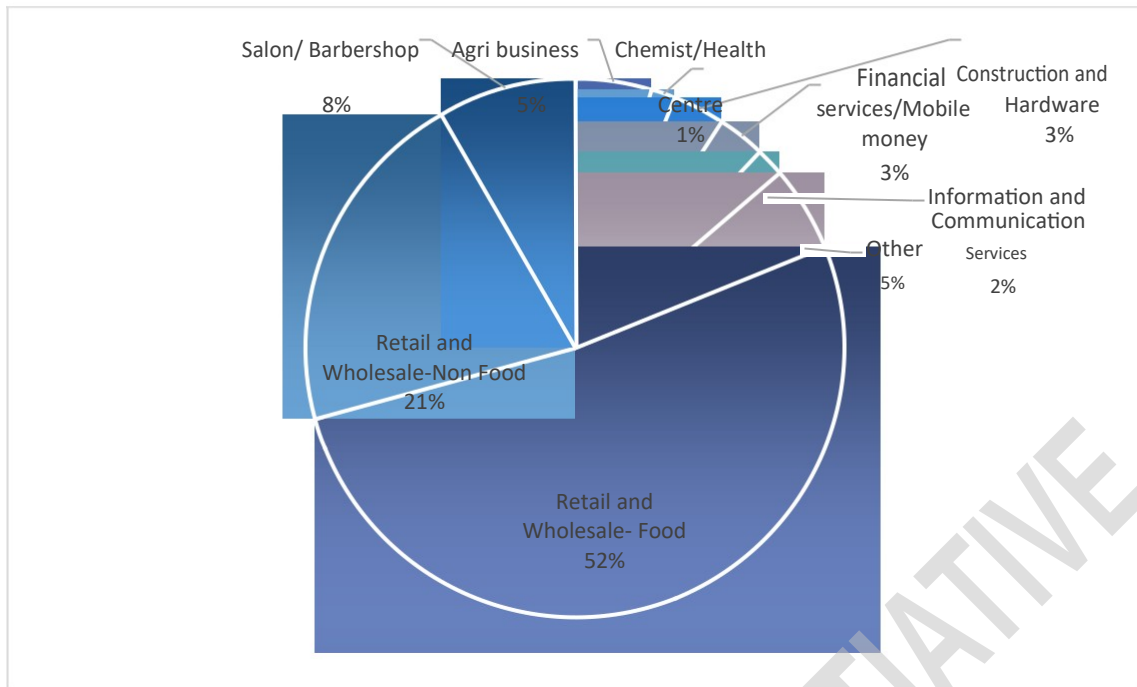


Figure 5-3: Business types in Kakamega County

Table 5-3: Education levels of women Entrepreneurs

| | Primary | Secondary | High School | University | Other |
|----------------------------|------------|--------------|---------------|--------------|--------------|
| No. of women entrepreneurs | 5 (1.4) | 90 (25.8) | 116 (33.2) | 74 (21.2) | 38 (10.9) |

Table 5-4: Marital status of Women Entrepreneurs

| Marital status | Married | Unmarried | Widowed |
|----------------------------|---------------|-------------|--------------|
| No. of women entrepreneurs | 232 (66.5) | 13 (3.7) | 96 (27.5) |

Table 5-5: Family size (Children)

| | 0-1 children | 2 to 4 children | 5 children | Above 5 children |
|----------------------------|--------------|-----------------|---------------|------------------|
| No. of women entrepreneurs | 37 (10.6) | 79 (22.6) | 156 (44.7) | 29 (8.3) |

Table 5-6: Access to Health care insurance

| | Yes | No |
|----------------------------|---------------|---------------|
| No. of women entrepreneurs | 158 (45.3) | 191 (54.7) |

Table 5-7: Years of operation

| Years of operation | < 1year | | | | 13 years > | |
|----------------------------|-------------|-------------|--------------|-------------|-------------|------------|
| No. of women entrepreneurs | 26 (7.5) | 136 (39) | 76 (21.8) | 24 (6.9) | 27 (7.7) | 42 (12) |

The survey revealed that only 45.3 % of the businesswomen are registered with Health insurance; the government’s National Health Insurance Fund (NHIF) accounted for up to 95% of service provision indicative of low penetration of private health insurance. Government is considered the main health service provider by most of the respondents. Recent efforts by the county government through the Universal Health Coverage (UHC) programme has bolstered sentiments of most residents as it targets 60% of vulnerable people currently uncovered by NHIF.

According to the findings, most household have 2 to 4 children (44.7%). This is almost similar to (National Council for Population and Development (NCPD) 2017) study that found on average, the women in Kakamega have a high fertility rate of about 4.4 which is well above the national average of 3.9 children per woman. Efforts should be in place to reduce the rate to manage the dependency ratio in the county.

5.1 Isolating the most pressing social and economic challenges women entrepreneurs face in Kakamega County.

Table 7 below shows that women entrepreneurs are by and large highly knowledgeable on financial services accessible within the county; most the respondents acknowledged to be aware of the services and products offered by a number of micro savings and commercial banks within the county ((N=349, M=0.5, S.D=0.5003). Knowledge of training programs on offer within the county scored the lowest (N=349, M= 0.17, S.D=0.38033). For the case of technology and Networking, both scored low with less than (13%) of the women aware of programs or interventions in business that use the two.

Table 5-8: Knowledge of opportunities

| | | | | | |
|------------|-----|---|---|--------------|---------|
| Training | 349 | 0 | 1 | 0.17 | 0.38033 |
| Technology | 349 | 0 | 1 | 0.126 | 0.33241 |
| Networking | 349 | 0 | 1 | 0.128 | 0.33561 |
| Financing | 349 | 0 | 1 | 0.5 | 0.50037 |

Scale 0= not knowledgeable 1=knowledgeable

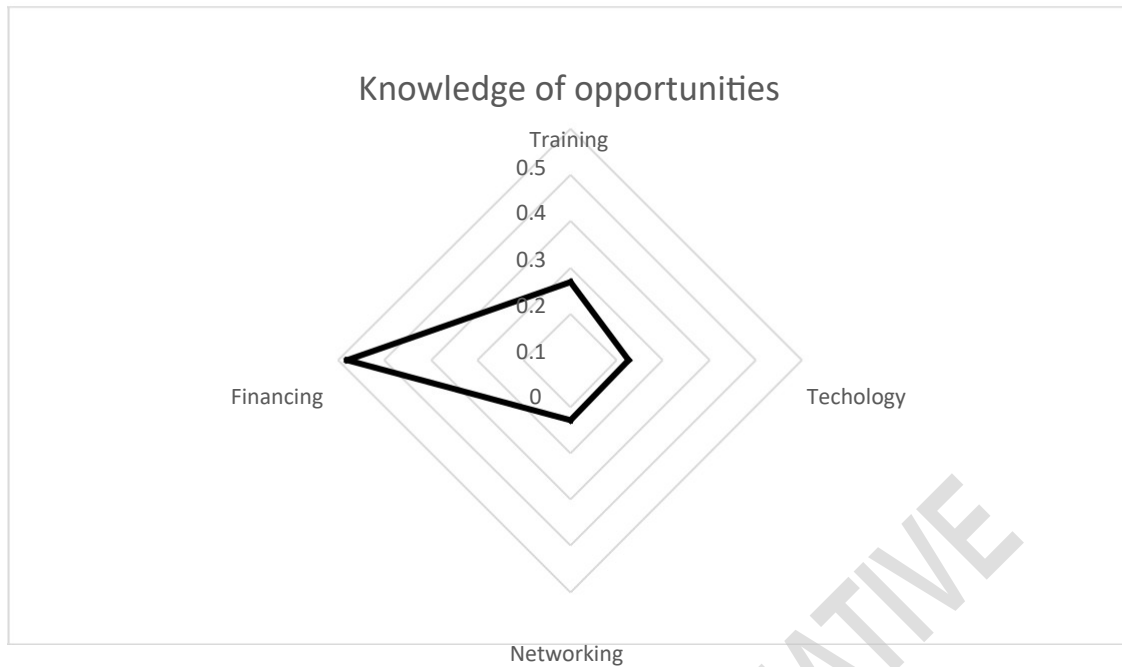


Figure 5-4: Knowledge levels of opportunities within the county.

The study hypothesized that the four broad factors (Access to Financing, Training and Skills, Technology update and Networking) as key ingredients or enablers of business growth and development. Therefore, the research summed the score of the four knowledge opportunities to determine the level at which each entrepreneur was with the lowest being 0 and the highest at 0.5. The four factors are needed for a successful business enterprise.

The major socio-economic factors that were considered in determining their influence on knowledge of opportunities were age, household size, marital status, level of education, type of business, access to economic resources, the number of years in business, and membership in an economic group. An association test conducted to test the hypothesis Family Size was found not to associate significantly with Knowledge levels $\chi^2(12, N=349) = 11.38, P = 0.496$.

A regression analysis was conducted on the rest of the socio-economic factors to determine the magnitude at which they influenced knowledge levels and the results are summarized in the table below.

Table 5-9: Regression on predictors influence of socio-economic factors

| Independent Variable | Slope | Std Error | t-ratio | Prob |
|---|-------|-----------|---------|--------|
| <i>Age</i> | 0.08 | 0.08 | 0.94 | 0.35 |
| <i>No of years in Business</i> | 0.03 | 0.05 | 0.66 | 0.51 |
| <i>Salon/Barbershop (ToB)</i> | 0.88 | 0.35 | 2.53 | 0.01* |
| <i>Retail and Wholesale-Non Food (ToB)</i> | 0.51 | 0.29 | 1.75 | 0.08** |
| <i>Retail and wholesale Food (ToB)</i> | 0.28 | 0.29 | 0.95 | 0.34 |
| <i>Information and Communication services (ToB)</i> | 1.39 | 0.49 | 2.85 | 0.00* |
| <i>Financial services/Mobile money (ToB)</i> | 0.19 | 0.45 | 0.43 | 0.67 |
| <i>Construction and Harware (ToB)</i> | -0.08 | 0.44 | -0.18 | 0.86 |
| <i>Chemist/Healthcare (ToB)</i> | 0.13 | 0.57 | 0.22 | 0.82 |
| <i>Agribusiness (ToB)</i> | 0.12 | 0.40 | 0.30 | 0.76 |
| <i>Single (MS)</i> | 0.54 | 0.43 | 1.26 | 0.21 |
| <i>Separated (MS)</i> | 0.05 | 0.52 | 0.09 | 0.93 |
| <i>Married (MS)</i> | 0.70 | 0.41 | 1.68 | 0.09** |
| <i>Level of education</i> | 0.19 | 0.07 | 2.82 | 0.01* |
| <i>Membership in an economic group</i> | 0.38 | 0.15 | 2.50 | 0.01* |
| <i>Access to Economic Resources</i> | 0.59 | 0.34 | 1.75 | 0.08** |
| R ² = .354 | | | | |
| N=349 | | | | |

ToB = Type of Business; MS = Marital Status

* Significant at 5%

**Significant at 10%

Strong predictors of knowledge of business opportunities were level of education and membership to an economic group which both at $p < .05$. This means that for every increase in Level of Education, there will be a 19% increase in level of knowledge whereas, a woman in economic groupings are 38% more knowledgeable in Business opportunities holding all other factors constant. When we look at type of business, women owning salons/Barber shops are 88% more likely to be knowledgeable in business opportunities, this could be as a result of continuous access to sources of information such as print and broadcast media. The nature of their businesses also allow them to interact and converse with many people which allows flow of information through word of mouth.

On the other hand, women working in Information and Communication services were better placed in getting information regarding business opportunities; our model predicts that they are 136% likely to be aware of opportunities holding all other factors constant. This can be attributed to the fact that the sector has an advantage when it comes to access of information and it requires skilled individuals who are likely to have higher levels of formal education. Married women are 70% more likely to be aware of business opportunities holding other factors constant. This could be attributed to their spousal support. The other variables did show association with the level of knowledge at $p < .05$.

Therefore, we can deduce that experience, level of education, affiliation with economic groups, spousal support, and access to information at the place of work have a positive impact on the level of awareness of business opportunities. The study established that only 15% of women entrepreneurs have undergone some form of training recently. Further probing revealed that most training were facilitated by government's economic empowerment programmes such as the women and youth fund. Also, it was noted that Micro Savings institutions have also lend their expertise in financial literacy to women they had advanced loans to within the county. The study also found that 46% of the entrepreneurs own a personal bank account with either Micro-Finance, Saccos or Commercial banks. Mobile internet banking is not widespread though mobile money transfer was ubiquitous and the unbanked women used it as a form of savings and a way of accessing soft loans.

6 RECOMMENDATIONS

The following recommendations are suggested following from the survey findings and the literature review.

Training

Considering that most women business owners in Kakamega County are secondary school leavers, there is a need for targeted business skills training programs that continuously sharpen their skills in finance management and accounting, marketing, small business administration and managing credit. The report recommends conducting regular (3months span) business training on record keeping, customer service, business technologies and digital marketing. The survey also recommends trainings on business technologies that involve quality assurance and process improvement for products and services respectively. To address the skill gap it is recommended that the trainings on skills that prepare women for business in the service industry need to be increased.

Business technology

From the findings, the major source of capital is in cash through loans. Technology is an important capital for business. The report recommends linking women business owners to asset financing programs that enable the women to gain access to business equipment and technologies which might be otherwise too expensive to acquire by themselves through one time purchase.

Business financing

Considering the business financing gaps, it is recommended that Chamas create partnerships with financing institutions or programs to allow women acquire economic

assets and business financing. Unlike one-time events, it is recommended to establishing long term partnerships with business investors/financiers. We also recommend that more business financing be channeled to service sector to increase supply and attract demand. The report recommends communal competitions for business funding in areas of low business count such as Lukuyani and Butere to increase the number of women owned businesses in those areas

Business networking

Considering the socio-economic value achieved by chamas, the report recommends creating additional community programs, social and economic, that allow women in business to network, interact and share information. The activities could be purely social or a combination of both social and economic ones.

Empower HER should consider sharing the stories of women owned businesses on the Empower HER social media platform to promote the stories of women and for business marketing. Additionally, organizing networking forums for women in business and doing targeted matching amongst women businesses to help build cooperation for growth amongst women owned businesses.

It is also good to consider apprenticeship programs for budding entrepreneurs to nurture experience prior to building out a business. Additionally, budding women entrepreneurs could be involved in business operation competitions. Research also shows that taking part in business competitions is especially beneficial for Gen Z women. Expose them to teamwork and healthy business competition (Rosenbaum, 2018).

Policy interventions

Considering the unemployment gap filled by businesses at this level, the report recommends that the county government apply tax policies that provide incentives to businesses that increasingly create employment for young people and other women in the county. The incentives could be in form of reduced taxes or tax breaks.

A policy to issue grants to micro enterprises not just in form of money but also inform of technology, training and assets is necessary to boost businesses performance in the county.

Policies that cut down on the cost of starting a service-based business including a reduction in the bureaucratic processes and making it easy to achieve the legal requirement of service businesses.

Additionally, the report recommends reaching out to women working in farms and selling their produce from their farms and involving them in harnessing the opportunities accessible to traders in the markets. This links to the idea of extending women empowerment to other sub counties besides Lurambi.

It is recommended that more resources and effort should be invested to encourage service based businesses through development of skills, reducing the bureaucratic process and making capital accessible. Furthermore, there is need to encourage business in non-food items by creating demand in the sector.

Since NHIF forms the largest form of medical insurance help by small scale businesswomen in Kakamega County, yet still expensive for them to pay, the report recommends introducing women entrepreneurs to other affordable health insurance options such as Equity Afya and M-tiba.

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EMPOWER HER INITIATIVE

Annexes

List of markets

| Sub county | Market |
|------------|---|
| Lukuyani | Seregeya Matunda Nangili Kongoni Moi's Bridge Sikhendu |
| Lurambi | Kakamega Market Lubao Eshisiru Ejinja Amalemba Sichirai Shibuli |
| Mumias | Harambee Shibale |

EMPOWER HER INITIATIVE

Questionnaire

As an informational document for subjects who are given the opportunity to take our survey, this questionnaire is administered as part of an economic needs assessment research to collect data to be used solely for designing a training, informing policy and advising on programs/projects that aim to reduce gender inequalities and increase rural women access to economic resources, financial assets and services as well as the technologies, networks and economic opportunities for entrepreneurial development in Kakamega County.

Consent Statement

I agree to volunteer and provide enough information that will enable Empower HER Initiative make decisions from the survey and its outcome. I am satisfied and understand that the information I provide can be used to publish a report, prepare a training document or be used for any purpose that the research may be fit.

PART A: RESPONDENT DETAILS

| | | |
|--|------------------------|--------------------|
| Background Information | | |
| Name: | | |
| Signature: | | |
| | | Tick Appropriately |
| Sub county (Tick appropriately) | Lurambi | |
| | Shinyalu | |
| | Malava | |
| | Butere | |
| Address | | |
| Phone No. | | |
| E-mail | | |
| Education Level | None | |
| | Primary | |
| | High school | |
| | Diploma or Certificate | |
| | Undergraduate Degree | |
| | Post Graduate Degree | |
| Age: | | |
| Number of children: | | |
| Marital status | Single | |
| | Married | |
| | Seperated | |
| Average daily household expenditure from you | <200 | |
| | 201-400 | |
| | 401-600 | |
| | 601-800 | |

| | | |
|----------------------------------|---|--|
| | 801-1000 | |
| | 1000> | |
| Do you have access to insurance? | None | |
| | National Hospital Insurance Fund (NHIF) | |
| | Universal Health Care Cover | |
| | Private Insurance Cover | |
| Do you own a bank account | Personal account | |
| | Account for Business | |
| | None | |

PART B: Business Details

1b. For how long have you been in your business? _____

2b. How many employees have you engaged in your business? _____

3b. Which type of business sector are you in?, *kindly select the most appropriate*

- Beauty-Salon/ Barbershop Agribusiness-Farming/selling of agro-allied products or services Health- Chemist/Clinic Financial services/mobile money Construction and hardware Information & Communication services Retail or Wholesale-Nonfood Retail wholesale-Food items Other, please specify _____

4b. On average, what was your daily business turnover before and after the Covid 19 pandemic?

| | |
|--------------|---|
| Pre-Covid 19 | During Covid 19 pandemic (March 2020 to Aug 2020) |
| | |

5b. How did raise capital for your business?, *kindly select the most appropriate*

- Family and Friends
- Saccos
- Commercial Banks
- Chamas/socio-economic groups
- Government led empowerment programmes
- Other, please specify _____

6b. Are you a member of the following?

- Chamas/socio-economic groups

Sacco
Other economic group membership, please specify _____

PART C: Skills, knowledge, and opportunities

1c. Do you know of opportunities available in Kakamega for women entrepreneurs in the following areas?

Financing: yes [] no []. If yes, please explain

Networking: yes [] no []. If yes, please explain

Training: yes [] no []. If yes, please explain

Technological: yes [] no []. If yes, please explain

What opportunities do you desire for your business to grow?
