

Challenges Undermining the Effectiveness of Women Enterprise Fund (WEF) on Women's Socio-Economic Empowerment in Embu County

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Abstract

Women face a multitude of challenges in accessing skills and productive, advancing to higher level jobs, as well as returning to the labor market after a period of absence spent, mainly in raising children. The dimensions and problems related to Women's Economic Empowerment (WEE) show that the main obstacles are lack of both manpower and financial capacity. This is an area for greater attention by development actors through increased competency, innovation as well as coming up with ways in which WEE can generally support thriving economies. Achieving WEE will take sound public policies, a holistic approach and long-term commitment from all development actors. Despite this revelation, past studies on nexus between effectiveness of WEF and socio-economic empowerment are scarce and vague and not contextualized to Embu County. Moreover, the studies lack clear conceptualization and operationalization of skills and mentoring constructs as well as lack of relationship models that include WEE antecedents and consequences. This paper is derived from an ongoing PhD study and seeks to explore the challenges undermining the effectiveness of Women Economic Fund (WEF) on social economic empowerment of women in Embu County. It is guided by Social Solidarity Circle Theory that was advanced by Yunus (2004) and complemented by Sarah Longwe's Gender Analytical Framework and is anchored on the broad thematic area on education, mentoring, skilling and innovation for WEE. A descriptive research design as complemented by exploratory design was used. The target population consisted of WEF beneficiary groups in Embu County, Constituency WEF officers and key informants from two constituencies namely, Manyatta and Runyenjes. Embu County was selected as an area of study given the diversity of cultural and social practices as influenced by the different ethnic groups that occupy the area hence the need for WEF to stir development. This paper is anchored on the importance of mainstreaming women in broader enterprise support policies and mentoring programs that should flow in tandem with financing initiatives like WEF. This would translate to an effective socio-economic empowerment of women and thus the findings draw a pathway for the most effective models and strategies that define efforts to empower women and consequently improve the level of better family economy and self-reliance. This paper recommends that the WEF considers scaling up training of the recipients of its loans and designing capacity building programs to meet the standard needs for women entrepreneurs.

Key Words: Effectiveness, Skilling, Innovation, Socio-Economic Empowerment

Introduction

The Women Enterprise Fund (WEF) was established in August 2007 Case File (CF) legal Notice No 147 and launched in May 2009 as part of the government's commitment to one of the millennium development goals on gender equality and women empowerment (KIPPRA,2010). WEF is a deliberate effort by the government of Kenya aimed at accelerating enterprise development in order to create jobs and as a strategic move towards addressing poverty alleviation through the socio-economic empowerment of women (Republic of Kenya 2007). The fund provides accessible and affordable credit to support women start and or expand business for wealth and employment creation. It also provides business support services such as capacity building, marketing, promotion of linkages and infrastructure support (Republic of Kenya, 2013). Despite the initiative by the government and private sector to introduce devolved funds in Kenya, there are still challenges that do undermine the effectiveness of WEF on women's socio-economic empowerment in Embu County and thus the need for this study.

Establishment of WEF was a proactive government response to the dire challenges facing women of Kenya. These challenges are demonstrated by the glaring inequalities in the society. A case in point; by 2006 when the WEF was gazetted, women population was slightly over 50% yet the number in formal employment or in business was 12%. Similarly, at the time, women held 16% of the top positions in government but confined to the bottom ranks of the public service with 74% representation; in urban areas, the poverty rate among women stood at 46 % compared to 30 % among men (Kenya Vision 2030). Such disparity was notable in other spheres in the society and WEF was one-step towards addressing the inequality based on the premise that by empowering women, we empower the whole family and by large the nation.

WEF has been revolving in Kenya since 2007 and a lot of funds have so far been disbursed. In the financial year 2015/2016 the fund disbursed KES.2, 271,050.00 to 13,932 groups comprising 178,384 beneficiaries. In Embu County, a total of KES. 60,950,000 was reportedly disbursed to 337 women groups benefiting 4,464 women in the same financial year. Since inception, the fund reportedly has been able to cumulatively disburse loans worth KES 8,350,289,050 to reach 1,228,456 women beneficiaries in 64,565 groups' country wide.

It is therefore crucial to find whether these funds are effective in Embu County in achieving the objectives for the establishment of WEF. Past studies have identified various challenges for WEF

implementation. Ijaza *et al* (2014) did a study on the challenges faced by women who access the women enterprise fund. The survey research conducted in Hamisi constituency found out that WEF faced numerous challenges both at the lender and borrower level. Gaititi (2013) investigated the factors that hinder access to this fund by women entrepreneurs. However, the paper's geographical scope was limited in addition to using a very small sample size. The paper also neither considered the fund lending mechanism process nor the process of administration. Hence, it could not adequately examine the fund for more informed insights.

Njoroge *et al* (2014) investigated factors leading to disparity in women enterprise loan repayment in selected rural constituencies in Kenya. Although this study made a considerable geographical coverage for more diverse views, it emphasized on the challenges from the loan repayment perspective. It did not consider the challenges from loan accessibility perspective which must occur before the loan repayment. As such, it does not comprehensively argue the challenges for the fund implementation. Kimando, Kihara and Njogu (2012) suggest that, sustainability of borrowed funds in revolving fund institutions may be well thought-out at several levels of institutional, group and individual and can link to organizational, managerial, and financial aspects. This paper required to evaluate the role of loaning procedures, socio-economic functions, borrower characteristics and use of technology in determining repayment and sustainability of borrowed funds from government revolving funds in Murang'a County in a wider perspective, where the issue of financial sustainability of youth and women groups has drawn more attention in conventional analysis at the expense of the sustainability of the individual borrower.

Notwithstanding the gaps in the studies, high cost of loan administration, competition with commercial bank products, poor dissemination of information, high demand/limited scope of coverage, lack of distinct product branding, lack of individual choices in group lending, high default rates, bureaucratic processes and limited business monitoring were the main challenges at lender level. For the borrowers, the challenges included limited and shrinking markets/competition, lack of business knowledge, misconception about the purpose of the Fund, diversion of the funds, low literacy among segments of women borrowers, lack of loan securities and domestic interference.

While this study considerably expounded on the challenges, it would be important to examine whether the same challenges exist three years down the line since the time of this study. The paper is guided by Social Solidarity Circle Theory that was advanced by Yunus (2003) and complemented by Sarah Longwe's Gender Analytical Framework and is anchored on the broad thematic area on education, mentoring, skilling and innovation for WEE. Mansor (2005) in support of these theories reported that financial factors such as adequate finance, incentives of tax system, favorable legal and policy regulations, experience in the financial arena, capital, presence of experienced entrepreneurs and 9 role models, technically skilled labour force, accessibility of suppliers, accessibility of customers, government influences, availability of land, new technological developments, availability of supporting services encourage women to start enterprises in male dominated sectors of the economy.

However, concern with social solidarity has been present in sociology from the outset, and it features as prominently in the work of the discipline's founding figures as it does in contemporary sociological writings. There are echoes here of Durkheim's (1984: 27) claim that 'the paper of solidarity lies within the domain of sociology'.

The study was modeled on the postulates of solidarity theory because WEF like any other revolving fund is a designed credit programme that targets poor women, ensuring that all women, especially those living in remote areas and not well served by financial intermediaries, are not disadvantaged in accessing the Fund. The loan targets enterprises of women groups in the divisions and it is accessible only to women groups operating within the parliamentary constituency.

The women must be willing to undertake an income generating activity together and hence each member acts as a guarantor thus reducing the rate of loan default (Republic of Kenya, 2007). Although the theory fails to address the best strategies that could be used to redress the challenges of rural women and positive growth of women through the fund, it is nonetheless relevant to this paper. This is because it integrates the concept of lending mechanisms, women socio networks and effectiveness of the loans thus creating opportunities for self-employment. This in essence reflects empowerment and as such, the practicality of the arguments in this theory can be tested in this study.

Methodology

This study is based on a descriptive research design and complemented by exploratory design. This design concerns itself with the present phenomena in terms of conditions, practices beliefs, processes, relationships or trends invariably (Salaria, 2012). The paper was confined to the natural settings and attempted to interpret phenomenon in terms of the meaning that people will bring as asserted by Denzin and Lincoln (2005).

The target population consisted of WEF beneficiary groups in Embu County and CWF women officers. Two constituencies (namely Manyatta and Runjenjes) were purposively sampled for the purpose of this paper. Purposive sampling represents a group of different non-probability sampling techniques. Also known as judgmental, selective or subjective sampling, purposive sampling relies on the judgment of the researcher when it comes to selecting the units that are to be studied. Purposive sampling was ideal for this paper because the two constituents are cosmopolitans with both urban and rural household set ups.

By selecting the two constituencies (out of the four constituencies in Embu County), the characteristics of the other two constituencies in Embu County (that is Mbere North and Mbere South) were fully represented. According to Embu County WEF Office (2017), there were 3,463 beneficiaries of WEF from both Manyatta and Runyenjes Constituencies for the period of 2013 – 2017. These beneficiaries were further stratified by their respective constituencies as follows: Manyatta Constituency (1901 beneficiaries) and Runyenjes Constituency (1562 beneficiaries).

To calculate the sample size for this paper, Finite Population Correction Model was used at two stages:

Stage I: Finite Population Correction for Proportions n_0

$$n_0 = \frac{Z^2 pq}{e^2}$$

At 95% confidence level,

$$n_0 = 1.96 * 1.96 * 0.5 * 0.5 / 0.05^2 = 384.164$$

Stage II: To calculate the teachers' sample size, the following formula was applied.

$$n = \frac{n_0}{1 + \frac{(n_0 - 1)}{N}}$$

$$n = 384.16 / 1 + (384.16 - 1) / 3,463 = 346$$

$$n = 345.89 \cong 346 \text{ respondents}$$

Where:

n₀ stands for finite population; **n** stands for sample size; **e** stands for marginal error of + or – 5% =0.05; **Z** stands for standard or score validated at a given confidence level; **P** is probability of success and Q is probability of failure

Stratified random sampling was used to select the sample of the 346 beneficiaries from the two sampled constituencies in Embu County as illustrated in Table 1.

Table 1: Sampling Frame

Sub-County	Population	Sample Size	Criteria
Manyatta Sub-County	1901	190	(1901*346)/346
Runyenjes Sub-County	1562	156	(156*346)/346
Total	3463	346	384.16 / 1 + (384.16 - 1) / 3463

Source: Kigundu (2022)

This study derived information from three instruments, questionnaires, FGD’s, and interview schedule which were used in collecting data. The researchers validated the data, in the field, during the collection stage. The main objective was to capture the views, ideas, perceptions and opinions of the WEF beneficiaries about effectiveness of WEF on socio -economic empowerment of women in accordance with the paper objectives.

A pilot study was then carried out to various C-WEF women officers and WEF beneficiaries from two wards in Mbere South constituency with the aim of testing the instruments used to measure the assessment of the effectiveness of women enterprise fund on socio economic empowerment of women. Mbere South constituency is selected for piloting because it has similar characteristics with the other constituencies and since it was not included in the final study (that focused on Manyatta and Runyenjes Constituencies). Face validity was estimated by use of correlations between the objective and subjective items utilized in the scales.

Content validity was assessed through review and verification of the extant literature for the items contained in the questionnaire. Finally, construct validity was assessed from the correlations of items. Positive and significant correlations are expected for convergent validity while for divergent validity, items were expected to positively and significantly correlate with one another, but not with items from other dimensions.

On the other hand, reliability or internal consistency of the items within each construct of the paper was assessed by computing the Cronbach's Alpha. The Alpha can take any value from zero (no internal consistency) to one (complete internal consistency). Nunnally (1978) suggested that as a rule of thumb, scores in the ranges 0.5-0.6, 0.6-0.7, 0.7-0.8, and 0.8-0.9, should be considered to have an internal consistency that is poor, questionable, acceptable or good, respectively. Values above 0.9 represent excellent internal consistency, while values less than 0.5 are considered to be unacceptable. Several researchers have observed that Cronbach's Alpha tends to under-estimate internal consistency (Novick & Lewis, 1967); therefore, data yielding lower values may still be useable. Reliability is the consistency of your measurement, or the degree to which an instrument measures the same way each time it is used under the same condition with the same objects. Reliability refers to the stability, accuracy, and precision of measurement. Exemplary case study design ensures that the procedures used are well documented and can be repeated with the same results over and over again. The researcher took measures aimed at enhancing validity of the research questionnaire. This is by making the questions contained in the questionnaires simple and straightforward to make the respondents find them easy to answer.

Both primary and secondary data were collected for the purpose of this paper. Whereas primary data collection made use of questionnaires, interviews and focus group discussions, secondary data

collection was attained by review of documentaries including publications, other related literature as available from university libraries, online books and libraries. This was done to obtain relevant information about this paper from written materials such as books, journals, magazines, reports and newspapers.

Mixed analysis entailing the use of both quantitative and qualitative analytical techniques within the same framework was carried out, guided by a priori, a posteriori, or iteratively (representing analytical decisions that occur both prior to the paper and during the paper) (Onwuegbuzie & Combs, 2010). It involves the analysis of one or both data types (quantitative data or qualitative data; or quantitative data and qualitative data), which occur either concurrently (in no chronological order), or sequentially in two phases (in which the qualitative analysis phase precedes the quantitative analysis phase or vice versa, and findings from the initial analysis phase inform the subsequent phase) or more than two phases (iteratively) (Ibid). In this regard, quantitative data was analyzed using descriptive statistics such as percentages, median, standard deviation and range. This was facilitated by use of the Statistical Program for Social Sciences (SPSS).

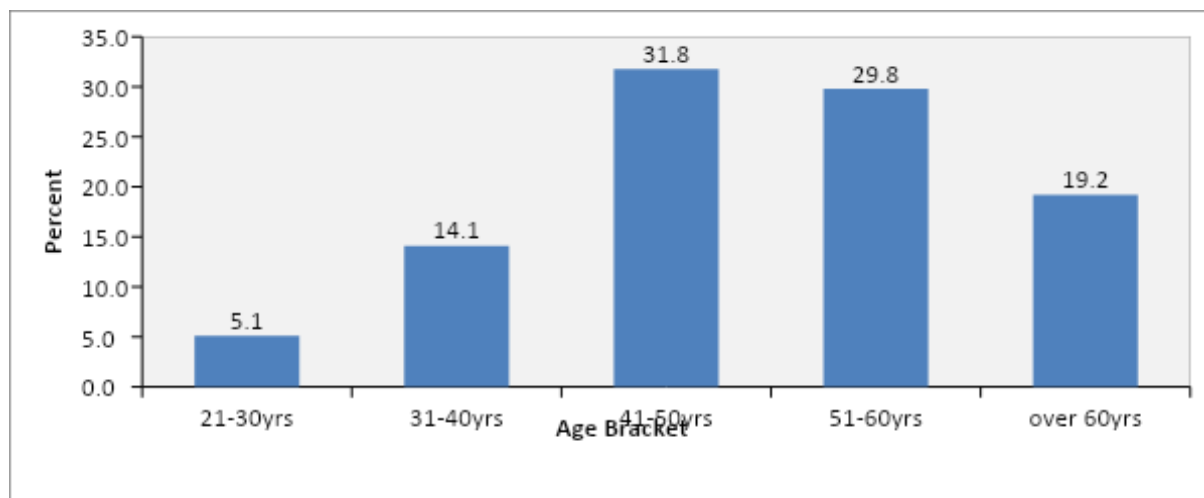
On the other hand, qualitative data was analyzed using content analysis. In this regard, the qualitative data was organized into themes corresponding to the objectives of this paper. The organized data was then interpreted in the light of the research problem to be addressed. The expected results was effectiveness of WEF on socio economic empowerment of women in Embu County that helped to create strategies to ensure success of WEF. The data was presented in statistical techniques using tables preceded by explanations, bar graphs, diagrams and reports.

Key Findings

This section presents data analysis, findings, presentation and discussion of results. The sections particularly present demographic information of the respondents, description information on challenges undermining the effectiveness of women enterprise fund and inferential statistics for variable relationship. The study focused on one objective which was to establish the challenges

undermining the effectiveness of women enterprise fund (WEF) on women’s socio-economic empowerment in Embu County.

Figure 1: Age Bracket of the Respondents



The findings of the study reveal a noteworthy age distribution among the respondents, highlighting an interesting trend in the impact of the Women Enterprise Fund on the socio-economic empowerment of women in Embu County, Kenya. The data suggests that a significant portion (31.8%) of the respondents fall within the age bracket of 41-50 years, indicating that women in the middle age group are actively engaging with the fund's initiatives. Additionally, a comparable proportion (29.8%) of respondents belong to the 51-60 years' age range, signifying the involvement of older women in the empowerment programs. This distribution might suggest that the Women Enterprise Fund's impact is more pronounced among women who have accumulated life experience and possibly face specific socio-economic challenges that the fund's initiatives aim to address. Furthermore, the relatively lower representation (5.1%) of respondents aged 21-30 years could reflect a potential gap in reaching and involving younger women, possibly indicating a need for tailored strategies to engage this demographic group effectively.

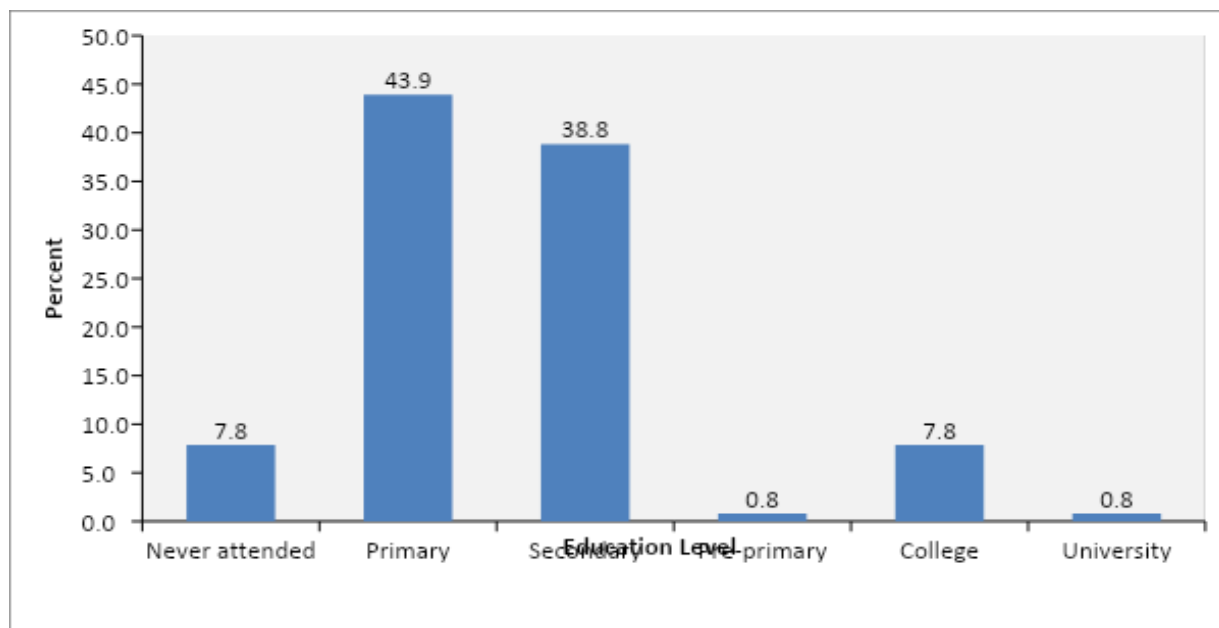
The age distribution findings also shed light on the prevailing education system's influence on the participation of women in the Women Enterprise Fund initiatives. The mere 5.1% representation of respondents aged 21-30 years might be attributed to the limitations of the current education system, which could hinder young women's engagement in entrepreneurial activities. This calls

for a comprehensive examination of how the fund's programs can better align with the needs and aspirations of younger women, possibly by integrating targeted awareness campaigns, skill-building programs, and mentorship opportunities. Overall, the age distribution findings underscore the importance of tailoring empowerment initiatives to the diverse age groups within the community to ensure a holistic and effective impact on women's socio-economic empowerment in Embu County.

These findings are consistent with research by Eisenberg et al. (2018) that older funded entrepreneurs tended to cite practical concerns around making money and meeting family obligations. This implies that, more seasoned and enterprising women may draw on greater experience in management of funds and possess deeper industry-specific knowledge. They may also have more relevant social networks to leverage on any business idea.

On the other hand, one may as well argue that younger people are often thought to be less beholden to current thinking and thus more naturally innovative and disruptive. Jain and Mandot (2012) surveyed the entrepreneurs with different ages and proved that those with the age of from 27 to 50 were prone to be more willing to borrow and improve their socio-economic wellbeing compared to entrepreneurs who were over 50 years of age. The mix of the various age groups would also provide the groups with different expertise and energy to run and grow the group activities.

Figure 2: Respondents' Highest Level of Education



Results presented in Figure 2 underscores several challenges that may be undermining the effectiveness of the Women Enterprise Fund (WEF) in promoting women's socio-economic empowerment in Embu County. One evident obstacle is the limited level of education among the majority of WEF beneficiaries. With 43.9% possessing only a primary certificate and 38.8% having attained a secondary certificate, there appears to be a notable lack of qualification in higher education. This educational disparity can impede the beneficiaries' capacity to fully engage in more complex and higher-paying economic activities, hindering their potential to break out of traditional low-income roles. Moreover, the mere 1% of beneficiaries with a university education suggests that access to advanced educational opportunities is significantly restricted, further limiting the scope for innovative and knowledge-intensive entrepreneurial pursuits among women in Embu County.

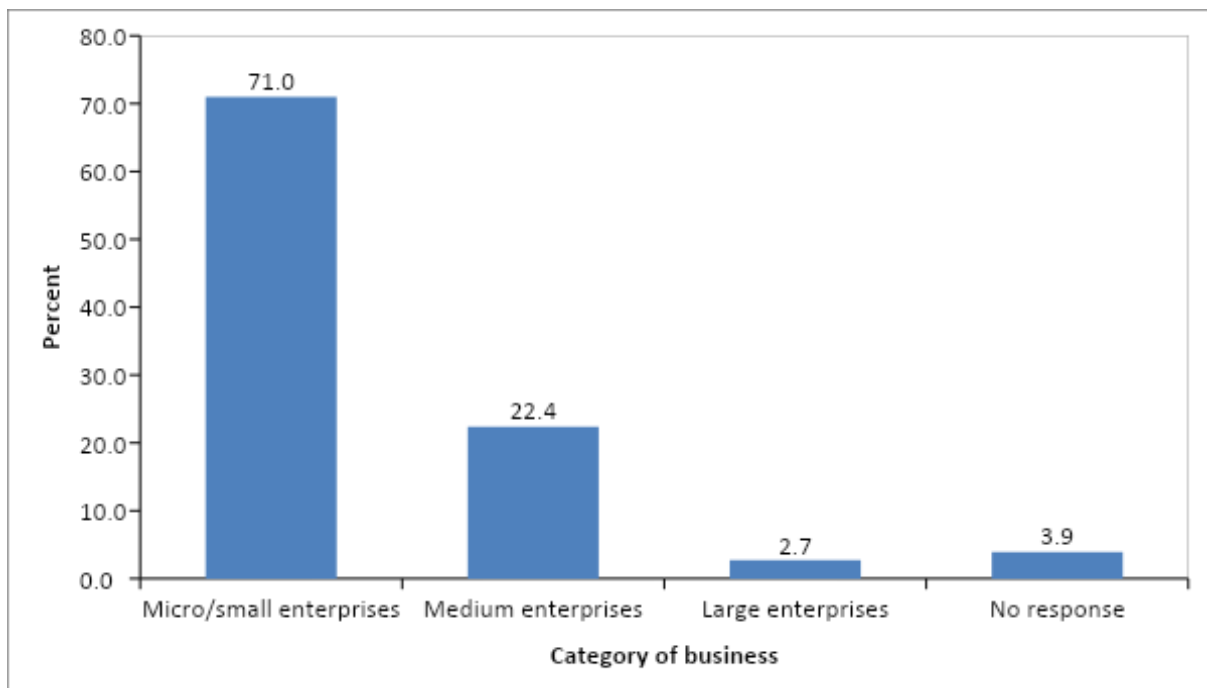
The low levels of formal education are compounded by the 7.8% of beneficiaries who have never attended any formal education, indicating a significant subset of women who might face difficulties comprehending financial and business concepts. This education gap could lead to challenges in grasping the intricacies of business planning, financial management, and marketing strategies, which are crucial components for the success of any entrepreneurial endeavor. Consequently, these statistics suggest that the WEF's impact on women's socio-economic empowerment might be hampered by the lack of educational opportunities, potentially resulting in

limited diversification of their businesses and hindrance to their overall economic advancement. Addressing these educational disparities and tailoring support to meet the needs of women with varying education levels could enhance the efficacy of the WEF in promoting sustainable socio-economic empowerment among women in Embu County.

Level of education is important on effectiveness of any fund because it provides beneficiaries of the fund with basic and fundamental understandings in running an enterprise. Primary and secondary education has in most cases been said to be provide this basic requirement and thus respondents for this paper had enough education to enable them perform their enterprising activities through Women Enterprise Fund.

These statistics could as well be interpreted to mean that, women in particular the less educated ones find it more difficult to get financing from banks because they lack information on how to go about securing a loan and thus resort to other Funds vis a vis WEF. Moreover, bank managers are often more reluctant to lend to women than to men Athane (2011).

Figure 3: Category of Respondent’s Business



Concerning the category of respondents’ business, majority of respondents (71.0%) indicated that they run either micro-enterprises (with fewer than 10 employees) or small enterprises (10 – 50 employees) while only 2.7% running large enterprises (over 50 employees). This implies that beneficiaries of WEF normally invest the fund on micro and small enterprises. Category of WEF ventures could largely be informed by the amount each beneficiary receives as well as business opportunities arising within the society.

Descriptive statistics were measured using a 5-point Likert-type scale with 1 point indicating the subject factor was not a factor at all while 5 points indicated it was a very great challenge. Output was presented in percentages and then transformed into mean, standard deviation and coefficient of variation as presented in Table 2.

Table 2: Challenges Undermining the Effectiveness of WEF on Women’s Socio-Economic Empowerment

Factor	Total	Mean	Standard Deviation	Coefficient of Variations (%)
a. Financial illiteracy	255	3.1	1.6	49.9
b. Inadequate awareness on WEF existence	255	3.2	1.3	41.3
c. Social-cultural factors	255	2.7	1.5	57.6
d. Low managerial skills	255	3.1	1s.5	49.2
e. Inadequate entrepreneurial experience and networking	255	3.4	1.4	39.7
f. Loan default	255	2.8	1.7	61.0
Average	255	3.1	1.5	49.8

Mean ranged from 1 to 5 and the higher the mean, the more hindrance a factor was rated and vice versa. Standard deviation, on the other hand was used to show the degree of unanimity/dispersal of responses by the respondents on a particular factor ranging from zero (no dispersal at all) to 2.5 (highest dispersal). To determine the prevalence of each factor, coefficient of variation (CV) was calculated by dividing the standard deviation by mean. CV is particularly useful when one wants to compare results from two different surveys or tests that have different measures or values. This is important because the standard deviation of data must always be understood in the context of the mean of the data. The lower the value of the coefficient of variation, the more precise the estimate and thus the more prevalent a variable is.

Table 2 provides insights into the various challenges that are potentially undermining the effectiveness of the Women Enterprise Fund (WEF) in promoting women's socio-economic empowerment in Embu County. The factors are rated on a scale from 1 to 5, with 1 indicating low impact and 5 indicating high impact. The mean, standard deviation, and coefficient of variation are also presented to offer a clearer picture of the spread and relative significance of each factor.

Financial illiteracy (mean = 3.1, coefficient of variation = 49.9%) appears to be a significant concern, with respondents perceiving it as a moderately impactful challenge. This suggests that a lack of understanding of financial concepts and management practices might be hindering the effective utilization of funds and overall business growth. Inadequate awareness of the WEF's existence (mean = 3.2, coefficient of variation = 41.3%) is also notable, indicating that a considerable number of women might not be fully informed about the fund's availability, potentially limiting its reach and impact. Social-cultural factors (mean = 2.7, coefficient of variation = 57.6%) and low managerial skills (mean = 3.1, coefficient of variation = 49.2%) are identified as intermediate challenges. These factors might point to systemic barriers arising from cultural norms and practices, as well as skill gaps that can hinder effective business management and expansion.

Inadequate entrepreneurial experience and networking (mean = 3.4, coefficient of variation = 39.7%) suggest that despite a relatively higher mean rating, there is less variation among respondents' opinions on this challenge. This indicates a more consistent perception that insufficient experience and networking opportunities might be affecting the growth trajectories of

women-owned businesses. Finally, loan default (mean = 2.8, coefficient of variation = 61.0%) emerges as another notable challenge, with respondents indicating that loan repayment issues could potentially undermine the success of the WEF's initiatives.

The overall average mean of 3.1 and coefficient of variation of 49.8% suggest that, on average, the challenges are moderately impactful and there is a notable variation in respondents' perceptions about their significance. Addressing these challenges, particularly by enhancing financial literacy, raising awareness about the WEF, providing training in managerial skills, fostering entrepreneurial experience and networks, and implementing measures to reduce loan default rates, could contribute to improving the effectiveness of the WEF's efforts to empower women in Embu County socioeconomically.

Further analysis was done using inferential statistics. Collinearity entailed diagnostic tests for responses on challenges were first done using normality tests. At the same time, regression generated the elasticity of the challenges that influences effectiveness of WEF in empowering women socio-economically as presented in Table 3.

Table 3: Collinearity and Regression for Challenges

	Unstandardized Coefficients		Standardized Coefficients	
	B	Std. Error	Beta	t-value
(Constant)	3.425	0.097		35.187
Challenges	-0.033	0.030	-0.070	-1.114

When challenges are held at zero, women socio-economic empowerment would stand at 3.425 on a 5-point scale. Therefore, the model linking the independent variable with dependent variable can be expressed as $y_3 = 3.425 - 0.07X_3$. This implies that, when challenges increase by one unit, women socio-economic empowerment would negatively change by 0.07 units. Where X_3 represents the challenges with y_3 being the dependent variable (women socio-economic empowerment).

Table 4: ANOVA Results for Challenges and Women Socio-Economic Empowerment

	Sum of Squares	df	Mean Square	F	Sig.	R²
Regression	0.400	1	0.400	1.240	0.266	0.070
Residual	81.598	253	0.323			
Total	81.998	254				

As shown in Table 4, $F(1, 253) = 1.240$ and $p\text{-value} = 0.000 < 0.05$ with coefficient of determination (R^2) being 0.070. WEF as a fund faces many challenges. The major ones as indicated in this paper include inadequate personnel, delays in disbursement, inadequate field facilitation and illiteracy among women. Women who access these funds also face challenges like small loan sizes, high competition, insecurity, poor infrastructure, loan diversion and group dynamics. The overall outcome of micro-credit greatly depends on how it was utilized.

This means that the kind of business venture women get involved in will greatly determine the outcome. Whilst micro-enterprises are very often the source of innovation, they are especially vulnerable to competition from counterparts who introduce similar products or services making the market to be saturated with the same range of products.

An aspiring entrepreneur should have a good business idea, have spotted a genuine gap in the market, an unfulfilled customer need. Entrepreneurs should see “problems” as “opportunities” then take action to identify the solutions to these problems and customers will pay to have their problems solved. Findings from this paper also revealed that women who access these funds face challenges as they put the money to use. The main one being small loan sizes. It should be made known that what matters is how micro-credit is utilized however small. Training on financial management is important as it equips women loanees with the necessary skills to help them run their businesses. However, one would question the logic of training someone without any formal education. Usually, the training is on the basics of financial management so that one is able to know how much they invest and how much profit they are able to make out of it. However financial training cannot bear results on its own. It is also necessary that frequent visits be made to know what women have invested in and monitor their progress.

The findings therefore reflect challenges that are prevalent even for other funds and lending institution at both borrowers and Fund level. Some of the major challenges as indicated by Ijara, Mwangi and Nge'tich (2014) with WEF loan noted from various studies were that, (i) the loans are inadequate to facilitate startup capital or growth, (ii) the loan was used for other purposes such as paying medical bills, paying school fees and clearing debts (iii) timing of the loan distribution takes long, changing the use of the money. With the amount given ranging from KES 100,000 to KES 500,000, many women felt that once the money was divided and each member got their cut, it was not enough, leading to them not starting or growing their businesses.

Sometimes the group might decide to invest the full sum of money, but one group member might have a pressing financial matter and decides to borrow the full amount from the group, thus diverting the use of the money for its intended purpose (Kiraka, Kobia & Katwalo, 2013).

WEF intends to address these challenges by training women and ensuring that they understand the purpose of the loans and also teach them loan management and other business development services (Government of Kenya, 2009). As advanced in Financial Capital Theory, effective lending and management of financial capital is one of the key ingredients enabling businesses to start, expand, and remain viable and to become sustainable with long-term goals. Discriminatory practices levied against women entrepreneurs seeking funds to start or continue the operation of their businesses has been documented by several authors as one of the biggest obstacles facing women entrepreneurs. Relating the above theory to the paper, it can be argued that women entrepreneurs who have access to financing are more likely to start enterprises in male dominated sectors since these enterprises require a substantial amount of money to start.

Lemire, Pearson and Compbell (2002) assert that; a successful revolving fund revolving scheme requires a long-term commitment from government authorities, donors and other stakeholders, because time and effort are needed to establish the infrastructure and to build the necessary capacities. It takes even longer to develop the trust, group confidence and financial discipline on the part of borrowers to make such funds sustainable. Systems for monitoring and evaluating the funds' performance are important, and borrowers must be helped to graduate gradually to other systems of credit. Lemire *et al.*, (2002) found that the credit unions in Cameroon were slow to enlarge, but with the right combination of leadership, technical know-how and innovative capital

injections and partnerships, this approach fostered both growth and sustainability. A solution of creating broad sustainable mechanisms for providing revolving fund services needs to be invented.

Conclusions and Recommendations

Among the key challenges facing women owning Micro and Small Enterprises are financial illiteracy, inadequate awareness on WEF existence, social-cultural factors, low managerial skills, inadequate entrepreneurial experience and networking, and loan default. WEF beneficiaries contend that the loan amounts tend inadequate the women also lack skills on how to manage it. The research also showed that the women lacked the necessary training on business planning and marketing of products and services in order to grow their businesses.

Inadequate capacity building on WEF beneficiaries is also a major and recurring challenge affecting WEF effectiveness in women socio-economic empowerment. This necessitates redesigning of the existing capacity building programmes to meet the contemporary needs for women entrepreneurs and more so the new entrants. In addition, WEF should increase the frequency of training to keep them abreast with modern methodologies for better performance. Budgeting skills, book keeping and accounting skills training programs were found to play a very significant role in growing sales, profits and ensuring smooth running of women led enterprises. Women led enterprises are key drivers to the economic development in Kenya, therefore the paper recommends that the training programme should be emphasized to enhance financial management literacy for exemplary performance of the enterprises.

Moreover, providing entrepreneurial capacities and education to potential and existing WEF beneficiaries is one way of enhancing socio-economic activities. Though it is a requirement before a group can access microcredit, women seeking microcredit cannot be forced to attend training. There are those women who deliberately fail to attend training because some of them have no prospects of starting a business and therefore look at it as a waste of time. Although education is not mandatory for new venture creation, it does provide one with basic skills, contacts and opportunities vital for a successful business.

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