

**CHALLENGES FACING WOMEN ENTREPRENEURS IN
ACCESSING LOANS FROM MICROFINANCE INSTITUTIONS:
A CASE OF FINCA, TANZANIA**

**CHALLENGES FACING WOMEN ENTREPRENEURS IN
ACCESSING LOANS FROM MICROFINANCE INSTITUTIONS:
A CASE OF FINCA, TANZANIA**

By

Joseph Rwegasira

**A Dissertation Submitted to the Mzumbe University Dar es salaam Campus
College in Partial Fulfillment of the Requirements for the Award of the Degree
of Masters of Accounting and Finance (Msc. A & F) of Mzumbe University**

2013

CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for the acceptance by the Mzumbe University, a dissertation entitled **Challenges Facing Women Entrepreneurs in Accessing Loans from Microfinance Institutions: A Case of FINCA**, in partial fulfillment of the requirements for award of the degree master of Accounting and Finance of Mzumbe University.

.....

Major Supervisor

.....

Internal Examiner

Accepted for the Board of

.....

SCHOOL DEAN/DIRECTORATE

DECLARATION

AND

COPYRIGHT

I, **Joseph Rwegasira**, declare that this dissertation is my own original work and that it has not been presented and will not be presented to any other university for a similar or any other degree award.

Signature

Date.....

© 2013

This dissertation is a copyright material protected under the Berne convention, the copyright Act 1999 and other international and national enactments, in that behalf, on intellectual property. It may not be reproduced by any means in full or in part, except for short extracts in fair dealing, for research or private study, critical scholarly review or discourse with an acknowledgement, without the written permission of Mzumbe University, on behalf of the author.

ACKNOWLEDGEMENT

The production of this work is the result of many efforts and contributions made by various individuals and institutions through material and moral support they gave me. I would like to express my sincere appreciation to everyone whom in one way or another facilitate to accomplishment of this report. It is not possible to mention all who contributed to the development of this work.

I humbly thank Almighty God for the care and protection he has showed and granted to me in the course of my studies and life in general. I would like to give my sincere thanks to my devoted supervisor Dr. F Barongo, whose intellectual guidance, motivating advice, patience, moral support and understanding enabled me to reach this stage.

Lastly but not least I would like to appreciate the material and moral support provided by Lecturers, Librarians, class mates, discussion group members and friends. I say thanks to you very much, may the God bless you all abundantly.

DEDICATION

This dissertation is dedicated to my lovely family who inspired me very much in my academic pursuit and tolerated my absence till accomplishment of my studies. Indeed all the family members contributed immeasurably and untiringly in destining support and encouragement in my entire period of course study.

ABBREVIATIONS AND ACRONYMS

BDC	-	Business Development Centre
BDS	-	Business Development Services
CBOs	-	Community Based Organizations
CFIs	-	Cooperative Financial Institutions
ESRF	-	Economic and Social Research Foundation
ILO	-	International Labour Organization
IMF	-	International Monetary Fund
MFI	-	Microfinance institutions
MIT	-	Ministry of Industry and Trade
NGOs	-	Non Government Organization
OECD	-	Organization for Economic Co-Operation and Development
UNIDO	-	United Nations Industrial Development Organization
SACCO	-	Savings and Credit Cooperative
SIDO	-	Small Industries Development Organization

ABSTRACT

The study on challenges facing women entrepreneurs in accessing loans from microfinance institutions was conducted in Dar es salaam. The objective of the study were; to Identify barriers facing women entrepreneurs in securing loans from microfinance institutions; to identify different types of risks considered by lenders in financing women owned investments in Tanzania; to assess challenges facing women entrepreneurs.

The study population was FINCA women entrepreneurs who manage business, A sample of 120 respondents was used. Data collection methods and instruments used were questionnaires, interview guide, documentary review was used

The study found that majority of the respondents (51.67%) identified that high interest rate is the strong barrier in securing loans from microfinance institutions, also it found that majority of the respondents (50%) identified the institutions consider failure to repay loans, moreover it found that found that majority of the respondents (60%) identified high interest rate is the challenge for women entrepreneurs.

The study conclude that; the barrier facing women entrepreneurs in securing loans from microfinance institutions is high interest rate it also conclude that failure to repay loan is one of the types of risks considered by lenders in financing women owned investments in Tanzania; more over the study conclude that high interest rate and uses of loans for domestic purposes are among the challenges facing women entrepreneurs in repaying loans. The study recommends that the efforts of Tanzanian Microfinance Institutions should be streamlined to meet the set standard and Microfinance institutions in Tanzania also need to review their policies on the maximum amount of loans to women entrepreneurs to reflect the market demands.

TABLE OF CONTENTS

CERTIFICATION	i
DECLARATION AND COPYRIGHT	ii
ACKNOWLEDGEMENT	iii
DEDICATION	iv
ABBREVIATIONS AND ACRONYMS	v
ABSTRACT	vi
TABLE OF CONTENTS	vii
LIST OF APPENDICES	xi
LIST OF TABLES	xii
LIST OF FIGURES	xiii
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of the Problem	1
1.2 Statement of the Problem	3
1.3 Objective of the Study.....	3
1.3.1 General Objective.....	3
1.3.2 Specific Objectives.....	4
1.4 Research Questions	4
1.5 Significance of the Study	4
1.6 Limitation of the Study	5
1.7 Delimitation of the Study	5
1.9 Organization of the Study	6
CHAPTER TWO	7
LITERATURE REVIEW	7
2.1 Introduction	7
2.2 Theoretical Literature Review.....	7
2.2.1 Definition of Key Terms	7
2.2.4 Financial Institutions.....	9

2.3 Tanzanian Women Entrepreneurs	10
2.4 The Concept of Microfinance	13
2.5 Financial Intermediation	15
2.6 Barriers to Women’s Entrepreneurship.....	22
2.6.1 Informal Barriers.....	22
2.6.2 Family Situation and Role Complexity.....	23
2.6.3 Attitudes towards Women as Entrepreneurs	23
2.6.4 Normative Institutions in Different Countries	24
2.6.5 Formal Barriers	24
2.6.6 Inheritance Laws and Ownership of Property.....	25
2.6.7 Lack of Access to Capital	25
2.7 Access to and Impact of Business Support Services.....	25
2.8 Constraints to Women's Entrepreneurship in Developing Countries.....	29
2.8.1 Financial and Credit Availability and Accessibility	32
2.8.2 Legal and Regulatory Barriers	34
2.8.3 Appropriate Technology	34
2.8.4 Limited Entrepreneurial Culture and Management skills	36
2.8.5 Women's Heavier Household Financial and Time Burden.....	37
2.9 Underpinning Theory	38
2.10 Empirical Literature Review	39
2.11 Research Gap	41
2.12 Conceptual Framework	42
CHAPTER THREE	43
RESEARCH METHODOLOGY	43
3.1 Introduction	43
3.2 Research Approach	43
3.3 Research Design.....	43
3.4 Area of the Study	44

3.5 Study Population	44
3.6 The Sample Size.....	44
3.7 Sampling Techniques	45
3.8 Data collection Methods and Instruments.....	45
3.8.1 Questionnaire Instrument.....	45
3.8.2 Interview Method.....	46
3.8.3 Interview Guide.....	46
3.8.4 Documentary Review Method	46
3.8.5 Documentary Review Schedule	46
3.9 Data Analysis Procedures	46
CHAPTER FOUR.....	48
RESULTS AND DISCUSSIONS	48
4.1 Introduction.....	48
4.2 Background Characteristics of Respondents.....	48
4.2.1 Age.....	48
4.2.2 Gender of the Respondents	49
4.2.3 Occupation of the Respondents.....	49
4.2.4 Level of Education of the Respondents	50
4.3 Barriers Facing Women Entrepreneurs in Securing Loans.....	51
4.4 Types of Risks Considered By Lenders in Financing Women Investments.....	52
4.5 Challenges facing Microfinance Institutions in Providing Services	53
CHAPTER FIVE.....	55
SUMMARY, CONCLUSION AND RECOMMENDATIONS.....	55
5.1 Introduction.....	55
5.2 Summary	55
5.3 Conclusions.....	56
5.3 Recommendation.....	58
5.4 Area for Further Studies.....	60

REFERENCES	61
APPENDICES	65

LIST OF APPENDICES

Appendix 1 : Questionnaire	65
Appendix 2: Interview Guide.....	68

LIST OF TABLES

Table 4. 1: Respondents Age	48
Table 4. 2: Gender of the Respondents	49
Table 4. 3: Occupation of the Respondents	50
Table 4. 4: Level of Education of the Respondents	50
Table 4. 5: Barriers Facing Women Entrepreneurs in Securing Loans	51
Table 4. 7: Microfinance Institutions Challenges in Providing Services.....	53

LIST OF FIGURES

Figure 2. 1: Conceptual Framework.....	42
Figure 4. 1: Types of Risks in Financing Women Investments	53

CHAPTER ONE

INTRODUCTION

1.1 Background of the Problem

Women entrepreneurs are key contributors to private enterprise development, job creation and economic growth worldwide (OECD, 2011). Most of the women entrepreneurs are engaged in business as a way of creating employment for themselves. Other motives include supplementing income, security, enjoyment of the work they are doing, use of existing competencies, and doing business as a hobby. Most start informal activities at home either as hobbies or means of meeting household needs, and later develop these into serious business activities. Early socialization and role models play a big part in motivating women to start business (ILO, 2003).

The major problem are the women entrepreneurs' limited education, skills and business experience, the main constraints are limited access to support services, including loan levels suited to their business needs, technical and management training, advice and marketing (Beck, 2007). These problems arise from the limited capacity and outreach of existing institutions as well as the women entrepreneur's inability to afford to pay for the services. In the case of micro-finance, the problem is mainly limited to lack of access to substantial loans (OECD, 2004). To some extent, microcredit is now widely available, especially in urban areas, thanks to donor support and the popular solidarity group-lending model. Another problem is that women's advocacy organizations appear to be weak, making it hard for women to have their voices heard. Also, the laws and regulations affecting businesses (including licensing procedures) were designed for relatively large business activities and are therefore difficult for microenterprises to comply with and these are predominantly owned by women. Corruption and bureaucracy make matters worse especially for women, who are more vulnerable to physical pressure from corrupt officials.

Obstacles that women entrepreneurs face worldwide include: a lack of financial capital, inadequate human capital potential, lack of adequate network structures, especially one lacking in access to international networks and stifling government policies (Bitler et al, 2001). Creating educational tactics for improving women's human capital potential is fundamental for entrepreneurial growth and an essential component for producing an able crop of women who can enter and survive in the entrepreneurial world. Finally, access to financial capital is seen as a major criterion for this previously mentioned entrance and survival (Megan and Ukpere, 2011). The connection to an international network structure is a necessary ingredient for women entrepreneurs to grow and prosper as legitimate concerns that must now compete in the global marketplace on an individual level; business ownership provides women with the financial independence that offers numerous tangential opportunities. On a national level, having approximately fifty percent of any nation's economy earning an income is said to be critical to the prosperity of a country's economy. On a global level, having an increased number of women working will serve to change the face of world economies today, whether the work is taking place in the mainstream labor market or in entrepreneurial ventures (Smith-Hunter, 2006)

Other barriers identified by the women entrepreneurs included: finding good employees, obtaining more training, both on business ownership in general and that related to their industry in particular and the lack of membership organizations that catered specifically to women entrepreneurs (Riethof, 2004; Smith-Hunter, 2006). Also too much competition, finding good employees and state and regulations, the cumbersome and at times bureaucratic process needed to comply with government regulations when operating a business (Smith-Hunter, 2006).

Access to finance is a challenge that many entrepreneurs face. It is argued that women entrepreneurs face additional challenges in accessing finance both in the developed and developing world (Edwards, 2012). Carter (2000) has identified four areas of financing that previous research has noted can pose particular problems for women. Firstly, women may be disadvantaged in their ability to raise start-up finance. Second, guarantees required for external finance may be beyond the scope of most women's personal assets and credit track record. Third, once a business is

established, finance may be more difficult for female entrepreneurs to raise than for their male counterparts, because of the greater difficulties that women face in penetrating informal financial networks. Finally, the relationship between female entrepreneurs and bankers may suffer from sexual stereotyping and discrimination.

1.2 Statement of the Problem

Despite the crucial efforts made by the government and private actors such as NGOs and CBOs to foster women access to financial services such as loan, women entrepreneurs still facing specific challenges to access financial services in Microfinance Institutions (MFIs) in Tanzania. The reasons for this could be either women entrepreneur in Tanzania lacks collaterals, poor credit history or lacks knowledge and skills on how to acquire loans from microfinance institutions.

Women entrepreneurs are viewed by majority of the lenders as honest and stressful. Yet some of them are no longer trusted by funding institutions especially microfinance institutions in Tanzania. Despite government efforts some women entrepreneurs in Tanzania fail to access loan services from microfinance institutions due to different reasons such as cultural issues, geographical barriers, lack of supportive mechanisms and abhorrent loan processing procedures.

Therefore this study intended to assess the challenges facing women entrepreneurs in accessing loans from microfinance institutions in Tanzania. Specifically, the study intended to; determine barriers facing women entrepreneurs in securing loans from microfinance institutions; identify different types of risks considered by lenders in financing women owned investments in Tanzania and identify challenges face Microfinance Institutions in providing services to women entrepreneurs

1.3 Objective of the Study

1.3.1 General Objective

Generally the study intended to investigate the challenges facing women entrepreneurs in accessing loans from microfinance institutions in Tanzania.

1.3.2 Specific Objectives

Specifically the study intended:-

- i) To determine barriers facing women entrepreneurs in securing loans from microfinance institutions
- ii) To identify different types of risks considered by lenders in financing women owned investments in Tanzania
- iii) To identify challenges face Microfinance Institutions in providing services to women entrepreneurs

1.4 Research Questions

This study was guided by the following specific questions:-

- i) What are the barriers facing women entrepreneurs in securing loans from microfinance institutions?
- ii) What types of risks considered by lenders in financing women?
- iii) What challenges face Microfinance Institutions in providing services to women entrepreneurs

1.5 Significance of the Study

The study help FINCA managers and the workers, to realize their obligations and responsibility towards, supporting women entrepreneurs in Tanzania; the research also inform the policy makers to find ways to curb the present undesirable situation and to understand constrains hindering women entrepreneurs performance in Tanzania

The study add on to the existing literature on factors affecting women entrepreneurs in accessing loans from microfinancial institutions

The study in totality help to revive the microfinance institutions to a good functional state and somehow guarantee its effective and smooth existence. Thus it pave a way forward for potential NGOs wishing to help in the sustainable development of

women entrepreneurs to understand the difficulties they may come across and how they can succeed in their endeavours.

1.6 Limitation of the Study

The study was encountered by some difficulties or limitations that limit the researcher and in one way or another have affected the study. The study was encountered by the following limitations.

- i) Time constraints, truly two months period is not enough for data collection, and two month report writing time is not enough to conduct the study effectively.
- ii) Response of response; sometimes the respondents were not responding accurately or return questionnaire at right time something made difficult to collect information in a right time. Likewise other respondents responded negatively when an interview was conducted.
- iii) Insufficient information ; in most cases the data collected were sufficient to make a research effective because there was little literature that identify women entrepreneurs challenges in Tanzania.
- iv) The study was encountered by resource limitation in terms of funds and time, for that reason the researcher concentrated his work at the area of the study, because covering the whole population its cost more.

1.7 Delimitation of the Study

The researcher make a close follow up of the questionnaires by physical visits and by phone calls to ensure the complete participation in the study also through assurance that the information were used only for academic purposes.

The questionnaires prepared are simple, short up to the point and attracts participants to fill the in.

By using her skills, experiences in the management, profession and theoretical orientation in research methods, the researcher thoroughly explain to participants about the study rationale and implication for them by participating in the study.

1.9 Organization of the Study

The study consist of five chapters, Chapter one provides the back ground of the study, statement of the problem, research question both specific and main, as well as research objectives, the chapter discuss the significances, the limitation and the delimitation, it wind up with the organization of the study. Chapter two deals with literature review, the research methodology, with its rational, instruments and methods which are used to collect data and analysis, were discussed in chapter three as appropriate chapter to deal with this study. Chapter four gives findings and the analysis while chapter five provides the conclusion and recommendation as well as the area of further study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter show how the researcher cited different data from other researchers and writers. The chapter present theoretical and empirical literature review, conceptual framework and finally provides research gap.

2.2 Theoretical Literature Review

2.2.1 Definition of Key Terms

2.2.1.1 Loan

Loan is an amount of money advanced to a borrower, to be paid at a later date, usually with interest (Aldab, 2012). In case of public loan or credit, it begins with a negotiation and ends with the final repayment. All activities regarding a loan begin after the loan agreement becomes effective. The various aspects or issues related to a loan (Laeven and Maksimovic, 2006). The loan process begins with the disbursement of loan proceeds. Disbursements are inflows of financial resources for the implementation of a project or activity. Principal Repayment; Repaying principal amount of a loan is a process of returning the total disbursed amount to the creditor or lender as per a pre-fixed amortization schedule (Aldab, 2012; Aldaba et al 2010).

2.2.1.2 Entrepreneurs

The term “entrepreneur” is a French word derived from the verb “entreprendre”, which means to do or to undertake, it can be divided into two parts, “entre”, meaning “between”, and “preneur” meaning “taker” (Filion, 2008). Literally, an entre-preneur is a “between-taker”, or go-between. An entrepreneur is a person who starts an enterprise, searches for change and responds to it. Entrepreneurs take initiative, accept risk of failure and have an internal locus of control (Sethi, 2007). To an economist, an entrepreneur is one who brings resources, labor, materials, and other assets into combinations that make their value greater than before, and also one who introduces changes, innovations, and a new order. To a psychologist, such a person is

typically driven by certain forces the needs to obtain or attain something, to experiment, to accomplish, or perhaps to escape the authority of others. To one businessman, an entrepreneur appears as a threat, an aggressive competitor, whereas to another businessman the same entrepreneur may be an ally, a source of supply, a customer, or someone who creates wealth for others (Hisrich, et al, 2005).

2.2.1.3 Women Entrepreneurs

The African continent contributes less than two percent of global income, and as a result, most of its citizens remain mired in poverty (ILO, 2003). One reason is that women face many barriers. Consequently, many do not reach their full potential. Across sub-Saharan Africa, girls systematically receive less schooling and grow up to become less literate; as women, they often encounter more obstacles in starting and sustaining businesses (Makombe, 2006).

With the growing importance of the modern informal sector in Tanzania and the vital contribution of this sector to the gross domestic product (GDP), women income generating activities (IGAs) were encouraged since they contributed immensely in terms of providing basic goods and services to the majority of low income groups in Tanzania (Hisrich, et al, 2005). Accordingly, women have been very active in the modern informal sector since the 1980s, which tends to be the only source of income for women though not for men.

In East Africa, Tanzania exhibits many of these problems. Women entrepreneurs, particularly, find it tough going. The challenge is access to finance, simply because women don't own property, they're supposed to provide collateral, but due to social and cultural norms and values of African societies, most of the time women don't own such properties. So, this becomes a big challenge in accessing finance (Smith-Hunter and Leone, 2009). Even when they are doing business, they lack the skills, they lack the necessary technologies, pricing strategies, promotion strategies, distribution strategies, and in this competitive world, if you lack those strategies, you are lacking a very big component in your business (Toni,2004)

In simple words women entrepreneur is any women who organizes and manages any business enterprise (Ilahi, 2012). Women Entrepreneur is a person who accepts challenging role to meet her personal needs and become economically independent (Lal and Badrinarayan, 2011). Current women entrepreneurs and their ever increasing numbers are key to the long-term economic growth of any country that wishes to operate effectively in the global marketplace (Smith-Hunter and Leone, 2009).

Cultural and social patterns prescribe the characteristics of women entrepreneurs worldwide, women entrepreneurs worldwide are shown to be mainly concentrated in the services industry, are on average between 40-45 years old, married with approximately 2-3 children, with low level of education, have been in business for approximately 10-15 years and have 10–20 employees (Smith-Hunter, 2006). Women entrepreneurs worldwide characterized by lack of security, lack of benefits and low income (Smith-Hunter and Leone, 2009).

Indeed, women entrepreneurs are unlikely to obtain financing for their projects if they lack the skills to accurately assess their financing needs, develop a convincing business plan, and make a compelling pitch to potential investors or lenders (OECD, 2011). Women entrepreneurs in Tanzania are able to access small amounts of micro-finance, and larger enterprises are able to obtain loans from the commercial banks. Yet those women micro-entrepreneurs who want to expand their businesses from micro and small or large enterprises have difficulty obtaining appropriate amounts of funding to finance their growth plans (ILO, 2003).

2.2.4 Financial Institutions

financial institutions includes banks, production credit, trust companies, savings and loan associations, mutual savings banks, mortgage lenders and brokers, money-lending businesses, and any person in the business of buying loans, notes, or other evidences of debt. These are institutions that provide financial services to for its clients or members, important financial service is acting as financial intermediaries (Beck, 2007).

2.3 Tanzanian Women Entrepreneurs

Women entrepreneurs accounted for about 35 per cent of informal enterprises in Tanzania. By 1995, it was estimated that the proportion of women in the sector could have risen to 70 per cent of the informal sector labour force. In a 2000 Economic and Social Research Foundation (ESRF) found that, 55 percent of the enterprises in the sample were owned by women entrepreneurs (Stevenson and St-Onge, 2005)

The impact of the economic crises and the structural adjustment measures in Tanzania has undoubtedly been greater on women than on men. Given that most wage earners are men, the burden of adjustment fell heavily on women who now became the main breadwinners by participating in income generating activities. As carers and managers, therefore, women have played a significant role in enabling the family to adapt to the obvious change (Rutashobya, 2010).

In Tanzania, there are several obstacles to the performance of women entrepreneurs. These included limited human capacity in terms of skills and knowledge; limited access to support services, including finance, technical and management training; limited advocacy capacity; and a cultural environment which makes it more difficult for women to start and run enterprises. Despite these problems, some women manage to develop from informal economic activities at the micro level to formal small and medium enterprises, and in the process demonstrate “upward mobility (ILO, 2003).

However, women entrepreneurs still face a number of new constraints which should be addressed to enable them to grow and expand. To secure the sustainability of services to small and micro enterprises in the food industries beyond the life of the programme, it is proposed to create a non-profit consortium, the Business Development Centre (BDC), to be linked to SIDO and private and public institutions operating in the food processing sector. Women entrepreneurs operating in the informal economy lack the ability to accumulate the savings required for the start-up process women with poor levels of education are less likely to have accumulated savings from previous employment. They lack access to working capital and credit

and, as a result, have low profits to reinvest in their firms (Stevenson and St-Onge, 2005)

Over the past fifteen years, Tanzania has embarked on an ambitious and long process of economic, social, and political reforms to improve the business environment and to increase economic growth and reduce poverty. In the past five years, despite adverse weather conditions and deteriorating terms of trade, the economy of Tanzania has been growing at an annual average rate of more than 4% (UNDAF, 2006). For example in 2003, the economy grew by 5.6% in real terms. Inflation had been reduced to 4.6% by March, 2004 (Budget speech, 2004/2005).

The balance of payments position has also improved substantially with foreign exchange reserves rising and maintained at a sustainable level (UNDAF, 2006). Despite all these success stories, the challenge facing the government of Tanzania is to translate these achievements into tangible human development. The depth and extent of poverty is still high with 50% of the population living below poverty line (ibid). The task of reducing poverty and improving the living standards of the Tanzanian population is huge.

The rate of growth of national economy has not been high enough to generate the number of jobs required. That brings up the issue of the majority to enter into private sector in the form of entrepreneurship and small business, thus expanding the private and informal sector of the economy from 23.9% in 1971 to 79.6% in 1996 (Makombe, 2006). Small Business Entrepreneurship has been seen as a hub in generating income for the majority of urban dwellers with no formal paid employment.

In Tanzania, entry into small business entrepreneurship is usually not seen as a problem. One can start small business at any time and in any place. However, the development of this informal sector has been profoundly characterized by two parallel phenomena which are perhaps contradictory in character (Makombe, 2006). One is the increasing politicization effort encouraging people to engage in Small and Medium Entrepreneurship (SME).

This has led to the proliferation and mushrooming of small businesses, most of which were in the form of petty trading, at least everywhere in the urban centers (ILO, 2003). The second is the parallel increase in events suggesting prevalence of crime and bureaucratic hurdles which affect SME and counter reaction from the small traders. While the second can be characterized as due to the increasing repressive action by city authority over vendors, the counter reaction behavior of itinerant and small traders toward city authority is also evident in most urban areas (Makombe, 2006). Generally, the sector is characterized by constant tension and feuds between small traders and urban authorities.

According to UNIDO (2002), women's productive activities, particularly in industry, empower them economically and enable them to contribute more to overall development. In many cases, women entrepreneurs are already making important contributions to the industrial development of their countries. Whether they are involved in small or medium-scale production activities or in the informal or formal sectors, their contribution to output and value added in the manufacturing sector is substantial, even though it remains partly invisible in official statistics.

Women's entrepreneurial activities are not only a means for economic survival but also have positive social repercussions for the women themselves and their social environment. UNIDO (2002) further, shows that in many societies women do not enjoy the same opportunities as men. Progress has been achieved in opening doors to education and health protection, but political and economic opportunities for women have remained limited, particularly in making better economic choices and in transforming their businesses into competitive enterprises, generating income and employment through improved production.

Tanzanian women have a long tradition in food-processing, either in their households or in micro, and small-scale enterprises. The UNIDO program targets all women, who although are food producers, they lack both essential technological and managerial skills to expand and improve their businesses in the free market environment (ILO, 2003). There are a variety of constraints on women and the ability of women to upgrade their production continuously.

These include poor access to market information, technology and finance; poor linkages with support services; and an unfavorable policy and regulatory environment (Makombe, 2006). These constraints are exacerbated by the need to compete in an aggressive business environment with rapid technological changes and the globalization of production, trade and financial flow

2.4 The Concept of Microfinance

Microfinance, according to Otero (1999,) is “the provision of financial services to low-income poor and very poor self-employed people”. These financial services according to Ledgerwood (1999) generally include savings and credit but can also include other financial services such as insurance and payment services. Schreiner and Colombet (2001, p.339) define microfinance as “the attempt to improve access to small deposits and small loans for poor households neglected by banks.” Therefore, microfinance involves the provision of financial services such as savings, loans and insurance to poor people living in both urban and rural settings who are unable to obtain such services from the formal financial sector.

The aim of microfinance according to Otero (1999) is not just about providing capital to the poor to combat poverty on an individual level, it also has a role at an institutional level. It seeks to create institutions that deliver financial services to the poor, who are continuously ignored by the formal banking sector. Littlefield and Rosenberg (2004) state that the poor are generally excluded from the financial services sector of the economy so MFIs have emerged to address this market failure. By addressing this gap in the market in a financially sustainable manner, an MFI can become part of the formal financial system of a country and so can access capital markets to fund their lending portfolios, allowing them to dramatically increase the number of poor people they can reach (Otero, 1999).

Otero (1999, p.10) illustrates the various ways in which “microfinance, at its core combats poverty. She states that microfinance creates access to productive capital for the poor, which together with human capital, addressed through education and training, and social capital, achieved through local organisation building, enables

people to move out of poverty (1999). By providing material capital to a poor person, their sense of dignity is strengthened and this can help to empower the person to participate in the economy and society (Otero, 1999).

Wright (2000) states that much of the scepticism of MFIs stems from the argument that microfinance projects “fail to reach the poorest, generally have a limited effect on income drive women into greater dependence on their husbands and fail to provide additional services desperately needed by the poor”. In addition, Wright says that many development practitioners not only find microfinance inadequate, but that it actually diverts funding from “more pressing or important interventions” such as health and education (2000). As argued by Navajas et al (2000), there is a danger that microfinance may siphon funds from other projects that might help the poor more. They state that governments and donors should know whether the poor gain more from microfinance, than from more health care or food aid for example. Therefore, there is a need for all involved in microfinance and development to ascertain what exactly has been the impact of microfinance in combating poverty.

Microfinance is the provision of financial services such as loans, savings, insurance, and training to people living in poverty. Microfinance refers to small-scale financial services for both credits and deposits that are provided to people who farm or fish or herd, operate small or microenterprises where goods are produced, recycled, repaired, or traded, provide Services, work for wages or commissions, gain income from renting out small amounts of land, vehicles, draft animals, or machinery and tools, and to other individuals and local groups in developing countries, in both rural and urban areas (Robinson, 1998).

Microfinance is the provision of a broad range of financial services such as deposits, loans, payment services, money transfers and insurance products to the poor and low-income households, for their microenterprises and small businesses, to enable them to raise their income levels and improve their living standards. The Core Principles for Microfinance involves The poor needs access to appropriate financial services, The poor has the capability to repay loans, pay the real cost of loans and generate savings, Microfinance is an effective tool for poverty alleviation,

Microfinance institutions must aim to provide financial services to an increasing number of disadvantaged people, Microfinance can and should be undertaken on a sustainable basis and Microfinance NGOs and programs must develop performance standards that will help define and govern the microfinance industry toward greater reach and sustainability

Africa's women entrepreneurs have little access to microfinance services, which thus hampers their emergence and eventual growth. Their main sources of capital are their retained earnings and informal savings and loan associations (tontines), which are unpredictable, not very secure and have little scope for risk sharing because of their regional or sectoral focus. Access to formal finance is poor because of the high risk of default among SMEs and due to inadequate financial facilities (OECD, 2011).

Small business in Africa can rarely meet the conditions set by financial institutions, which see women business as a risk because of poor guarantees and lack of information about their ability to repay loans. The financial system in most of Africa is under-developed however and so provides few financial instruments. Capital markets are in their infancy, shareholding is rare and no long-term financing is available for women entrepreneurs. Non-bank financial intermediaries, such as microcredit institutions, could be a big help in lending money to the smallest SMEs but they do not have the resources to follow up their customers when they expand (OECD, 2011).

2.5 Financial Intermediation

MFIs have as main objective to provide financial intermediation which involves the transfer of capital or liquidity from those who have excess to those who are in need both at the same time. Finance in the form of savings and credit arises to permit coordination. Savings and credit are made more efficient when intermediaries begin to transfer funds from firms and individuals that have accumulated funds and are willing to shed liquidity. It is visually known that almost all MFIs provide credit services. Other MFIs also provide some financial products such as; savings, insurance, and payment services. Each MFI has its objectives and the choice of the

financial service to provide depends on the demands of its target market and its institutional structure. Two important considerations when providing financial services are; to respond effectively to the demand and preference of clients and to design products that are simple and easy to understand by the clients and easily managed by the MFI (Ngehnevu and Nembo, 2010).

According to Ngehnevu and Nembo, (2010), the common products that MFIs provide include; credit, savings, insurance, credit cards, and payment services. These points are briefly described and also show how financial services are provided to SMEs. Credit: These are borrowed funds with specified terms for repayment. People borrow when there are insufficient accumulated savings to finance a business.

They also take into consideration if the return on borrowed funds exceeds the interest rate charged on the loan and if it is advantageous to borrow rather than to postpone the business operations until when it is possible to accumulate sufficient savings, assuming the capacity to service the debt is certain (Waterfield and Duval, 1996). Loans are usually acquired for productivity reasons; that is to generate revenue within a business.

Savings: Savings mobilization in microfinance is a very controversial issue. They have been increase awareness among policy makers and practitioners on the vast number of informal savings schemes. MFIs such as credit union organizations around the world have been very successful in rallying clients to save (URT, 2002).

Insurance: This is one of the services and products that are experimented by MFIs. Many group lending programs offer insurance or guarantee scheme as collateral and the Grameen bank is a typical example of MFI in this scheme. One percent of the loan is required to be presented by the group member as their contribution for the insurance for the loan (Ledgerwood, 1999).

Credit cards: These are cards that allow borrowers to have access to a line of credit if and when they need it. This card is also use to make purchase assuming the supplier of the goodwill accepts the credit card or when there is a need for cash. The card is

also called a debit card when the client is accessing his or her own savings (Ledgerwood, 1999).

Payment Services: payment services include cheque cashing and cheque writing opportunities for clients who retain deposits. In addition to cheque cashing and cheque writing privileges, payment services comprise the transfer and remittance of funds from one area to another (Ledgerwood, 1999).

According to Irwin, and Grayson, (2006), The financial services provided by the banking industry are the following: demand deposits, times deposits, loans, electronic transfer of funds, financial advice, payroll service, certified checks, trust services, safe-deposit boxes. The three most important banking services are accepting deposits, granting loans, and providing electronic funds transfer. The financial services provided by the banking industry are the following:-

The Deposit Side of Banking, Firms and individuals deposit money in checking accounts-demand deposits-so that they can write checks to pay for purchases. A check is a written order for money amount to the business or person indicated on the face of the check. Today, most goods and services are paid for by check. Most financial institutions charge an activity fee or service charge for checking accounts. For businesses, monthly charges are based on the average daily balance in the checking account and on the number of checks written (Irwin, and Grayson, 2006).

Saving accounts (time deposits) provide a safe place to store money and represent a very conservative mean of investing. Depositors can usually withdraw money from passbook accounts whenever they wish to. A depositor who is willing to leave money with a bank for a set period of time can earn a higher rate of interest. To do so, the depositor buys a certificate of deposit (CD). A certificate of deposit is a document stating that bank will pay the depositor a guaranteed interest rate for the money left on deposit for a specified period of time. The interest rate always depends on how much is invested and for how long. Depositors are penalized for early withdrawal of funds invested in certificate of deposits (Mori and Richard, E, 2012).

The Lending Side of Banking, Credit is purchasing power that is exchanged for a promise to repay it, with or without interest, at a later date. A credit transaction is a two-sided business activity, which involves both a borrower and a lender. The borrower is most often a firm or a person that wishes to make a purchase. The lender may be a bank, some other lending institution, or an intermediary involved in the purchase (Bolundut, 2001)

Banks lend money because they are in business for that purpose. The interest they charge is what provides their profit. According to Mori and Richard, (2012), there are at least two reasons why other businesses extend credit to their customers. First, some customers simply can't afford to pay the entire amount of their purchase immediately, but they can repay credit in a number of smaller payments, stretched out over some period of time. Second, some firms are forced to sell goods or services on credit to compete effectively when other firms offer credit to their customers.

A second major need for short-term financing related to a firm's cash flow problem is that of inventory. Inventory requires considerable investment for most manufactures, wholesales and retailers. Moreover, most goods are manufactured four to nine months before they are actually sold to the ultimate customer. As a result, manufacturers that engage in this type of speculative productions often need short-term financing. The borrowed money is used to buy materials and supplies, to pay wages and rent, and to cover inventory costs until the goods are sold. Then, the money is repaid out of sales revenue (Beck, 2007).

Long term business loans have a longer repayment period, generally three to seven years but sometimes as long as fifteen years. They are most often used to finance the growth of a firm or its product mixes (all the products that a firm offers for sale). Most lenders prefer some type of collateral for both business and personal long-term loans. Collateral is real or personal property (stocks, bonds, land, equipment, or any other asset of value) that the firm or individual owns and that is pledged as security for a loan. The lender can repossess the collateral if the borrower fails to repay the loan according to the terms specified in the loan agreement (Bolundut, 2001)

Repayment terms and interest rates for both short-term and long-term loans are arranged between the lender and the borrower. For businesses, repayment terms may include monthly, semiannual, or annual payments. Repayment terms and interest rates for personal loans vary, depending on how the money will be used and what type of collateral, if any, is pledged. Borrowers should always search for a loan, comparing the repayment terms and interest rates offered by competing financial institutions (Bolundut, 2001)

Electronic Transfer of Funds, The newest service provided by financial institutions is electronic banking. Electronic funds transfer (EFT) system is a means for performing financial transactions through a computer terminal or telephone hookup. Automated teller machine is an electronic bank teller, a machine that provides almost any service a human teller can provide. Once the customer is properly identified, the machine can dispense cash from the customer's checking or savings account or can make a cash advance charged to a credit card (Amin, 2002).

Most automated teller machines can also accept deposits and provide information about current account balances. Automated teller machines are located in bank parking lots, supermarket drugstores, and even gas station. Customers have access to them any time, day or night. Where automated clearinghouses are available, large companies can use them to transfer wages and salaries directly their employees' bank accounts without making out individual paychecks. The automated clearinghouse system saves time and effort for both employers and employees and it is a measure of security to the transfer of these payments (Schiffer and Weder, 2001).

Notwithstanding the low rate of penetration, financing by banking institutions form the most important source of external financing for women businesses. This is due to the dominance of the banking sector as the main intermediary in the financial systems of these countries. The average share of bank financing for women businesses in Viet Nam is about 25%. For Thailand, indications suggest an average range of over 40% with steady improvements made from year to year. Each of these countries has a fair number of state owned and private financial institutions providing financing including to women entrepreneurs. There are also numerous

non-bank financial institutions (NBFIs) such as finance companies, credit and leasing companies, cooperatives and thrifts, credit unions etc that are involved in women businesses financing. These banks and NBFIs also participate as conduits for government funds for women businesses (Ayyagari, et al, 2007).

The banking sector has a wide range of generic short, medium and to a lesser extent, long term credit and various supplementary financing instruments including trade credit, export financing, factoring and discounting. Some banks also provide special loans targeted at priority sectors and key segments of the population as identified by the Government (Irwin and Grayson, 2006). In Viet Nam, the commercial banking sector comprises of state-owned commercial banks (SOCBs), joint stock banks (JSBs), joint venture banks (JVBs) and representative offices or branches of foreign banks. There are also several credit cooperatives/credit funds, microfinance Institutions and financing companies. Commercial bank lending, however, is dominated by the SOCBs, which command 70% of domestic lending market share in 2002. The JSBs are believed to be an important source of credit to women businesses. One such example is the Viet Nam EXIM Bank, which supports export business in Viet Nam. JSBs and JVBs offer a wide range of banking services including provision of credit to private enterprises (Mandeep, et al, 2010). Letters of credit are offered by some commercial banks to facilitate trade financing but the SME are unlikely to be the main beneficiaries. Lending to women entrepreneurs is guided by the official Decree/Act in both Thailand and Viet Nam. Having an official definition cemented by an act of parliament is a critical first step to coordinated efforts to women businesses development and to effectively facilitate financing programmes for the sector. Industry sector plays an important role in influencing the overall bank lending direction (Ayyagari, et al, 2007). Banks usually target or avoid industries in accordance to the prevailing economic performance. In Thailand, banks generally prefer manufacturing and trading and are adverse to real estate related sectors. In Viet Nam, banks favour export oriented manufacturing over construction related sectors.

Common Financing Approach/Lending Technologies, in financing women entrepreneurs, the most popular approaches adopted by banks are transaction,

collateral and relationship lending (Irwin and Grayson, 2006). Collateral lending is the most common approach of banks, while transaction lending prevails in Thailand. Transaction lending means the practice of treating loans in bulk unlike retail loans. The difference in practice between the two can probably be explained by the relative development of banks in Thailand where technologies such as programme lending and credit scoring are deployed to move high volumes of small loans. Conversely the women entrepreneurs sector is still very new in Vietnam. Hence, such technologies as used by big banks elsewhere are neither available nor applicable here. The supplementary form of financing such as factoring and trade credit is less commonly used for women entrepreneurs lending. Regardless of the lending technology adopted, banks are still demanding collateral from women entrepreneurs. The most common form of security is plant and property, followed by home mortgage pledged by the entrepreneur. Trade receivables and stock in trade are not popular forms of security for women entrepreneur's loans, in line with the less common practice of factoring, trade credit and other supplementary forms of financing for women businesses (Ayyagari, et al, 2007).

Processes and Documentation, in evaluating women entrepreneurs loans, banks require various documentation, chief of which are the business plan, financial statements and bank statements, other documents include proof of income, asset ownership, contracts and proof of payment habits (Irwin and Grayson, 2006). For those that cannot do so, the banks indicate that they do not automatically reject the application. Instead the normal practice is to approve the loan with conditions, find alternative evidence of credit worthiness or to assist the borrower to prepare the necessary documentation. Presumably, this is only done for women entrepreneurs for which banks have conducted preliminary checks and are found to be bankable. In appraising women entrepreneur's loans, banks rely on various sources of information. Informal checking with other banks is a popular means of verification. In Thailand, banks can check through some form of central database either maintained officially or by private information providers. The average processing time for women entrepreneurs loan varies significantly from bank to bank. Empirical evidence suggests that commercial banks are faster in processing a loan compared to

state owned banks. This could be due to the greater flexibility of private banks. In countries that rely on international agency funding, the processing time could be prolonged by the need to seek approval from various levels of committee both internal and external (Mandeep, et al, 2010).

2.6 Barriers to Women's Entrepreneurship

Most of women entrepreneurs in developing countries run small-scale or micro-enterprises, with a majority operating within trade or service sectors (Dzisi 2008, Spring 2009). Some common examples are to run small shops or market stalls where clothes, food products or jewelry are sold. Within service, it is common to run hair-and beauty salons, restaurants and guest houses. Enterprises within these sectors have been perceived as less important to economic development and growth, compared to enterprises within manufacturing and technology, a perception which has been a great disadvantage for WEs. Lately, it has been observed that small-scale economic activities of women in Africa have been undervalued and that their specific role and involvement in the economic development of their countries are neither well-known nor recognized (Dzisi 2008).

Even though one needs to remember that female entrepreneurs in developing countries are a heterogeneous group, just as entrepreneurs in general, there are three levels of similarity among them to be considered. First, women all over the world usually face the same kind of role complexity, especially in the combination of working wife and mother. Second, when women try to start or expand their business activities, they are experiencing similar obstacles, wherever they live. Third, women entrepreneurs have to deal with unique obstacles related to the local domestic market environment in which they operate, in contrast to their male counterparts (Beck, 2007).

2.6.1 Informal Barriers

The barriers to women's entrepreneurship are to be found in both informal and formal structures. Barriers found within informal structures are often very difficult to identify, change and overcome, since they are closely linked to cultural views, values

and norms and it takes very long time to change values and attitudes in a society (Beck, 2007).

2.6.2 Family Situation and Role Complexity

In all countries around the world, women continue to be primary caregivers for their children and other family dependants, whether they work outside the home or not. Moreover, in developing countries, women are often the sole breadwinner of the family, and are therefore forced to seek paid employment outside the home, alternatively to start a business. Thus, it might not be surprising that a frequent theme in previous research on women's entrepreneurship is that women run their business in relation to their family situation, which is not the case when looking at research on men's entrepreneurship (Carter, 2000).

Women often have a number of dependants to provide for, except husband and children, there are often aged parents, siblings and extended family members to care for, putting additional burdens on the women (Dzisi 2008). Looking at the general living conditions and women's status in sub-Saharan Africa, one major constraint to potential entrepreneurship is high fertility rates. With an average of five to six births per woman, the opportunities to start a business will decrease. With repeated pregnancies it may be difficult to run a business, or even work outside the home at all, due to ill health. And with a number of children to care for, there may be little time to work outside the home.

In many cases in sub-Saharan Africa, women are not only responsible for their own children, but also for young relatives who have lost their parents due to AIDS. Moreover, in these communities, children are still seen as insurance against incapacity and for support in old age, putting an extra physical and emotional burden on women in their most productive years (Filion, 2008).

2.6.3 Attitudes towards Women as Entrepreneurs

In Muslim communities in sub-Saharan Africa, it is not socially accepted for women to run their own business, or even to work outside the home. The reason is fear that a

married woman who starts to make her money becomes too independent and that it will change traditional family roles and undermine the patriarchal domestic relations. Too independent women might change the balance of power within the household, which can lead to divorce and even self-determination. If a married woman works for money outside the home, it is interpreted as the husband's inability to control his wife, or his inability to provide for his family. From fear of losing such control, social standing and personal honor, many men simply forbid their wives to operate their own business.

The social stigma would be even worse if the wife turns out to be more successful than the husband, leading to deep social embarrassment and dishonor of the family name. This kind of social constructs concerning female entrepreneurs are to be found in many cultures all over the world, and not just in Africa (Laeven and Maksimovic, 2006).

2.6.4 Normative Institutions in Different Countries

Drawing on institutional theory, Baugh, Chua and Neupert (2006) discuss how the normative context affects women's participation in entrepreneurship in a number of industrialized and transition economies. They show that the relation between female entrepreneurs in a country is not connected to the level of welfare, but instead that cultural norms and values affect the proportion of women-owned businesses in a country. These norms and values are related to the general support systems towards entrepreneurship, but also to the level of gender equality in that country. They state that the institutional context, and the preconditions it creates for female entrepreneurs, is of great importance, because it affects the kind of support that will be available for individual women (Ledgerwood, 1999).

2.6.5 Formal Barriers

Formal structures that are disadvantageous for women entrepreneurs can for example have to do with regulatory system, inheritance laws, ownership of property, access to capital and access to education (OECD, 2004).

2.6.6 Inheritance Laws and Ownership of Property

In many places, women are still excluded from the right to inherit or own land or property, due to discriminating national laws. Further, there might be regulation which prohibits women from buying land, even if they do have the funds for it. Consequently, women who want to start a business have to rely on their husbands' or relatives' land, alternatively renting from someone else. This is of course particularly troublesome for women entrepreneurs operating within the agriculture sector. In some African countries, the government addresses this problem by issuing land certificates, which gives the holder a number of personal rights to use the land. However, land certificates cannot be used as collateral towards the bank. For women, who also are excluded from owning land, it is impossible to get a bank loan which is needed to achieve business growth (Stevenson, and St-Onge, 2005).

2.6.7 Lack of Access to Capital

Looking at previous research on women's entrepreneurship, it is clear that the most frequently discussed external barriers are lack of access to capital and discrimination when applying for loans (OECD, 2004). Even if access to capital is a real challenge for both men and women entrepreneurs in developing countries, it is usually most challenging for women, especially if they are unable to legalize their business. Another reason for banks to exclude women from external loans is that women often run micro scale businesses, and micro businesses in general have smaller chances of obtaining bank loans (Stevenson, and St-Onge, 2005). It is particularly hard for women in rural areas in developing countries to overcome these types of regulatory discrimination, since they usually do not own land, they usually do not have any savings and usually do not have anything else to use as other collateral for a traditional bank loan (Spring, 2009).

2.7 Access to and Impact of Business Support Services

Training and technical services, a number of the women involved in food processing have received technical and business management training. However, access to business skills training is often limited by lack of awareness of existing training

opportunities as well as limited time available for the women to attend the training. There are not many local institutions offering training on beauty care and fashion design, and hence women in these sectors are sometimes forced to go to other countries to acquire the skills or recruit skilled employees (Ilahi, 2012).

Marketing, information and advisory services, some women entrepreneurs lack the skills and information required for them to take full advantage of market opportunities. The few who have participated in trade fairs have seen significant positive impacts on their businesses as a result. Very few of the 128 women have made use of commercial advertising services (Filion, 2008).

Business associations: Awareness and membership to business associations is low. Several of the women involved in food processing are members of TAFOPA which facilitates access to packaging materials, training and trade fairs. Without this support, most of the food processing businesses in this study would not have started or survived. However, very few of the women in tailoring and beauty care have joined associations. Some have negative attitudes towards associations, while others are unaware of the existence or importance of the associations (Ledgerwood, 1999).

Constraints to Upward Mobility, constraints to upward mobility of the women-owned MSEs include limited access to finance, bureaucracy, competition, harassment and corruption by licensing and tax officials, perceived unfair tax levels and tax enforcement procedures, and time taken in fulfilling social/cultural responsibilities such as funerals by both the owners and employees. For growing MSEs the main problem is being able to access loans appropriate to the size of their enterprises. This is because the relatively large loans they need are not available from MFIs and most of the women lack the collateral demanded by banks (OECD, 2004).

Most of those in food processing are unable to formalize their businesses because of stringent health and hygiene requirements in terms of premises (Riethof, 2004). Those in tailoring and beauty care face stiff competition in recruiting the few skilled tailors and beauticians in Tanzania and as a result of the bureaucratic procedures encountered when trying to recruit foreign workers. Gender-related problems cited

include women entrepreneurs being subjected to pressure to offer sexual favours to corrupt government officials; lack of property rights over assets which could be pledged as collateral (even being disallowed to use own properties as collateral); lack of confidence in women by bank officers; discouragement from men when starting or formalising businesses, and inadequate management cover during maternity leave. Sometimes clients and suppliers require that the women entrepreneurs' spouses make decisions (OECD, 2004) . Finally, cultural values restrict women from socializing in the business context with men, and hence from broadening their networks that could be useful in business.

Women's Strategies for Success, to overcome the various challenges that they face, women entrepreneurs who have become upwardly mobile have adopted a number of effective strategies. These include:

Financing, to address the problem of collateral, some women have been using friend's properties to pledge as collateral while others have been strategically building up assets (example. fixed deposit, equipment) gradually and then using them as collateral. To deal with the problems of costly procedures and small loans from MFIs, some started borrowing small sums and repaying the capital and interest quickly in order to graduate to bigger loan sizes, which is what they need to develop their businesses. Others have used their trusted assistants to attend the frequent borrowers' meetings. They have also tried to minimize the need for external financing through very careful management of cash (Sethi, 2007).

Marketing: Many of the upwardly mobile women have been developing a knowledge of needs and tastes of their customers; maintaining quality; advertising their services in mass media; attending trade fairs; recruiting and retaining highly qualified staff (sometimes from outside the country), and motivating their employees to deliver the best service possible. To circumvent the high cost of advertising in mass media, some have used greeting cards as a means of advertising (Smith-Hunter, 2006).

Dealing with unfriendly laws, regulations and bureaucracy: Some of the successful women have demonstrated firmness when confronted with officials who harass them.

They have kept good records of financial performance and used these to convince tax officials of their appropriate tax liabilities (Sethi, 2007). . In some cases, they have had to engage in bribing the officials. Some have been operating informally until they were able to meet licensing requirements, while using a women's business association as a cover for unlicensed activities.

Dealing with gender-related problems: Many of the women entrepreneurs who have become successful make sure that they are open and transparent to their spouses in order to cultivate their trust and co-operation. Some run the business independently from the husband to minimize his influence. Others focus their time and effort on one (or a few businesses) in order to be able to develop it while still taking care of their family (Smith-Hunter, 2006).

Constraints to growth, The constraints to growth found by this study are similar to those reported in the previous studies, such as limited access to finance, premises and skills; cultural values which are not conducive to successful operation of women business, unfriendly laws and regulations which are difficult to comply with, and corruption. There are however differences in the way these affect women entrepreneurs, and in particular this segment of women entrepreneurs who are growing businesses.

Access to finance, for growing women entrepreneurs, the problem of access to finance is not availability per se, but being able to access loan sizes appropriate to the needs of their enterprises. This is because the women in growing MSEs need relatively large loans, which are not available from MFIs. Most of the women entrepreneurs are unable to borrow from banks because they demand collateral, which the women do not have. There is a need to introduce a broader range of financial products which are accessible to women growing their own MSEs (Waterfield, and Duval, 1996).

Shortage of skilled labour, there are some skills for which there is a very limited local supply. These include specialized skills in tailoring (e.g. fashion design) and beauty care. As a result, even MSEs are importing labour to fill this gap. There is a

need to develop local capacity for the skills required in MSEs, so as to avail of more employment opportunities for the local population (Stevenson, and St-Onge, 2005)

Access to training, some women are unable to attend training organized in conventional workshops, mainly because the activities they are engaged in require them to work on the business continuously. This suggests the need for training approaches which can effectively reach the women at their work places, such as through radio programmes (Smith-Hunter, 2006).

Laws and regulations, some women entrepreneurs are unable to formalize their businesses because of stringent requirements in terms of premises which can be licenced for production activities. This is especially the case among those in food processing, most of whom remain informal because they cannot afford the high cost of building or renting premises which are appropriate for the size of their business. There is a need to provide facilities for women entrepreneurs in this sector to be able to develop their activities up to a point where they can rent or establish their own facilities (Smith-Hunter, 2006).

2.8 Constraints to Women's Entrepreneurship in Developing Countries

For the purpose of this study "barriers" are defined as those factors tending to inhibit potential entrepreneurs entering the MSE sector. These may also be external in nature and beyond the control of the potential entrepreneur. "Constraints", tend to limit growth of MSEs by confining them in terms of scale and scope of operation (Stevenson and St-Onge, 2005) They could also be said to be internal in nature and may be controlled to some extent by the entrepreneurs. Some of these barriers and constraints include: financial aspects; gender roles; social inequality; entrenched cultural and traditional practices; technology; legal; institutional and policy levels, among others (Hisrich and Brush, 2010)

Women's concerns and gender-related constraints tend to negatively affect equal participation of both sexes at the local, institutional and policy levels. Hence, this may lead to a failure to utilize the full potential of human resources for wealth creation, as one section of the population, which forms the majority, is left out or

only allowed limited opportunities. Disabled women entrepreneurs face bigger barriers than other women entrepreneurs in general, in the form of limited mobility, discrimination, myths/negative cultural attitudes, overprotection, marginalization and lack of specific funding that takes into consideration their conditions. Other specific barriers will be determined during the primary research (Stevenson and St-Onge, 2005).

Most women entrepreneurs face difficulties in accessing additional funds. Maximum loan limits by banks is one reason. It was found out that few FIs provide a big amount of short term loans to women entrepreneurs. Most banks' maximum limit for short term loans is lower than those needed by SMEs. Lack of awareness and information gap is another reason. Many women entrepreneurs operators are not fully aware of what is available in the financial sector (Richard and Mori, 2011)

According to Richard and Mori, (2011), many of women entrepreneurs go to a certain bank because they have been told by friends or they have seen other people going there. They do not do proper research to find out how and where they can get what they want. Women entrepreneurs' perception of banks is another problem. Most women entrepreneurs perceive financial institutions as grant providers. They forget that banks are also doing business. Women entrepreneurs operators need to understand that banks perceive most of women entrepreneurs businesses as highly risk and will likely charge high interest to cover for the risk and make profit. Another reason is lack of knowledge on financial management by SMEs. Sometimes SMEs request for loans which they really don't need or is over and above what they need. For example, an SME operator may require USD 120 thousand to buy a machine, but, when the loan officers do their analysis they find out that this client does not need that amount for the machine. The bank will offer the operator what is really needed and not what is asked. This sometimes makes SMEs think that the bank refuses to give them the loan requested while in actual sense the bank offers them what is needed.

Moral hazards problem is another issue. Many women entrepreneurs SME operators who borrow working capital from banks, usually do– not use the loan according to the reasons presented in their request (Richard and Mori, 2011).

Formal financial institutions have failed to provide credit to the poor and most of whom are found in developing countries and to be more specific in the rural areas. The reasons given by Ngehnevu and Nembo, (2010) are that their policies are not meant to favour the poor. The poor are mostly illiterate and banks lack those skills to target these rural customers. In these areas, the population density is very low causing high transaction cost by the financial institutions since they need to move for long distances and also takes time to meet the customers (Caskey, 1994). SMEs in developing countries are considered to be too unstable by banks to invest in.

Due to this instability, the banks consider women entrepreneurs to have high risk and the costs these banks suffer to monitor the activities of the women entrepreneurs are high. Ngehnevu and Nembo, (2010), identify that formal financial institutions (banks and MFIs) are reluctant to lend to women entrepreneurs since investing in SME activities is considered by banks to be very risky. They find it risky in the sense that if invested in, and in an event of unfavorable business conditions, they have low financial power, assets, and easily go bankrupt. The cost of borrowing from banks is very high and this prevents women entrepreneurs to borrow from this institution but these costs to borrow are sometimes subsidized by the government (Meagher, 1998). The application process for a loan is long and difficult for women entrepreneurs to meet up with the demands (Ngehnevu and Nembo, 2010). The collateral demanded by banks for a loan is based on fixed assets and which are very high in other to hinder these businesses to acquire loans. They cannot afford these collaterals which include; estates, and other fixed assets valued usually at 200% of the loan. The major setback that prevents women entrepreneurs to get funding from external sources is the problem of information asymmetry. That is the magnitude of the deviation of the correct information that is needed by the lending institution

Banks use cash flows and profitability to measure or to assess the worthiness of a business. This is a very expensive and, not a good method to measure the credit

strength of rural women entrepreneurs. Production and distribution in the rural areas is influenced by social factors that are often neglected by enterprises in developing countries (Caskey, 1994). Agriculture dominates rural activities in developing countries and is dependent on the weather conditions for its output. An enterprise in this sector is considered risky because its outcome is undetermined.

2.8.1 Financial and Credit Availability and Accessibility

Financial availability and accessibility is cited in many studies as being one of the major barriers and constraints to growth. In a study of NGOs and women small-scale entrepreneurs in the garment manufacturing sector of the textile industry in Nyeri and Nairobi by Macharia and Gakure, (2003) the factors that inhibit credit availability to women include: lack of start-up (seed) capital; lack of awareness of existing credit schemes; high interest rates; lengthy and vigorous procedures for loan applications; and, lack of collateral security for finance. These factors have become a major barrier to the growth potential of businesses owned by women.

Accessibility to initial capital, even when available, is also a major hurdle for women entrepreneurs. Microfinance institutions (MFIs) and commercial banks choose where they locate, thus excluding entrepreneurs in remote regions, leading to regional disparities. Credit conditions when forming a group, paying membership fees, group registration fees and joining saving plans, result in delays in accessing initial capital, thereby worsening the women's household financial burden (Stevenson and St-Onge, 2005). However, this is no longer the key barrier and constraint, but a lack of creativity, innovativeness and responsiveness (on the part of capital suppliers) that now hampers women's entrepreneurship in Kenya. Whereas many MFIs emerged to provide initial and working capital, relevance and cost-effectiveness is often inappropriate in satisfying the particular needs of potential and operating women entrepreneurs (Hisrich and Brush, 2010).

Women often lack the ability to develop viable business plans acceptable by financial Institutions. Many businesswomen are too shy to approach a loan officer, possibly because they usually cannot provide any collateral for credit (Oyhus, 1999).

In most cases, women entrepreneurs need only a small credit amount, the administration of which the banks consider too costly and most women lack the information and contacts necessary to obtain credit.

Recent reforms in the commercial and fiscal regimes in Côte d'Ivoire, for example, have proven to be rather onerous for small enterprises, even though they may have had some positive impact on large businesses (ILO, 2008). The incentives introduced in the early 1990s to support the private sector are not necessarily adapted to the needs of the SMEs. Women entrepreneurs, particularly as they usually have inadequate levels of start-up capital, are the ones that suffer most under the new regimes.

Consequently, in the past few years, the Government has put in place some new support institutions and mechanisms focusing on the development of women entrepreneurship (Olomi, 2001). At the same time, the limited experience and knowledge of women entrepreneurs in the preparation of business plans do not allow them to obtain the necessary finance to start a business (Oyhus, 1999).

Therefore, most women entrepreneurs, whether in the informal or formal sector, use the mechanism of borrowing from their family members as a source of finance. Similarly, in Mali, many current or aspiring women entrepreneurs reiterate that the lack of financial means is a major problem for SMEs in the start-up phase. There are not many credit lines at the banks targeting small entrepreneurs. Exceptional cases are those related to some donor activity.

Some impediments specific to women entrepreneurs, which may be generalized to other countries as well, include: lack of property rights over assets, lack of confidence in women by bank officers, discouragement from men when starting or formalizing businesses, social restrictions regarding networking with men in business; and suppliers sometimes insisting that they deal with the entrepreneur's husband when decisions are being made (ILO, 2003).

The UDEC (2002) report divided women entrepreneurs into three groups, depending on the structure and size of their enterprises, and noted that each of these groups

faces a slightly different set of constraints. Consequently, each segment would require different kinds of assistance and special interventions to address their unique constraints.

Small enterprises which require relatively large sums of money have difficulties in obtaining bank loans because they lack the collateral and capacity to underwrite loan proposals (Oyhus, 1999). This situation tends to impact harder on women than on men. There is need to explore and popularize models that have the potential to be used by the small businesses. If such models do not exist, new ones should be developed.

2.8.2 Legal and Regulatory Barriers

These include: registration of business names; obtaining licenses; adhering to statutory requirements and contracting. Due to the aforementioned factors, women entrepreneurs are the least prepared to engage in contractual processes key to doing business in most of the developing countries. Contracts involve long legal processes such as leasing, drawing up business contracts, legal representation and other aspects which place the woman entrepreneur in a disadvantaged position. Most MSEs find these processes lengthy and time consuming, thus they cannot grow or expand their enterprises (Riethof, 2004)

2.8.3 Appropriate Technology

Appropriate technology is one that is suitable to the environment, culture and level of development of the people. In developing countries, there is a general lack of appropriate technology available to disabled women entrepreneurs (Riethof, 2004). During a recent visit to APDK and UDPK, there was no data available on adaptive technology or assistive devices suitable to women entrepreneurs with different types of disability. During the primary phase of this study, it will be important to follow up on this issue (Gakure, 2003).

Technology for women entrepreneurs is often implicitly equated with simple technologies. These may contribute to rudimentary income-generation activities but

not very much to the improvement and growth of manufacturing businesses of women. This concept leads to a narrow approach on the part of support institutions or donors in the design and development of technologies for women (Gibbons and O'Connor, 2003).

Rapid changes in technology should be responded by the SMEs to find alternative ways to sustain their competitive advantage by deploying new process and new growth methods. Technology may play an important role in this respect. In this context, technology has a close relationship with improvement of production process. Previous study has revealed that lack of equipment and outdated technology are among hindrances of SME development (Swierczek and Ha, 2003).

In their study in US, Gundry et al; (2003) disclosed that technological change innovations had significant relationship with market growth. A study in Ireland unearthed that technological posture, automation, and process innovation were significantly linked to satisfaction on return on investment-ROI (Gibbons and O'Connor, 2003). Technology advancement and transfer are important aspects for SMEs. Developments SMEs have limited access to technology development partly because they lack the relevant information.

The problem is further compounded by the existence of industrial support institutions which are weak and do operate in isolation without focusing on the actual requirements of the SME sector (Swierczek and Ha, 2003). Furthermore, technologies available are not disseminated to the potential clients. In addition, SMEs cannot afford the services provided by the relevant institutions. As a result of the above, SMEs continue to hold on poor and obsolete technologies.

On the other hand, when women are given access to training, technology and credit, they can play a full role in economic and social development (Gibbons and O'Connor, 2003). Changes in industrial structure and production technology give women great opportunities for poverty alleviation, self-sufficiency through income generation, and productive businesses that create local employment.

For women, the issue of technology is not simply about upgrading skills, but acquiring new and more appropriate technologies. For example, the majority of women who live in rural areas use rudimentary and time-consuming technologies in their informal production activities, which are typically in the agricultural sector (Swierczek and Ha, 2003).

Many existing technologies also contribute to unsafe working environments or environmental degradation, where women are often particularly at risk. Introducing new and appropriate technologies can not only simplify work, reduce drudgery and help improve working conditions and the environment, but also create and improve income-generating activities for women (Gibbons and O'Connor, 2003). There are three obstacles, however, which hinder equitable use of new technologies by women

2.8.4 Limited Entrepreneurial Culture and Management skills

There is a general lack of an entrepreneurial culture in Kenya and, more particularly, for potential and operating women owner/managers of MSEs

Riethof, (2004) point out that due to patriarchal social authority structures, women received 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. Moreover, there are many socio-cultural factors in most of the developing countries impacting negatively on the upbringing of girls. Many ethnic cultures socially condition girls to acquire the need for affiliation, rather than achievement. The situation is worse for disabled girls since they are discriminated against in their access to education, in addition to being viewed as "a bad-omen" for the family. They are sometimes even hidden by their families from the outside world.

Other studies carried out in Kenya have attributed the lack of entrepreneurial culture among Kenyan women to: lack of confidence and self belief; lack of a variety of strong and relevant networks; passive learning methods; and, starting up enterprises without adequate prior preparation. There is a need for entrepreneurial training to socially condition the youth, and particularly girls, to develop a desire for achievement.

This can be achieved by way of profiling and/or imitating successful women entrepreneurs. Other constraints and barriers include a poor social background, inadequate and inappropriate training and preparation for entry into MSEs, and socio-economic discrimination (Stevenson St-Onge, 2005). The situation is worse for disabled women entrepreneurs who have low self-esteem and view their disability as inability, even in MSEs.

Management skills, lack of occupational experience in related businesses for many women entrepreneurs has been indicated as a constraint to growth. Riethof, (2004) identified lack of opportunities for management training, financial management, marketing and people management, to be limitations facing them. Those with disabilities are more affected because of the challenges they face, not only in accessing training venues, but also training materials.

2.8.5 Women's Heavier Household Financial and Time Burden

Many women are "income poor", yet have to provide for their families. Competing financial needs between family and business becomes one of the major constraints to enterprise growth. With many women being poor, the little income earned from the business is sometimes used for what appears to be urgent family requirements, irrespective of why it was set aside. These results in a reduction of the capital invested and hence curtail further growth (Beck, 2007). According to Edwards, (2012), of UDPK, the household financial burden is worse for disabled women entrepreneurs, who may have less regular income than women without disabilities, but have a number of dependants.

Most women entrepreneurs in the MSE sector are married with more than six dependants, often with little or no assistance from their spouses (Filion, 2008). Therefore, women entrepreneurs have a heavier household financial burden than men. For instance, in the WEEC case cited earlier, these financial burdens further complicate their lives, making MFI membership an additional burden, rather than helping women take control of their finances and live better lives.

According to Beck, (2007), women in developing countries are "time poor" due to their dual roles in the household economy and the labour market, as mothers, housekeepers, wives and owners/managers. In addition, such dual roles do not give women adequate time to plan and manage their businesses well, thus leading to dismal performance or even closure of women owner/managed MSEs. Women's poor performance in MSEs, is due to their dual "role conflict". Further research may be useful to compare the time burden of women entrepreneurs with and without disabilities, respectively.

2.9 Underpinning Theory

This research is underpinned on the Entrepreneurship Theory of Shane (2003). The theory consists of opportunity discovery, evaluation of the opportunity and the decision to exploit the opportunity. Others elements of the theory include self-employment, business operation and performance. The theory highlighted four operational measures of performance which are survival, growth, profitability/income, and experiencing initial public offering. Survival refers to continuation of entrepreneurial activity while growth refers to increase in the venture's sales and employment. Profitability refers to new surplus of revenue over cost while experiencing initial public offer refers to the sale of stock to the public (Shane, 2003).

Opportunities are created by the institutional or external environment for those entrepreneurs who could identify them to start or improve their businesses and subsequently, their welfare (North, 1990; Shane, 2003). Entrepreneurs' ability to identify and tap such opportunities differs between entrepreneurs. It also depends on their ability to access information and willingness to act upon the information in terms of risk; that is their attitude (Shane, 2003). Individual attributes affect discovery of entrepreneurial opportunity. It is made up of psychological and demographic factors such as motives, attitude to risk, education and training, career experience, age and social status.

Changes in business environment such as economic, financial, political, legal, and socio-cultural factors also affect discovery of opportunity. For example, income level of the entrepreneur, capital availability, political stability, laws concerning private enterprise and property rights, and desire for enhanced social status by the entrepreneur could affect discovery of entrepreneurial opportunity. Type of industry also affects opportunity discovery. Industrial sectors such as distribution, manufacturing, agriculture, catering, and business services are more attractive to entrepreneurs (Brana, 2008; Carter and Shaw, 2006). The concentration of industries in a particular location could also influence discovery of entrepreneurial opportunity by those in that location (Shane, 2003).

Evaluation of the identified opportunity is another stage in the entrepreneurial process, and appropriate decision at this stage leads to the decision to exploit the opportunity (Shane, 2003). The decision to exploit the opportunity depends on the intention of the entrepreneur, and the appropriate measure of entrepreneurial decision-making is intention which leads to recognition of entrepreneurial opportunities (Shane, 2003). Exploitation of the opportunity depends on the entrepreneur's level of education, skills or knowledge acquired through work experience, social networks, credit, and cost-benefit analysis of the business (Shane, 2003).

The decision to exploit the opportunity leads to the quest for micro-finance; that is acquisition of resources. Acquisition of resources could also lead to opportunity for entrepreneurial activity; that is new business or business expansion. The appropriate use of the acquired resources in terms of business strategy and organizational design could lead to profit performance (Brana, 2008). However, environment plays greater role in opportunity exploitation than individual attributes.

2.10 Empirical Literature Review

Irwin and Grayson, (2006), made a study on Barriers faced by women entrepreneurs in raising finance from banks, the objective of the study was to explore some of the barriers faced by women entrepreneurs in raising bank finance to support and grow

their businesses, specifically exploring the extent to which owner-managers' personal characteristics (ethnicity, gender and education) impact upon their ability to access finance for their enterprise. The approach adopted for the research is a telephone survey conducted by the Barclays small business research team on behalf of the authors. These data are quantitative in nature and involve a large sample of 400 women entrepreneurs with specific questions analyzed by gender, ethnicity and education level. The approach adopted is robust and empirically sound and is a long established research methodology.

The study found that there are key differences by personal characteristics in terms of the specific barriers faced by women entrepreneurs in seeking bank finance. The paper explores the implications of these differences. These are final results from a large-scale survey, and suggest opportunities for further research which could be achieved by interviewing some firms face-to-face to discuss their experiences and the impact of personal characteristics on access to finance (Irwin and Grayson, 2006).

Finally, Irwin and Grayson, (2006), concludes that given some of the conclusions from the literature, it seems that women find it easier to raise finance than men, though this would not be surprising to any developing country micro-finance institution, many of which only lend to women because of their better track record in repaying their loans. Gender appears to make little difference to the choice of finance source utilized most settle for personal savings, but there is little difference across each source. The research appears to confirm that ethnic minority businesses, particularly black entrepreneurs, have the greatest problem in raising the finance that they require. Ethnicity also makes a difference to sources of finance with black people far more likely to remortgage their home, use personal bank loans and use personal credit cards (all perhaps suggesting a willingness to accept a high level of personal risk or else a total frustration with their ability to raise commercial finance coupled with a determination nevertheless to start up) and Asians far more likely to tap family sources.

Also Zhao, et al. (2006), made a study on Factors Affect women entrepreneurs enterprise's ability to borrow from bank, the general objective of the study was to

identify barriers to women entrepreneurs borrowing, in this study a qualitative analysis, used to describe women entrepreneurs characteristics of business, financial gap and analyze how factors such as collateral, relationship affect women entrepreneurs ability to borrow from bank

The study found that find that whether women entrepreneurs can provide collateral or guarantee is a decisive factor, factors such as firm size, willingness to accept bank's clauses, close relationship with bank play an important role. But in contrast to intuition, correlation analysis and regression result shows that women entrepreneurs financial variables such as income, net profit, asset-debt ratio and credit score is not obvious to affect their ability to get bank loan. Consistent with theory prediction and qualitative analysis, firm size is the most important factor to affect women entrepreneurs ability to borrow from bank. (Zhao, et al. 2006)

Finally the study concludes that, there are many reasons that lead to women entrepreneurs difficulty in borrowing from bank. Extant theories imply that collateral, firm size, internal funds, willingness to accept bank's clauses, close relationship with bank have positive effect on women entrepreneurs ability to get bank loan. In order to improve women entrepreneurs' ability to borrow from bank, building mechanism to reduce information must be considered, the mechanism concerns factors outside of women entrepreneurs including multi-level bank system, guarantee and venture capital industry (Zhao, et al. 2006).

2.11 Research Gap

By considering the above empirical evidence it's evident that a good number of similar research have been done, but there is no published documents that indicate that the same research have been done at any microfinance institutions in Tanzania. Therefore the data to be collected for this study the conclusion and recommendation will cover the gape and provides strong suggestion and recommendations on women entrepreneurs access to microfinance institutions.

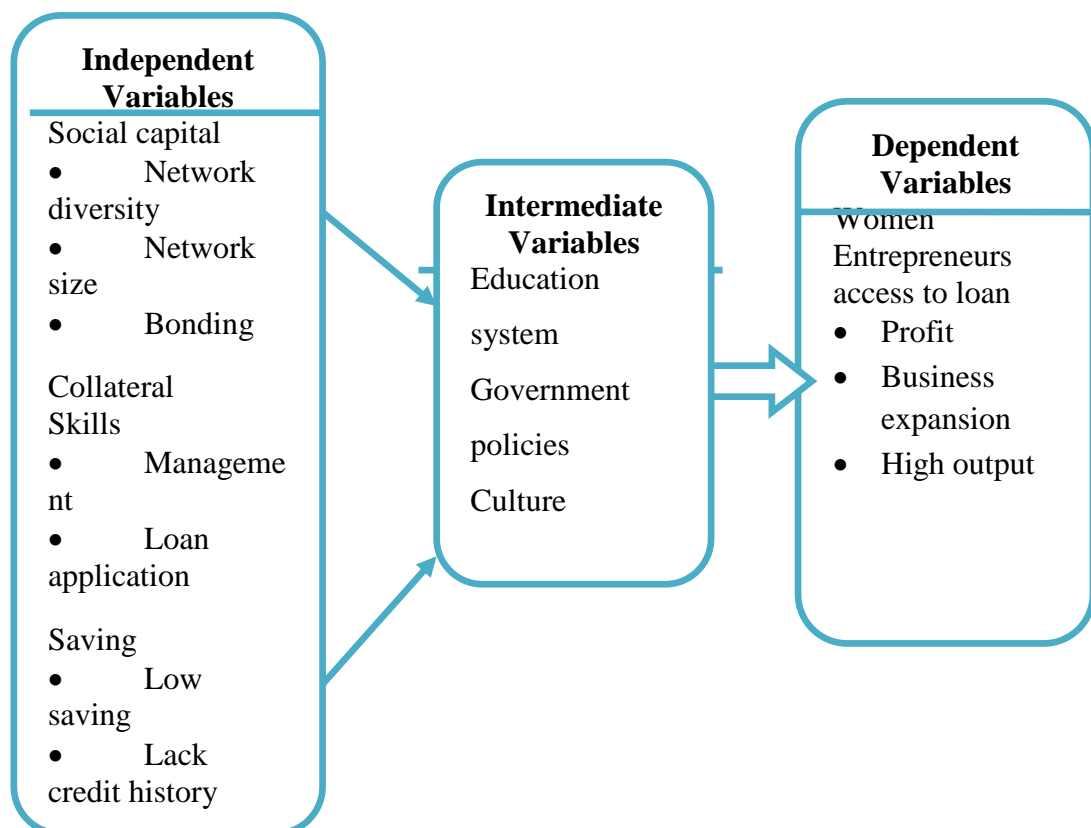
2.12 Conceptual Framework

The study assumes dependent variable is Women Entrepreneurs access to loan, and this is derived from the research general objective, for successful dependent variable the study assumes independent variables must be controlled

The study assumes independent variables are; social capital, collateral, skills and saving, because these affect the level of loan accessibility by women entrepreneurs from the microfinance institutions.

Furthermore the framework assumes that, independent variables through intermediate variables, such as Education system Government policies and Culture also influence accessibility of loan from the microfinance institutions. The assumptions are summarized in a Figure 1.

Figure 2. 1: Conceptual Framework



Source: Author's Own Construct, 2013.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The general objective of this chapter is to provide the description of the methods that were applied in carrying out the research study, how data were collected and analyzed as well as the presentation of the data. The chapter was organized under the following sections: research approach research design, study area, sample size, study population, sampling techniques, data collection methods, data analysis and presentation.

3.2 Research Approach

This study used both a qualitative and quantitative research approaches. Qualitative research approach refers to all non-numeric data or data that have not been quantified and can be a product of all research strategies, while quantitative approach is a numeric approach (Saunders and Thornhill, 2009). Both approaches were used so as to complement each other and overcome the weaknesses of a single design, therefore enhance validity, disadvantage of quantitative research is that the more structured data collecting approach may cause stress to the participants, thus not showing an accurate reflection of the true results, this disadvantage will therefore be overcome by using qualitative data collection which allows much flexibility to participants.

3.3 Research Design

A case study design was used because participants come from a single case, also an experimental study design is not appropriate because there is no random assignment of participants into control and treatment groups. Also case study is mostly associated to qualitative research method use to study organization (Saunders et al, 2009). Case study was opted because it allows the use of various data collection methods so as to reach the validity and reliability coverage of the study and also it is cheaper and less time consuming due to limited of resources, it also gave a researcher

the possibility of having much focused study because unity under the study was intensively studied.

3.4 Area of the Study

The Study was conducted at FINCA Dar es salaam only. FINCA Tanzania works in Dar es Salaam and the coastal region, Morogoro, Dodoma, Ifakara, Iringa, Mbeya, Njombe, Mwanza, Mara, Shinyanga, Tabora, and Bukoba; it now covers about 40% of the country overall, including 65% in population centers. The area was chosen because its familiar with the researcher, relevant according to the nature of the study and most of the FINCA benches in Dar es salaam are located not far away from town, this will minimize transportation cost.

3.5 Study Population

The study population was FINCA women entrepreneurs who manage business, FINCA women customers were taken as a population of the study because, the study used case study design and FINCA was the area of the study, therefore only FINCA women customers were considered as the population of the study.

3.6 The Sample Size

The researcher included about three FINCA branches. 120 women micro-entrepreneurs who got loans from FINCA for the past 10yrs were taken in each FINCA branch. The researcher acquired the total of about 120 respondents as the sample size of the study. There was equal number of respondents so that to avoid biasness and the sample size will be quota sampling to include all age and sex in the study.

Table 3.1: Sample Distribution

FINCA Branch	No of Respondents	Percentage
Temeke	50	41.67
Ilala	20	16.67
Kinondoni	50	41.67
Total	120	100.00

Source: Researcher Data, 2013

3.7 Sampling Techniques

Purposive non sampling was used to FINCA women micro-entrepreneurs who got loans from FINCA for the past 10yrs to participate in the sample, because some clients were not be available at the time of data collection and some of them were too busy, therefore women micro-entrepreneurs who got loans from FINCA for the past 10yrs available were selected to participate in the study. Due to limitations of time and budget it was not possible to travel through the entire Tanzania to find FINCA women micro-entrepreneurs to participate in the study.

3.8 Data collection Methods and Instruments

The following data collection methods and instruments were used:-

3.8.1 Questionnaire Instrument

A questionnaire refers to questions printed or typed in a definite order on a form or set of forms, the respondents have to answer the questions on their own (Kothari, 2004). The researcher prepared questionnaire, structured and unstructured questionnaires. Questionnaire is attached as (Appendix 1). Structured questionnaires are those questionnaires in which there are definite, concrete and pre-determined questions. When characteristics are not present in a questionnaire, it can be termed as unstructured (Saunders and Thornhill, 2009). The respondents were FINCA women customers.

3.8.2 Interview Method

The interview method of collecting data involves presentation of oral-verbal stimuli and reply in terms of oral-verbal responses (Kothari, 2004). This involves verbal interaction between the researcher and respondent. The researcher prepared the interview guide questions in connection to research questions. Interview guide is attached as (Appendix 2). Structured Interviews were administered to the FINCA customers, targeting women entrepreneurs, aims to investigate whether they face any challenges or barriers in accessing Microfinance services.

3.8.3 Interview Guide

This is guideline of how interview is going to be conducted. An interview guide should be created prior to all interviews to ensure the interviews are focused and efficient and enable comparison and summarisation. The interview guide enables standardisation of interviews for effective comparison and summarisation (Kothari, 2004). Researcher prepared interview guide in connection to research objectives.

3.8.4 Documentary Review Method

Documentary review refers to the analysis of documents that contain information about the phenomenon we wish to study (Saunders and Thornhill, 2009). Documents are important in research because bridges the information obtained from data collected through the use of other research methods such as observations and interviews. Microfinance documents such as reports and journals were used.

3.8.5 Documentary Review Schedule

This is the statement, indicates how previous documents such as report, journals, magazine, researches were analyzed, it provides the framework of how secondary data were analyzed. It indicates sources and types of the data to be analyzed

3.9 Data Analysis Procedures

Data was analyzed in accordance with the objectives of the study. For the data collected through questionnaire, the dependent variable has been analyzed against the

independent variables with the use of the computerized program. Data presented in descriptive and tabular form; tabulation was used in order to establish relationship between variables. In presenting the finding of the study, tabulation was done to present some of the findings.

Data processing involved, editing, coding and tabulation which was used as a key factor in whole process of research. This was done in the area in order to make the research be accurate and effective as follows;

Editing; was done immediately after receiving questionnaire from respondents, it involved correction of errors that might have appeared in the whole process of research writing.

Coding; was done in order to ensure whether the response categories were appropriately classified and exhausted to the problem under the study and arrange data collected according to group or classes they base on the basis of their common characteristics.

Tabulation; was done so as to assemble data into concise and logical order, researcher analyzed data collected qualitatively where words were used to explain findings and quantitative analysis where the data used numbers, computation of total and percentages.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter describes the results of the study quantitatively using, tables, charts and narrations. Where necessary, qualitative analysis was also employed to supplement quantitative information. It also summarizes the interview respondents respond. Primary information was obtained from a sample of 120 respondents

4.2 Background Characteristics of Respondents

4.2.1 Age

The age of respondents were asked in order to establish whether it has any influence on accessing of loans from microfinance institutions. The study found that majority of the respondents (55.83%) were aged between 25 – 34, only (4.16%) of the respondents were aged 55 and above, as presented in Table 4.1. This suggest most of the women entrepreneurs in Dar es salaam are aged between 25 to 34 years

Table 4. 1: Respondents Age

Responses	Frequency	Percentage
15 – 24	31	25.83
25 – 34	67	55.83
35 – 44	17	14.17
55+	5	4.16
Total	120	100.00

Source: Field Data, 2013

Table 4.1 show the ages of the respondents, majority of the respondents (55.83%) were aged between 25 and 34 years, this implies majority of the respondents were capable to provide relevant information, also this suggest that most of the women entrepreneurs in Dar es salaam, were aged between 25 to 35 years.

4.2.2 Gender of the Respondents

The study was interested to examine gender of respondents in order to establish whether it has any influence on availability of loan services from microfinance institution. The study found that majority of the respondents (90.83%) were female and minority of them (9.17%) were female, as presented in Table 4.2

Table 4. 2: Gender of the Respondents

Responses	Frequency	Percentage
Male	11	9.17
Female	109	90.83
Total	120	100.00

Source: Field Data, 2013

Table 4.2 show gender of the respondents, majority of the respondents (90.83%) were female, this implies that respondents were capable to provide responses for the study, because the study was mainly concerned with women entrepreneurs. Insignificant number of respondents (9.17%) were male

4.2.3 Occupation of the Respondents

Occupations of the respondents were identified in order to ensure all respondents are coming from the targeted group. Respondents were asked to identify occupations, in their replay the study found that majority of the respondents (88.33%) were small business owner, fallowed by 10% of the loan officers as presented in Table 4.3 below

Table 4. 3: Occupation of the Respondents

Responses	Frequency	Percentage
Loan officer	10	8.33
Accountants	2	1.66
Operational officer	2	1.66
Entrepreneur	106	88.33
Total	120	100.00

Source: Field Data, 2013

Table 4.3 show occupation of the respondents, majority of the respondents (88.33%) were entrepreneurs, minority of them (11.67%) were loan officers, accountants and operation officers

4.2.4 Level of Education of the Respondents

The study was interested to assess the level of education of the respondents in order to determine if it has any influence on availability of loan services to respondents, the study found that majority (62.5%) of the respondents have secondary education, as presented in Table 4.4

Table 4. 4: Level of Education of the Respondents

Responses	Frequency	Percentage
Primary school	22	18.33
Secondary school	75	62.50
Certificate	4	3.33
Diploma	8	6.67
Graduate	11	9.17
Total	200	100.00

Source: Field Data, 2013

Table 4.4 show levels of education of the respondents, majority of the respondents (62.5%) have secondary education, followed by (18.33%) of the respondents have primary school education, this implies that most of the women entrepreneurs have secondary school education,

4.3 Barriers Facing Women Entrepreneurs in Securing Loans

The study was interested to examine barriers facing women entrepreneurs in securing loans from microfinance institutions, loans officers (relationship officers) and small business owners were asked to indentify the barriers facing small businesses in securing loans, in their replay the study found that majority of the respondents (51.67%) identified that high interest rate is the strong barrier in securing loans from microfinance institutions, as shown in Table 4.1 below

Table 4. 5: Barriers Facing Women Entrepreneurs in Securing Loans

Responses	Number of Respondents	Percentage
Non Registration	14	11.67
Lack of Collateral	12	10.00
Lack of Business Experience	4	3.33
Improper Accounting Record Keeping	10	8.33
Lack of Knowledge	5	4.17
Bureaucracy	3	2.50
Cumbersome Procedures	2	1.67
High Interest Rate	62	51.67
Lack of Government Support	3	2.50
Lack of Financial Training	5	4.17
Total	120	100.00

Source: Field Data, 2013

Table 4.1 show Barriers facing women entrepreneurs in securing loans from microfinance institutions, majority of the respondents (51.67%) identified high interest rate is the barrier in securing loans from microfinance institutions, significant

number of respondents (11.67%), (10%) and (8.33%) identified non registration, lack of collateral and improper accounting records respectively. This implies that most of the women entrepreneurs fail to access loans from microfinance institutions due to high interest rate, improper accounting records and lack of registered businesses, this is similar to responses obtained during interview, one of the relationship officers (loans officer) revealed that

Our interest rate range between 21- 28%, for small loans the rate of interest is 28% due to risk associated in servicing the loans granted. But for women customers who take large loans the rate of interest is 21% depending on the size of the loans.

Also the study found that minority of the respondents (28.33%) identified the women entrepreneurs barriers in securing loans from microfinance institutions involves, lack of financial training, lack of government support, lack of business experience, lack of knowledge, bureaucracy and cumbersome procedures,

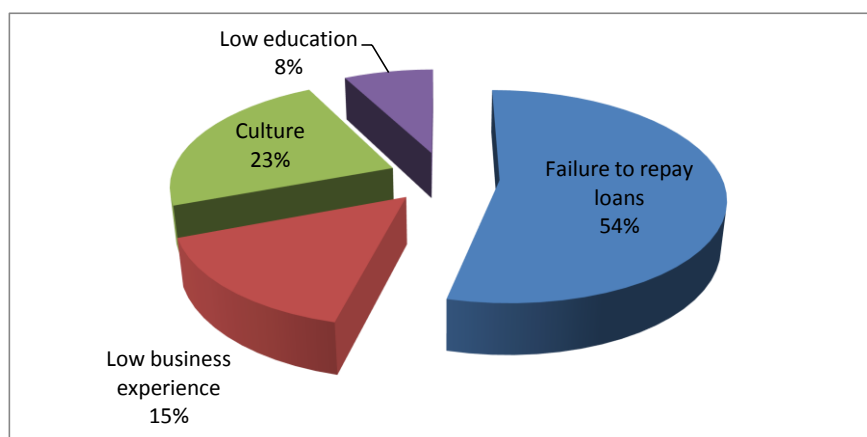
Majority of the respondents (52%) identified high interest rate to be a barrier for women entrepreneurs to obtain loans from microfinance institutions, this implies that the interest rate is high in Tanzania. Also lack of collateral, Non registration of the business and improper accounting record keeping are other major barriers for women businesses to obtain loans from microfinance institutions, 10% of the respondents identified lack of collateral as a barrier for women entrepreneurs in accessing loans.

4.4 Types of Risks Considered By Lenders in Financing Women Investments

Only microfinance officials were asked to identify the risk in financing the women businesses, microfinance officials were asked because they are aware of the risk in financing women businesses, in their replay the study found majority of the respondents (50%) identified the institutions consider failure to repay loans

Microfinance officials were asked to identify risk in financing women businesses, majority of the respondents (50%) identified failure to repay loans as presented as a risk in financing women entrepreneurs. Also significant number of respondents (14.29%) and (21.43%) identified low business experience and culture as the risk in financing women entrepreneurs as illustrated in Figure 4.1

Figure 4. 1: Types of Risks in Financing Women Investments



Source: Field Data, 2013

4.5 Challenges facing Microfinance Institutions in Providing Services

The study was interested to identify the barriers facing microfinance institutions in providing services to women entrepreneurs, in the responses of the respondents the study found that majority of the respondents (58.33%) revealed that they lack of education is the strong challenge for microfinance institutions in providing loans to women entrepreneurs, as presented in Table 4.7

Table 4. 6: Microfinance Institutions Challenges in Providing Services

Responses	Frequency	Percentage
Budgetary limitation	16	13.3
Lack of experts	12	10.0
Technology	19	15.8
Lack of government support	6	5.0
Poor Management	67	58.3
Total	120	100.0

Source: Field Data, 2013

Table 4.7 show microfinance institutions challenges in providing services to women entrepreneurs, majority of the respondents (58.00%) poor management as a barrier

for microfinance to provide loan services to women business. Minority of the respondent identified, technology, budget and government policy as a challenge.

Majority of the respondent (56%) identified microfinance institutions management are poor. This implies that microfinance management in Dar es salaam were not functioning properly

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary and conclusions on key findings of the study on the factors influencing the success of women entrepreneurs in Tanzania. It present theoretical and practical contribution and significance of the findings. It also provides the recommendations and opportunity for future research.

5.2 Summary

The objective of the study were; to Identify barriers facing women entrepreneurs in securing loans from microfinance institutions; to identify different types of risks considered by lenders in financing women owned investments in Tanzania; to assess challenges facing women entrepreneurs. The study found that majority of the respondents (51.67%) identified that high interest rate is the strong barrier in securing loans from microfinance institutions, also it found that majority of the respondents (50%) identified the institutions consider failure to repay loans, moreover it found that found that majority of the respondents (60%) identified high interest rate is the challenge for women entrepreneurs.

The study conclude that; the barrier facing women entrepreneurs in securing loans from microfinance institutions is high interest rate it also conclude that failure to repay loan is one of the types of risks considered by lenders in financing women owned investments in Tanzania; more over the study conclude that high interest rate and uses of loans for domestic purposes are among the challenges facing women entrepreneurs in repaying loans. The study recommends that the efforts of Tanzanian Microfinance Institutions should be streamlined to meet the set standard and Microfinance institutions in Tanzania also need to review their policies on the maximum amount of loans to women entrepreneurs to reflect the market demands.

5.3 Conclusions

Based on the findings the study conclude that; the barrier facing women entrepreneurs in securing loans from microfinance institutions is high interest rate, most of the microfinance institutions in Tanzania charge 30% to 35% interest rate, it also conclude that failure to repay loan is one of the types of risks considered by lenders in financing women owned investments in Tanzania; more over the study conclude that high interest rate and uses of loans for domestic purposes are among the challenges facing women entrepreneurs in repaying loans, finally the study conclude that lowering interest rate will improve loan provision to women entrepreneurs in Tanzania

Women entrepreneurs like other women in the world are playing an important role in diversifying production and services in the country. Fostering women's entrepreneurship development is crucial for the achievement of the country's development objectives, including economic development and growth. However, many women entrepreneurs are operating in more difficult conditions than men entrepreneurs.

The conditions that impede all entrepreneurs in various places in the world, such as political instability, poor infrastructure, high production costs and non-conducive business environment tend to have more impact on businesswomen than on businessmen. Further more women entrepreneurship activities are hindered by several constraints such as limited access to productive resources such as land, credit and education, the legal and regulatory framework and the socio-cultural environment.

In addition, the combined impact of globalization, changing patterns of trade and evolving technologies call for skills that women entrepreneurs in the country do not in most cases possess, as many more women than men lack the requisite level of education and training, including business and technical skills and entrepreneurship training.

Despite the above mentioned constraints, among others, several women have got their businesses growing. This suggests that there might be some factors or opportunities that have enabled some women to overcome the above mentioned constraints and make their businesses prosperous. This could be because of their hardworking spirits, having understanding and supportive family members and skills and know how obtained by being persistent in the business.

In business undertakings, women entrepreneurs face a number of challenges in attempt to realize their goals of profit maximization. Findings from in-depth interview with famous and experienced entrepreneurs revealed a number of these challenges as follows; insufficient capital among women entrepreneurs, low entrepreneurial and management skills, sometimes fashion fails to keep pace with market demands, scarcity of products, low quality of products, the issue of price elasticity, unfavorable terms and conditions of sales, currency devaluation, taxation regimes and customers' dishonesty.

The study found the population of interest to have satisfactory literacy rate. This could be a reason why these women are doing well in their business despite the constraints are facing. The level of understanding they have plays a paramount role in making decisions to ensure they are doing well in their business. Cooperation from their husbands, discipline in doing business, commitments, marketing strategy (advertisement through blogs, personal selling, door to door. For ones travelling abroad have advantage of getting commodities/stocks at reasonable prices.

Therefore, the study conclude that majority of the women entrepreneurs engaged in the business were sole proprietors and that successful women entrepreneurs are allowed by their husbands to travel abroad for purchasing and collecting goods, even though this group of women stays for a shorter period abroad compared to women entrepreneurs who are single, divorced or widowed. Major challenges facing them are insufficient capital, low entrepreneurial and management skills, scarcity of products, low quality of products, issues of price elasticity, unfavorable terms and conditions of sales, currency devaluation, taxation regimes and customers' dishonesty

5.3 Recommendation

Following the observations from this study, the researcher recommends the following;

- i. The government of Tanzania in collaboration with the higher learning institutions should work towards the provision of entrepreneurial skills and knowledge on business management. Entrepreneurial skills and knowledge on business management are important in making business organization a success. It is therefore recommended that women entrepreneurs be encouraged to attend the open trainings on entrepreneurial skills and to be informed on the available opportunities particularly on trainings on entrepreneurship matters. The government on the other hand should intervene to promote entrepreneurial culture amongst women.
- ii. Access to credit facilities. The financial institutions are argued to promote entrepreneurship to women by giving them loans and setting low (affordable) interest rates. This will help to encourage more women to get involved in entrepreneurial activities and those who are already doing business will get the chance to expand their businesses further.
- iii. The government should also create conducive business environment for women to excel in business. In this case, they should ensure peace and security throughout in the country, regulate tax regimes and discourage corruption at all levels, as a means of getting more women to be involved in entrepreneurial activities.
- iv. The government of Tanzania should establish a coordinating office for outreach services for women owned businesses. It is recommended that a coordinating office be established to facilitate access to financial resources and education for women entrepreneurs. This could take the form of a network of women's enterprise centers in various regions across the country,

or the appointment of a dedicated women's officer in government regional offices.

The role of this office/officer would be to streamline needs based services to women entrepreneurs, with the specific objective of upgrading the level of their enterprises by improving their access to financial resources and education.

- v. The government of Tanzania, higher learning institutions, NGOs and other stakeholders should collaborate in making women more aware of existing laws, regulations, financing options, marketing information, training opportunities and other services through a series of regional seminars or media campaigns. They should also offer gender-mainstreaming sessions to the network to ensure more effective servicing of the women's market, in a bid to make women entrepreneurs more successful.
- vi. Women entrepreneurs should form their associations which help in increasing their influence in business dealings. Business information should be disseminated through these women entrepreneurs' associations (WEA).
- vii. Women entrepreneurs' associations should be supported in their efforts to disseminate marketing and other business information through their membership networks; these associations should be expanded to improve such access
- viii. The government of Tanzania in collaboration with the higher learning institutions should train technical college and university graduates to become service providers in the women's market.

One way of doing this would be to design a training/education component in MSE counseling/consultancy so as to prepare technical college and university graduates for careers as WEA's advisers. The government of Tanzania and other stakeholders should assist women-owned MSEs to identify weaknesses and growth opportunities in their businesses, women facilitators should be

trained to provide one-on-one, group and sectoral business development interventions at the local level.

- ix. The government of Tanzania, financial institutions and other business stakeholders should increase the supply of premises, equipped production facilities and capital to spearhead an initiative to make production facilities available in sectors in which women are predominant (e.g., textiles, food processing) to give women access to production premises and appropriate technologies that will enable them to expand their enterprises.

5.4 Area for Further Studies

In future researches on challenges facing women entrepreneurs in Tanzania, there is a need for cooperation between higher learning institutions, the government of Tanzania, nongovernmental organizations and other development partners so that a comprehensive research on how best to help women entrepreneurs to succeed further and help in economic development. Future studies can further investigate how to tackle insufficient capital among women entrepreneurs, low entrepreneurial and management skills.

REFERENCES

- Aldab, M. (2012). *Small and Medium Enterprises (SMEs) Access to Finance*, Philippine
- Aldaba, R. Medalla, Prado, E. and Yasay, D. (2010) *Integrating SMEs into the East Asian Region: The Philippines*
- Beck, T. (2007). *Financing Constraints of SMEs in Developing Countries: Evidence, determinants and solutions*
- Bitler, M. Robb, A. and Wolken, J. (2001). *Financial Services used by Small Businesses: Evidence from the 1998 Survey of Small Business Finances, Federal Reserve Bulletin*, 87, 183-205.
- Brana, S. (2008). *Microcredit in France: Does gender matter? 5th Annual Conference-Nice*. European Microfinance Network
- Carter, S. (2000). *Gender and Enterprise* in Carter S. and Jones Evans D. (eds) *Enterprise and Small Business: Principles, Practice and Policy*, Addison Wesley
- Dzisi, S. (2008). *Entrepreneurial activities of indigenous African women: a case of Ghana*. *Journal of Enterprising Communities, People and Places in the Global Economy*, Vol 2, No 3, pp 254-264
- Edwards, A. (2012). *Women Entrepreneurs Access to Finance in the Developing World*, Cambridge Street Manchester
- Filion, L. (2008). *Defining the Entrepreneur Complexity and Multi-Dimensional Systems Some Reflection*, MA, USA, Edward Elgar: 41-52
- Hisrich, P. Robert D. Michael P. and Shepherd, A. (2005). *Entrepreneurship*, New York, McGraw-Hill Irwin

- Ilahi, S. (2012). *Women Entrepreneurs in India: Socio Economic Constraints*, Rabea School
- ILO. (2003). *Tanzanian Women Entrepreneurs: Going for Growth*, ILO Office, Dar es Salaam
- Kothari, C. (2004), *Research Methodology: Methods and techniques*, New Age International (P) Ltd, New Delhi
- Laeven, L. and Maksimovic, V. (2006) *The determinants of Financing Obstacles*, Journal of International Money and Finance
- Lal, L. and Badrinarayan, H. (2011). *The Role of Women Entrepreneurs as a Change Agent in the Society*, Institute of Management, Maharishi Markandeshwar University, India
- Ledgerwood, J. (1999). *Microfinance handbook: An institutional and financial perspective*, Washington, D.C World Bank
- Megan, W. and Ukpere, W. (2011). *Indigenous Female Entrepreneurship: Analytical Study on Access to Finance for Women Entrepreneurs in South Africa*, Department of Entrepreneurship and Business Management, Faculty of Business, Cape Peninsula University of Technology, Cape Town, South Africa.
- Ngehnevu, C. and Nembo, F. (2010), *The Impact of Microfinance Institutions (MFIs) in the Development of Small and Medium Size Businesses (SMEs) in Cameroon*, Swedish University of Agricultural Sciences
- North, D. (1990). *Institutions, Institutional Change and Economic Performance*. Cambridge, UK: Cambridge University Press
- OECD. (2004). *Women's Entrepreneurship: Issues and Policies*, Organization for Economic Co-Operation and Development, Istanbul, Turkey

- OECD. (2011). *Women's Access to Finance in the Middle East and North Africa (MENA) Region*, MENA-OECD investment programme, Casablanca, Morocco
- URT, (2002), *Small and Medium Enterprise Development Policy*, Government printer, Dar es salaam
- Riethof, M. (2004). *Changing Strategies of the Brazilian labor Movement, Latin American Perspectives*, 31 (6), 31-47.
- Robinson, M. (1998) *Microfinance: the Paradigm Shift From credit Delivery to Sustainable Financial Intermediation, Strategic Issues in Microfinance*, Ashgate Publishing, Aldershot
- Rutashobya, K. (2010). *Women entrepreneurship in Tanzania: entry and performance barriers*, Organization for Social Science Research in Eastern and Southern Africa, Indiana University
- Saunders, M. and Thornhill, A (2009) *Research method for business students*, Pearson education limited Harlow England
- Sethi, J. (2007). *Entrepreneur and Entrepreneurship*, Mittal Publications, New Delhi
- Shane, S. (2003). *A General Theory of Entrepreneurship: The individual-opportunity nexus*. UK: Edward Elgar
- Smith-Hunter, A. (2006). *Women Entrepreneurs Across Racial Lines: Issues of Human Capital, Financial Capital and Network Structures*, Edward Elgar Publishing, Cheltenham, UK and Lyme, US.
- Smith-Hunter, A. and Leone, L. (2009). *Afro-Brazilian Women Entrepreneurs: Characteristics, Critical Issues and Current Comments*, Research in Business and Economics Journal, Siena College
- Spring, A. (2009). *African Women in the Entrepreneurial Landscape: Reconsidering the Formal and Informal Sectors*. Journal of African Business, 10:11-30

Stevenson, L. and St-Onge, A. (2005) *Support for Growth-oriented Women Entrepreneurs in Tanzania*, Private Sector Department (OPSD), African Development Bank (AfDB), Tunis

Waterfield, C. and Duval, A. (1996) *CARE Saving and Credit Sourcebook*. Atlanta, Ga. CARE.

APPENDICES

Appendix 1 : Questionnaire

My name is Joseph Rwegasira, From Mzumbe University, Masters Student. I do research on challenges facing Women entrepreneurs in access to microfinance . Your participation on answering this question could make my research be effective and complete. Your name is not needed in this research. Therefore by so doing I request your attention to read and answer these question effectively.

Please I request your attention and respond to the questions bellow so as to facilitate my research.

Date.....

Age.....

Occupation.....

Experience prior business.....

Please put (√) mark in the correct answer and fill the blanks

QUESTION 1

What are the company challenges in provision of loans services to women entrepreneurs?

- i) Budgetary constrains
- ii) Insufficient Government support
- iii) Women lacks collaterals

Please, mention other challenges

.....
.....
.....
.....
.....

QUESTION 2

Are Procedures used for loan processing provides special attention to women entrepreneurs?

Yes ()

No ()

If yes, how the procedure for loan processing provides favor to women entrepreneurs?

.....
.....
.....
.....
.....

QUESTION 3

How do you use the loans form MFI's?

- i) For family purposes ()
- ii) To expand business ()
- iii) To establish new venture ()
- iv) For operational purposes ()

QUESTION 4

What are your challenges in repaying loans?

- i) Family problems
- ii) Social issues
- iii) Harassment by Credit officers
- iv) High interest rate

Please, mention other challenges

.....
.....
.....
.....

QUESTION 5

What are the impacts to your business after receiving loan form MFIs?

Business growth

- i) Access to external markets
- ii) Business innovativeness
- iii) High profits

Please, mentions other outcomes of your business after receiving loans

.....
.....
.....
.....
.....

QUESTION 6

Are you interested with procedures used in processing loans?

- i) Yes ()
- ii) No ()

Please, specify the reasons for your answer

.....
.....
.....

Appendix 2: Interview Guide

- i) What are the barriers facing women entrepreneurs in securing loans from microfinance institutions?
- ii) What types of risk considered by lenders in financing women?
- iii) What challenges face Microfinance Institutions in providing services to women entrepreneurs