ASSESSMENT OF “THE CONSTRAINTS FACING WOMEN MICRO-ENTREPRENEURS IN ACCESSING FINANCE FOR BUSINESS”
THE CASE OF SELECTED WOMEN MICRO ENTREPRISES IN NYAMAGANA DISTRICT, MWANZA CITY
ASSESSMENT OF “THE CONSTRAINTS FACING WOMEN MICRO-ENTREPRENEURS IN ACCESSING FINANCE FOR BUSINESS”
THE CASE OF SELECTED WOMEN MICRO ENTREPRISES IN NYAMAGANA DISTRICT, MWANZA CITY

By:
Zaituni W. M. Ng’ariba

A Dissertation Submitted to School of Business in Partial Fulfillment for the Requirements of the Award of Master of Business Administration (Corporate Management) Degree of Mzumbe University.

2014
CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled “Assessment of the Constraints Facing Women Micro-Entrepreneurs in Accessing Finance For Business” The Case of Selected women Micro Entreprises in Nyamagana district, Mwanza City”, in partial fulfillment of the requirements for the award of Master of Business Administration degree of Mzumbe University.

Prof. D.S.R.M .MUNA
Major Supervisor

Internal Examiner

External Examiner

Accepted for the BOARD

CHAIRMAN, SCHOOL/FACULTY/DIRECTORATE / BOARD
DECLARATION

I, ZAITUNI W.M NG’ARIBA, declare that this dissertation is my own original work and to the best of my own knowledge has never been submitted for any award of master degree in Business Administration or any other profession in any University or any higher learning Institution

Signature………………………………

Date………………………………..
COPY RIGHT

This Dissertation is copy right material protected under the Berne Convention, the copy Right Act 1999 and other International and National Enactments, in that behalf, on Intellectual Property. It may not be reproduced by any means full or in part, except for short extract in fair dealings, for research or private study, critical scholarly review or discourse with any acknowledgement, without the written permission of the Director of Postgraduate studies, on behalf of both the Author and the University of Mzumbe.

Zaituni W.M Ng’ariba, 2014
©All rights reserved
DEDICATION

This work is dedicated with much love and due care to my adorable husband Isaac Chacha, who dedicated his time to encourage and support me during my studies and as a matter of fact missed my love and care. This work is also dedicated to my lovely children Elvis, Ninah and Brian without forgetting my late mother Amina Ally.
ACKNOWLEDGEMENT

In accomplishing this study, I received extensive moral and material assistance from a substantial number of people to whom I am indebted to.

First and foremost, I wish to acknowledge with much gratitude the guidance and assistance of my Supervisor, Prof. D.S.R.M. Muna who helped me in the whole process of carrying out my research right from formulating the proposal to the final report.

I would also like to express my sincere gratitude to my employer Deputy Attorney General who granted me permission to pursue my studies.

Special thanks should also be extended to women entrepreneurs in Mwanza who were ready to cooperate with me and never let me down and made my research successful.

Ones again special thanks go to my lovely husband who made the entire process an easy one.

I would also like to acknowledge the contribution of my beloved father Mr Jackson Musetti whose sacrifice has made a very big change in my life entirely and completely without forgetting my Almighty God who blessed me with safe and sound healthy.
LIST OF ABBREVIATIONS AND ACRONYMS

% Percentage
DISS Dar es Salaam Informal sector survey
ESRF Economic and Social Research Foundation
GEM Global Entrepreneurship Monitor
ILO International Labour Organization
MDGs Millennium Development Goals
MSEs Micro, Small Enterprises
MSMEs Micro, Small and Medium Enterprises
MFI Micro Finance Institutions
NISS National Information Sector Survey
OECD Economic Co-operation and Development
UDEC University of Dar es salaam Entrepreneurship Centre
URT United Republic of Tanzania
UNIDO United Nations Industrial Development Organization
IFC International Financial Corporation
ABSTRACT

The study was about constraints women micro – entrepreneurs face in accessing credit for business in Nyamagana District, Mwanza city. The study objective was to examine the “Constraints Women Micro-entrepreneurs Face in Accessing Finance in Nyamagana District, Mwanza city”

The research design employed both quantitative and qualitative methods to answer the research problem. The study involved 131 women micro-entrepreneurs and using self administered questionnaire, interviews were used to gather information from selected women micro – entrepreneurs and loan officers from MFIs. The data was analyzed through SPSS and Excel Computer packages.

The findings revealed that women micro-entrepreneurs engaged in several business activities such as trade, services and farming because they are easy to enter and generate good profits. They also face three categories of constraints when accessing finance internal factors (such as limited understanding of benefits of micro – finance), socio – cultural constraints (absence of time to think and plan their business, negative beliefs and attitude about women traditional roles) and government policy constraints (absence of affordable finance programs). In order to overcome these constraints, they obtained loans from relatives and friends, sale of personal assets and acquiring assets or goods on short return credit. Women micro-entrepreneurs suggested strategies to gain easy access to finance through formation of SACCOS, formation of women enterprise fund and starting donor initiative schemes.

The study recommended the starting of more lucrative businesses with potential to grow such as small cottages and agro based industries, training on entrepreneurship, sensitizing the public about role of women in modern society and start of government supported micro-enterprise funding program. It also suggests areas for further research such as extensive studies in other districts regions prior generalization and effect of MFIs on development of micro enterprises.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certification</td>
<td>i</td>
</tr>
<tr>
<td>Declaration</td>
<td>ii</td>
</tr>
<tr>
<td>Copyright</td>
<td>iii</td>
</tr>
<tr>
<td>Dedication</td>
<td>iv</td>
</tr>
<tr>
<td>Acknowledgement</td>
<td>v</td>
</tr>
<tr>
<td>List of abbreviations and acronyms</td>
<td>vi</td>
</tr>
<tr>
<td>Abstract</td>
<td>vii</td>
</tr>
<tr>
<td>Table of contents</td>
<td>viii</td>
</tr>
<tr>
<td>List of Tables</td>
<td>xiii</td>
</tr>
<tr>
<td>List of Figures</td>
<td>xiv</td>
</tr>
<tr>
<td>List of appendices</td>
<td>xv</td>
</tr>
</tbody>
</table>

## CHAPTER ONE

INTRODUCTION AND BACKGROUND TO THE STUDY

1.0 Introduction ........................................................................... 1
1.1 Background to the study ...................................................... 1
1.2 Statement of the Research Problem ........................................ 2
1.3 Research Objectives ............................................................. 3
  1.3.1 General Objective ............................................................ 3
  1.3.2 Specific Objectives .......................................................... 3
1.4 Research Questions .................................................................. 3
1.5 Significance of the Study ..................................................... 4
1.6 Limitations of the Study ...................................................... 4
1.7 Scope of the Study .................................................................. 5
CHAPTER TWO

LITERATURE REVIEW

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.0</td>
<td>Introduction</td>
<td>6</td>
</tr>
<tr>
<td>2.1</td>
<td>Theoretical Literature Review</td>
<td>6</td>
</tr>
<tr>
<td>2.1.1</td>
<td>Definition of Key Concept and terms</td>
<td>6</td>
</tr>
<tr>
<td>2.1.2</td>
<td>Women Entrepreneurship</td>
<td>7</td>
</tr>
<tr>
<td>2.1.3</td>
<td>African Women Entrepreneurs</td>
<td>7</td>
</tr>
<tr>
<td>2.1.4</td>
<td>Women Entrepreneurship in Tanzania</td>
<td>9</td>
</tr>
<tr>
<td>2.1.5</td>
<td>Constraints to Women’s Entrepreneurship</td>
<td>10</td>
</tr>
<tr>
<td>2.1.6</td>
<td>Other Constraints</td>
<td>13</td>
</tr>
<tr>
<td>2.2</td>
<td>Micro and Small Enterprise</td>
<td>14</td>
</tr>
<tr>
<td>2.2.1</td>
<td>The role of Micro Enterprise in Development</td>
<td>15</td>
</tr>
<tr>
<td>2.2.2</td>
<td>Women and the Micro and Small Enterprise Sector in Tanzania</td>
<td>17</td>
</tr>
<tr>
<td>2.3</td>
<td>Empirical Literature Review</td>
<td>19</td>
</tr>
<tr>
<td>2.4</td>
<td>Research Gap</td>
<td>23</td>
</tr>
<tr>
<td>2.5</td>
<td>Conceptual Framework</td>
<td>24</td>
</tr>
</tbody>
</table>
CHAPTER THREE

RESEARCH METHODOLOGY AND PROCEDURES

3.0 Introduction ................................................................. 26
3.1 Area of the Study ......................................................... 26
3.2 Research Design .......................................................... 26
3.3 Sample Techniques and Sample Size ................................. 27
3.3.1 Sampling Techniques ............................................... 27
3.3.2 Sample Size ............................................................ 28
3.4 Data Sources and Data Collection Methods ......................... 29
3.5 Data Analysis ............................................................. 30
3.6 Ethical Considerations .................................................. 31
3.7 Validity and Reliability of Data ........................................ 32

CHAPTER FOUR

PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.0 Introduction ................................................................. 33
4.1 Background of Respondents ............................................ 33
4.1.1 Category of Respondent and Response Rate ................. 33
4.1.2 Respondent’s Age ...................................................... 34
4.1.3 Respondent’s Education Level ...................................... 35
4.1.4 Age at which Respondent started Business .................... 35
4.1.5 Respondent’s Marital Status ....................................... 36
4.1.6 Type of Business ....................................................... 37
4.1.7 Distribution of Respondents by Duration of Business ........ 37
4.2 Types of Businesses women Entrepreneurs in Nyamagana District, Mwanza City are involved in ........................................... 38

4.2.1 Reasons for stating Micro-Enterprises ........................................... 39

4.3 Specific Factors (internal factors, social constraints and policy Constraints) that hinder Women’s Access to Finance by Micro-Entrepreneurs for starting new Business or expanding existing Enterprise in Nyamagana District, Mwanza ................................. 40

4.3.1 General Factors restricting the start of business ................................. 40

4.3.2 Ranking of Importance of Constraints that Women Micro-Entrepreneurs face ................................................................. 42

4.3.3 Specific Factors (constraints) restricting Women Micro-Entrepreneurs to Access Finance .......................................................... 43

4.4 Strategies which Women Micro-Entrepreneurs use to overcome The Constraints of Lack of Access to Finance (credit facilities).......... 47

4.5 Ways of Empowering women to have access to Finance....................... 48

4.6 Other Pertinent findings ..................................................................... 49
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction ................................................................. 51
5.1 Summary ............................................................................ 51
5.2 Conclusion ......................................................................... 54
5.3 Recommendations ............................................................ 55
5.4 Suggestions for further research ........................................ 57
<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Distribution of the Expected Sample size</td>
<td>29</td>
</tr>
<tr>
<td>4.1</td>
<td>Distribution of respondents and rate – response by category</td>
<td>34</td>
</tr>
<tr>
<td>4.2</td>
<td>Distribution of respondent (ME owner) by age groups</td>
<td>34</td>
</tr>
<tr>
<td>4.3</td>
<td>Distribution of Respondents by level of Education</td>
<td>35</td>
</tr>
<tr>
<td>4.4</td>
<td>Distribution of Respondents by age they started business</td>
<td>35</td>
</tr>
<tr>
<td>4.5</td>
<td>Distribution of Respondents by marital status</td>
<td>36</td>
</tr>
<tr>
<td>4.6</td>
<td>Distribution of Respondents by type of business</td>
<td>37</td>
</tr>
<tr>
<td>4.7</td>
<td>Duration in business</td>
<td>37</td>
</tr>
<tr>
<td>4.8</td>
<td>Distribution of respondent by Type of business run by women micro entrepreneurs</td>
<td>38</td>
</tr>
<tr>
<td>4.9</td>
<td>Distribution of women by Reasons for starting business</td>
<td>39</td>
</tr>
<tr>
<td>4.10</td>
<td>Distribution of respondent by Factors restricting women to start their enterprises</td>
<td>41</td>
</tr>
<tr>
<td>4.11</td>
<td>Distribution Ranking of the constraints in order of importance</td>
<td>43</td>
</tr>
<tr>
<td>4.12</td>
<td>Distribution of Internal factors that restricted access to finance for start or business expansion</td>
<td>44</td>
</tr>
<tr>
<td>4.13</td>
<td>Distribution of respondents on Cultural related factors (constraints)</td>
<td>45</td>
</tr>
<tr>
<td>4.14</td>
<td>Distribution of respondents on Constraints due to government policy related factors</td>
<td>46</td>
</tr>
<tr>
<td>4.15</td>
<td>Distribution of respondents on Strategies used to overcome constraints access to finance</td>
<td>48</td>
</tr>
<tr>
<td>4.16</td>
<td>Distribution of respondents on Ways of empowering women to have freedom of access to finance</td>
<td>49</td>
</tr>
</tbody>
</table>
LIST OF FIGURES

Figure 2.1 Conceptual Framework for measuring constraints of Access to Finance ................................................................. 24
<table>
<thead>
<tr>
<th>Appendix I</th>
<th>Women Micro-Entrepreneurs only ..................................</th>
<th>62</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appendix II</td>
<td>Interview Protocol for Women Micro-Entrepreneurs ..........</td>
<td>68</td>
</tr>
<tr>
<td>Appendix III</td>
<td>Interview Protocol for Loan Officers ..........................</td>
<td>70</td>
</tr>
</tbody>
</table>
CHAPTER ONE
INTRODUCTION

1.0 Introduction
This chapter addresses the introductory part of the research. It basically includes background of the study, statement of the problem, significance of the study, scope and limitations of the study.

1.1 Background of the Study
Entrepreneurship is increasingly recognized as an important driver of economic growth, productivity, innovation and employment, and it is widely accepted as a key aspect of economic dynamism. Transforming ideas into economic opportunities is the decisive issue of entrepreneurship. History shows that economic progress has been significantly advanced by pragmatic people who are entrepreneurial and innovative, able to exploit opportunities and willing to take risks (Hisrich, 2005; Roy, 2010; GEM, 2012). Transforming ideas into economic opportunities is the decisive issue of entrepreneurship.

The role of entrepreneurship and an entrepreneurial culture in economic and social development has often been underestimated. Over the years, however, it has become increasingly apparent that entrepreneurship indeed contributes to economic development. Nevertheless, the significant numbers of enterprises were owned by men (ILO, 2006). In other words, it was not common to see women-owned businesses worldwide especially in developing countries like Tanzania. The idea and practice of women entrepreneurship is a recent phenomenon. Until the 1980’s little was known about women entrepreneurship both in practice and research, which made its focus entirely on men. Scientific discourse about women’s entrepreneurship and women owned and run organizations is just the development of 1980s (ILO, 2006).
Even though it is now noticeable to observe a number of women entrepreneurs in the business, recent studies show that most of them are found in Micro and Small Enterprises (MSEs) (Sushma 2007; Bekele&Woirku 2008, Merwe&Lebakeng 2009, Mulugeta 2010, Otoo 2013). In spite of the enormous importance of the micro, small and medium enterprises (MSMEs) sector to the national economy with regards to job creation and the alleviation of abject poverty among impoverished women in Tanzania, the degree of recognition and strategic support provided to the sector is grossly inadequate. Despite these myriad of constraints, little studies have been undertaken to find specific constraints relating to access to finance that have curtailed women enterprises in their specific countries.

1.2 Statement of the Problem
The proportion of women in Tanzania entering Micro and Small Enterprises (MSEs) sector has been increasing since 1991. Women accounted for about 35 per cent of informal enterprises (National Informal Sector, 1995). In the 2000 Economic and Social Research Foundation (ESRF) study, 55 per cent of the enterprises in the sample were owned by women (Mlingi, 2000). During 2013, the percentage of enterprises run by women could be in the 65-75 percent range. However, although these enterprises run by women are increasing at a very high rate, most of them stay stagnant (same size) for a very long time due to failure to access finance.

Furthermore, in Uganda (UNIDO Document, 2003) for instance, women entrepreneurs face constraints such as lack of training and advisory services, lack of managerial and technical skills, weak infrastructure, difficulties in accessing loans, and complicated company registration processes (GEM, 2003). In Kenya, the lack of technical skills, confidence, strong individual involvement and the unwillingness to take risks are some of the constraints that impede the growth of women enterprises (GEM, 2006; 2008).

To date no study except that by Otoo (2012), has examined specific constraints that hinder women micro-entrepreneurs access to finance (credit facilities). This research is
intended to fill the research gap and assesses the constraints women micro-entrepreneurs face in accessing credit – a case of business women in Nyamagana District, Mwanza City, Tanzania.

1.3 Research Objectives

1.3.1 General Objective
The general objective of the study was to examine the “Constraints Women Micro-entrepreneurs Face in Accessing Finance in Nyamagana District, Mwanza city”

1.3.2 Specific Objectives
The following were the specific objectives that guided the study:
(i) To determine the nature of businesses women entrepreneur undertake.
(ii) To identify factors that hinder women’s access to finance for micro-entrepreneurs activities.
(iii) To determine strategies women micro-entrepreneurs use to overcome financial constraints.
(iv) To identify measures that may be instituted to overcome the constraints.

1.4 Research Questions
The research addressed the following research questions:
(i) What are the natures of businesses women micro-entrepreneurs are involved in?
(ii) What factors hinder women’s access to finance for micro-entrepreneurs activities?
(iii) What strategies do women micro-entrepreneurs use to overcome financial constraints?
(iv) What measures may be instituted to overcome the constraints?
1.5 Significance of the study

The study about constraints women micro-entrepreneurs face in accessing finance (credit facilities) in Nyamagana District, Mwanza city; is worth of academic study for the following reasons:

(i) Importance of women enterprises in Tanzania

The study has highlighted the importance that entrepreneurship has brought to the country and uncovered specific issues that women entrepreneurs face with particular emphasis on access to credit and strategies for improvement.

(ii) The society

Given limited literature on constraints women entrepreneurs face in accessing finance for their entrepreneurial activities in Tanzania and elsewhere, the research outcome of this study has provided a basis for further researches.

(iii) Usefulness to entrepreneurs and policy makers

The study can also help in planning and formulation of national and entrepreneurship policy for women small business development strategy. For instance, the policy maker can use it to develop relevant entrepreneurship curriculum in schools and universities. In addition it will help new and growing women entrepreneurs to know the constraints they are likely to face and how they can handle them.

1.6 Limitations of the Study

In the course of conducting this research, various problems have been encountered. The research has faced financial constraints regarding purchase of literature books, photocopying questionnaires, travel to and from respondent’s location, making follow-up and other sundry expenses. These have been overcome by personally conducting the field study and doing typesetting all manuscripts.
The main problem the research encountered was the refusal by some respondents to complete the questionnaire. This has been overcome by showing respondents a permission letter allowing the researcher to conduct and explain the purpose of research and how the information will be confidentially treated and how the research is going to help them in finding solutions to their problems.

1.7 Scope of the study

The study was conducted in Nyamagana District, Mwanza city and was focusing on women entrepreneurs involved in micro small-enterprises. The study has covered women entrepreneurs who have been operating their businesses for at least 12 months. This also makes it possible to generalise the research findings for other cities like Dar es salaam, Mbeya, Arusha, Tanga and many others within the country.
CHAPTER TWO
LITERATURE REVIEW

2.0 Introduction
This chapter deals with the theoretical literature review, empirical literature review and conceptual framework for the study.

2.1 Theoretical Literature review
2.1.1 Definition of Key Terms
Constraints are factors limiting the growth and development of women entrepreneurship (Barwa, 2003).
Entrepreneur is a person who created a new business in the face of risk and uncertainty for the purpose of achieving profit and growth by identifying significant opportunities and assembling the necessary resource to capitalize on them (Zimmere and Scarborough, 2008).

Micro-enterprises are defined as those enterprises employing between 1.-9 employees (ILO, 2003). Small enterprises are those enterprises employing between 10-49 employees (ILO, 2003).

Women’s enterprises are those enterprises which were started, owned and managed by women. This means that the woman is both the major owner and decision-marker of the enterprise (ILO, 2003).

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 (IFC/World Bank, 2006, Kibas, 2006).
Entrepreneurship is the dynamic process of creating incremental wealth. This wealth is created by individuals who assume the major risks in terms of equity, time and/or career commitments of providing values for some product or service (Ponstadt, 1998).

2.1.2 Women entrepreneurship

Women entrepreneurship has attracted increasing attention in recent years in light of concrete evidence of the importance of new business creation for economic growth and development (Acset al., 2005; Langowitz and Minniti, 2007). Women normally start businesses alone or in association with other women, friends or family members. No research has documented the proportions of businesses that are established in each of these ways. Not only does women entrepreneurship contribute to economic growth and employment creation, but it is increasingly recognized to enhancing the diversity of entrepreneurship in any economic system (Verheulet al., 2006) and to provide avenues for women expression and potential fulfillment (Eddleston and Powell, 2008). These benefits are rarely leveraged in a systematic way, given that women entrepreneurship talent and potential remain largely untapped in many contexts (Baughnet al., 2006, GEM, 2008; GEM, 2012).

2.1.3 African women entrepreneurs

Women in the MSE sector suffer dramatically from stereotypical images. Richardson, Howarth & Finnegan (2004), discuss how these generalizations are problematic. The vivid picture of African women’s businesses painted in previous research is as follows: “They are informal entities based on limited ideas, within marginal sectors, and micro in size because of women’s lack of resources. The profiles also refer to women entrepreneurs’ limited motivation and their focus on local markets. These labels are not necessarily unique to or typical of women entrepreneurs, and one can apply many of these descriptions to men in business. However, they are strongly associated with women and as such promote a predominantly inferior profile of women’s businesses as
having fewer ingredients for success ... and being marginal and weak when compared to those of men” (Richardson et al., 2004).

A woman entrepreneur in the African context conjures up the image of a poor, uneducated woman, with few if any of her own assets, and limited means of (Kinyanjui & Munguti, 1999), accessing necessary resources from others. She has been portrayed as someone with limited or no experience of formal employment and business, limited networks, especially business-related networks, and is not highly or positively motivated towards business ownership. Her business is likely to be informal and micro, with inappropriate premises, in a “feminized sector”, operating in restricted locally-based markets, undercapitalized with limited profits, making minimal use of new technology and with limited potential for growth.

However, women entrepreneurs are far from a homogeneous group. Qualitative research descriptions of women who own micro as opposed to small or growth-oriented enterprises suggest at least three distinctive profiles (UDEC, 2002; Richardson et al., 2004).

(i) Women who operate in the micro-enterprise sector tend to have lower education, are less formal, have little prior work experience, and are initially driven into self-employment by economic necessity. Many are also “heads of households”, so they do not have a husband’s income or complementary asset base.

(ii) Women who operate small enterprises (with more than five employees) tend to be better educated (at least the secondary or diploma level credentials), are more likely to have had previous management experience or prior enterprises, are likely married to husbands who support their entrepreneurial undertakings (often lending them the start-up capital for their enterprises), and in many cases grew up in entrepreneurial families where they were exposed to business from an early age. This means that their level of exposure to entrepreneurial skills, business dealings and networks, as well as self-confidence, is much greater than for the micro-enterprise group.
(iii) Women with medium and large enterprises are more likely to have grown up in an entrepreneurial family; to be university educated (often abroad) and travelled; have experience working in a large corporation or a previous venture; to be married to a supportive and successful husband, and have munificent networks. Thus, they have more of the assets and resources necessary to start and grow businesses.

Indeed, overall it can be seen that women face many obstacles and constraints (Richardson, Howarth & Finnegan, 2004).

According to (UDEC, 2002), 56% of Tanzanian women entrepreneurs in the MSE sector are heads of households. From their case histories, it was evident that women take different paths to growth, often growing “horizontally” rather than “vertically”, owning more than one business simultaneously. Unable to secure financing beyond the ceiling imposed by micro-finance institutions or the capacity of their ‘savings group’, women in the micro-enterprise sector often incrementally pursue a number of tiny ‘niche’ opportunities identified within their own community in order to increase their revenue base.

It should be noted that some women expressed their preference for growing “horizontally” as a specific business growth strategy for diversifying risk: if things are not going well in one business, they have another business to rely on. (Richardson et al. 2004) concluded that the phenomenon of women entrepreneurs in “‘growth’ enterprises challenges the predominant stereotypical image of African women entrepreneurs as being “micro”, “informal sector”, and “subsistence operators”.

2.1.4 Women Entrepreneurship in Tanzania

Women’s entry into business in Tanzania is a recent phenomenon; mainly a result of the economic crisis and restructuring programmes of mid 1990s which have led to a drastic decline in real wages as well as formal employment opportunities (Rutashobya, 1995; Tripp, 1994; Kombo, 1994). Probably as a result of the recent nature of women’s involvement in business, much of the research that has been carried out before was
aimed at providing general descriptions of women in the sector, along with a cross-section of the barriers that they face. In reality, women entrepreneurship differ in many ways in terms of: age, religion, ethnicity, wealth, education, literacy, marital status, social status, experience and socioeconomic position. They also differ in terms of their motivation to start and develop a business. These differences, according to Koda (1995), are responsible for a considerable variation in the nature, scope and magnitude of women’s entrepreneurial activities as well as constraints they face. For example, poor and uneducated women, for example, will be found in the informal sector, operating small eating places (mama lishe); the richer women have more capital and hence run relatively large enterprises, employing more labour and using appropriate technology.

Age-wise a study by ILO (2003) in Tanzania and Zanzibar, found that slightly more than 70 percent of women entrepreneurs were in textile and food processing and were between 31 and 50 years of age. The remaining were between 20 and 30 years of age (20.3 percent), over 50 years (7 percent), and below 20 years (0.8 percent) in forms of level of education. The study further found that 70 percent of women food processors had secondary education (ILO 2003). Furthermore, unlike what is generally reported in literature, on micro and small enterprises in Tanzania that women entrepreneurs have limited employment experience, the ILO study found that 90 percent of the women food processors were previously employed (ILO 2003). However those who were previously employed were in traditionally female occupations.

In brief, women entrepreneurship is a complex one and highlights the importance designing innovative entrepreneurship development to address array constraints and challenges to harness women entrepreneurial potentials.

2.1.5 Constraints to women’s entrepreneurship
The entrepreneurs of MSEs not only create income and employment, but they also generate wealth and contribute to the welfare of a Nation’s population in the long run.
MSEs in developing countries are however confronted with several drawbacks and challenges that they have to overcome in order to operate successfully. Major obstacles include access to finance (Arthur, 2003), legal constraints and lack of security and collateral. In order to strengthen the position of MSEs, both financial and non-financial constraints, need to be addressed if the entrepreneurs are to improve their performance and hence contribute more meaningfully to society.

According to UNIDO (2003), constraints related to institutions include: access to formal training, lack of skills and managerial expertise, lack of formal schooling, limited access to property rights, limited access to credit, excessive government regulations, lack of information on prices, markets and viability of the products and lastly, fewer market opportunities due, for instance, to non-compliance to international standards. Commenting on financial constraints, Keshap (2008), whose findings are based on a study of twelve states in India, states that the prevailing situation has been much more difficult for the micro and small enterprise sector. Further, Keshap (2008), stated that unless fairly detailed information on MSEs was available, banks would hesitate to take the risk of financing them. The constraints that women entrepreneurs face in accessing finance includes: 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.

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 (Masunga, 2011). 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; Alila et al., 2002). 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 Tanzania.

Furthermore, where accessible, the cost of credit was found to be expensive for most MSEs; for instance, the interest rates charged by some MFIs were as high as 54 per cent per annum (Stevenson and St-Onge, 2005). This coupled with a short repayment period becomes a major constraint, resulting in forcing the entrepreneur to work almost round the clock to service the loans. The exorbitantly high cost of initial capital tends to make the enterprise almost uneconomical to operate as a business. This is common to most formal sources of credit as well as MFIs.

Even with SACCOs created to help women, for example, United Women Savings and Credit Cooperative Society, in Kenya, it was reported that women still face many barriers in accessing microfinance and yet the association had not yet done anything specific to explore or address particular constraints (Stevenson and St-Onge, 2005, ). Also, the recent study by Jagero and Kushoka (2011), showed that Women Micro Entrepreneurs in Dar Es Salaam, Tanzania faced barriers of access to finance. This could be an admission that, even with the many MFIs emerging with the aim of addressing women's particular microfinance needs, there is, as yet, no solution in sight.

Furthermore, although commercial banks have created a vast financial resource, their impact is yet to be felt among the MSEs, and particularly by women entrepreneurs, most of whom have no collateral. For example, in Kenya most commercial banks have created special facilities to support MSEs as a result of Government encouragement and their own need to expand. However, many entrepreneurs and, in particular women, tend to steer clear because of lack of information, and conditions such as high transaction costs and interest rates averaging above 35 per cent per annum (ILO 2008). The ILO study also indicated that most women entrepreneurs, including those with disabilities, do not
access credit from formal sources, especially commercial banks and Development Finance Institutions (ILO 2008).

2.1.6 Other constraints
There are also several non-accesses to finance constraints that women face. These include:

(i) **Legal and regulatory constraints**; these include: registration of business names; obtaining licenses; adhering to statutory requirements and contracting. Due to the aforementioned factors, most MSEs find these processes lengthy and time consuming, thus they cannot grow or expand their enterprises (K’Obonyo, et al., 1999, Jagero and Kushoka, 2011).

(ii) **Limited entrepreneurial culture and management skills**
It has been noted in literature that there is a general lack of an entrepreneurial culture in Kenya and Tanzania, and to some extent in Uganda, more particularly, for potential and operating women owner/managers of MSE (ILO 2008, GEM, 2003). Njeru and Njoka (1998) 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.

(iii) **Women's "heavier household financial and time burden"**; the competing financial needs between family and business has become 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. This results in a reduction of the invested capital and hence curtails further growth of MSEs (Alila et al., 2002; Jagero and Kushoka 2011; Mwobobia, 2012; GEM, 2012).

(iv) **Lack of risk mitigating mechanisms for women in MSE’s**
The micro-insurance products such as loan insurance, life insurance, pension, house insurance, health insurance, asset insurance and long-term housing loans or mortgages
would ensure that the assets of these entrepreneurs are protected if their income is diverted from their businesses into non-business activities (Masunga 2011).

(v) Access to appropriate technology
Appropriate technology has been found to be one of the tools that help women in developed countries to thrive (GEM 2012). However, in most EAC countries, (Kenya, Uganda and Tanzania), there is a general lack of appropriate technology available to disabled women entrepreneurs (McCormick and Pedersen, 1996; Mwobobia 2012).

In brief, Finance is the lifeblood of any enterprise. Various banks and institutions extend their maximum support in the form of incentives, loans, schemes etc. Even then every woman entrepreneur may not be aware of all the assistance provided by the institutions. Adequate financial support accelerated the success of an enterprise. If an entrepreneur is unable to mobilize the needed finance, her dream will not come true.

2.2 Micro and small enterprises
There is no universal accepted definition of micro- and small enterprises since the concept reflects the level of development of a particular country (URT 2003). However, in defining micro and small enterprise, the most frequently used indicators are amount of capital investment, number of employees and sales volume(Mbilinyi and Shundi 1999, URT 2003, Rwanshane, 2000). Accordingly, in Japan micro- and small enterprises are defined in terms of main activity, paid up capital and number of paid employees, for example, in the retail and service trade, paid up capital is up to 10 million ten, and a maximum of 50 employees (Bendera, & Mbilinyi 1999).

The determining factor about definitions of micro and small enterprises is the level of development of a given country today. Almost a decade later, micro and small enterprises are still defined as those enterprises employing up to 49 employees and with a capital investment not exceeding Tshs. 200 million (URT 2003). Up to now there has been no revision of the definition. Accordingly, micro enterprises are those having 1-4
employees, capital investment of up to Tshs 5 million while small enterprises are employing 5-49 people and with a capital investment of more than Tsh. 5 million but less than Tshs 20 million. The level of capital investment is taken as the determining factor in this classification. This definition differ slightly from the one by the International Labour Organization (ILO) (2002) according to which micro enterprise in Tanzania are those businesses that employ less than 10 people while small enterprises are those that employ between 10 and 49 people. In most instances, Tanzanian micro-enterprises engage family members and fall into the category of the informal sector. On the other hand, small enterprises are more formal in nature.

Turning specifically to micro enterprises, these comprise the sub-sector of the smallest units within the small and medium enterprises sector (Levitsky, 1993). According to Otieno (1987), a micro entrepreneur is a person who began and owns a business employing no more than five (5) persons. In their study, on gender patterns in Tanzania micro and small enterprises, Mbilinyi and Shundi (1991) defined micro enterprises as those enterprises employing 1-5 paid or unpaid employees including the owner. In this study, micro enterprises were taken to be those businesses employing up to 4 persons as defined by URT (2003). The selected women entrepreneurs were owner/managers, that is, women micro-entrepreneurs who started, operate and control the businesses. This was considered important because the study focuses on women micro-entrepreneurship development.

2.2.1 The role of micro enterprises in development

The importance of the economic contribution of micro and small enterprises (MSEs) along with women’s participation in the MSE sector has increased tremendously since the mid-1980s. Indeed, the MSEs (herein defined as enterprises employing between 1 and 49 persons) have now become the main source of employment and incomes for the majority of people in developing countries, including Tanzania. Moreover, participation in the MSE sector is widely seen by policy-makers as well as donors as a means of
economically empowering marginalized groups, including women (Hanna-Andersson, 1995).

Focusing and supporting micro-enterprises can be justified due to their potential to generate output, employment, and income as well as being central to innovation (Kantor 2000). In more specific terms, micro and small enterprises can have vital development functions in developing countries such as Tanzania. According to Levitsky (1993), these development functions include:

- to help general employment by using more labour in relation to capital invested
- to act as seed led for developing entrepreneurial talent
- to operate in less populated areas with limited markets and poor infrastructure
- to be able to start with limited resources
- to provide facilities for people with varying levels of education in both management and technical skills
- to supply low cost items for the poor and in certain circumstances, high cost quality products for the reward for exports, and
- to enable entrepreneurs where recession material shortage and market changes because of their flexibility
- to contribute to equitable distribution of income, and
- to add value to agro products

When translated into reality, it is found that the economic functions of micro and small enterprises support an increasingly large proportion of the population in many countries especially in developing world. In Tanzania, for example, the micro and small enterprises sector is the second leading employer after peasant agriculture, since it employs between 20 and 30 percent of the total labour force (Massawe in ILO, 2002 p. 6). For their contribution to gross domestic product (GDP), it is estimated that the micro and small enterprises sector contributes between 35 and 40 percent (Finseth in ILO 2002).
A large part micro-enterprises is generated by the process entrepreneurship in both developed and developing countries (ILO 2003) and their potential contribution to the development of respective countries is widely recognized despite their subordinate role in the society. Given this position, Kantor (2003), argues that focusing on the role of women in micro-enterprise development is justified at least for four reasons. First the sheer number of women who are active in micro and small sector world-wide. Business owned and run by women account for 25 to 33 percent of all businesses in the world (Kantor 2005). Second, is welfare improvement that micro-and small enterprises bring. Since there are so many women in the sector, agencies and NGOs with socially oriented goals supporting micro enterprises can use the number of women for them to justify their inclusion.

Another reason is that micro-enterprises contribute to women’s social and economic empowerment. It is increasingly becoming apparent that self-employment and entrepreneurship contribute to women’s self-esteem and confidence. Fourth, micro-enterprises development is also recognized as strategy for poverty alleviation especially in rural areas. Furthermore, the subject of micro enterprises form can be considered from gender perspective. That is, a part from women having different needs from those of men, their roles and responsibilities assigned to them by society have to be appreciated, leave alone being entrepreneurs. This makes the study of women micro entrepreneurs so compelling.

2.2.2 Women and the micro and small enterprise sector in Tanzania

In Tanzania, the micro and small enterprise sector is the second largest and leading employer after peasant agriculture since it employs 20 to 30 percent of the labour force (Massawe in ILO 2002). In terms of their contribution to gross domestic product, it is estimated that the micro and small enterprise sector contributes between 35 and 40 percent (Finseth in ILO 2006). This sizable contribution has risen from 6 percent in 1979 Leuna in Mbilinyi and Shundi 1999). Omari (1999) reports that in Tanzania about 75
percent of households depend heavily on informal businesses as a resource of live hold (in Tanzania, informal businesses are officially categorized under micro and small businesses).

According to the 1991 National Informal Sector Survey (NISS) and the 1995 Dar es Salaam informal Sector Survey (DISS) MSE sector employment is concentrated in trade/restaurant/hotel, agriculture and manufacturing sub-sectors and women comprise 35.4 percent of workforce in MSE sector (Katapa, 1999). Most of them were in trade restaurant and hotel sub-sector where they account for 53 percent of the total workforce country wide.

In Dar es Salaam 78 percent of the women were in this sub-sector compared to 53 percent of men. The survey showed that also the trade/restaurant and hotel sub-sector and hotel sub-sector was the largest employer in the MSE sector with 5102 percent of total employment (Katapa, 1999). Further analysis in MSE sector showed that whereas women were mostly found in the sale of cooked food, restaurant and food stalls business in Dar es Salaam, in rural areas and other urban areas, they were concentrated in the sale of local beer.

In terms of the motivation to be in the MSE sector, the Dar es Salaam ISS revealed that the need for additional income for the family was the major motivation. The other motivation was failure to find alternative employment (Katapa,, 1999), meet basic needs (Olomi, 2001; Olomi and Sinyanule, 2007) and means of earning live hold (Jagero and Kushoka 2011).

Katapa (1999) further points out that most enterprises in the MSE sector are unpaid labour as 33-39 percent of men employees were not paid while 69 percent of women employees were not paid in Dar es Salaam and 83 percent of them in other urban areas and rural areas were not paid (Katapa 1999.) It was also found, that in all geographical areas, fewer women were paid on a regular basis compared with men.
From the education aspect, about 90 percent of operators in the MSE sector had primary level education. In this respect woman operators without schooling at all were far more than men in all areas. As can be expected, operators in rural areas had much less education than those in urban areas. Age-wise, the majority of entrepreneurs were between 20 and 49 years of age. In terms of skills training, the DISS survey showed that most entrepreneurs in the MSE sector did not have any formal skills training, instead they learned on their own or by working with small-scale enterprises. With respect to income, the survey showed that male entrepreneurs earned more than their female counterparts. This trend was true in all geographical areas and in all sectors.

Despite the demonstrated importance of the MSE sector in Tanzania and the ongoing government reforms to improve the situation, micro and small entrepreneurs, face a number of constraints and include inadequate and undeveloped infrastructure, poor and inadequate business development services, negative attitudes by the some top policy makers towards micro entrepreneurs, and at times, confusing legal framework (Mbilinyi 1999, URT 2003; Olomi 2003, Jagero and Kushoka 2011). Due to these constraints, MSE owners run several businesses at a time in order to spread risks rather than deployment all their efforts into one activity (Mbilinyi 1999, Rwanshane 2000, Olomi 2003). The SME Development Policy 2003 (URT 2003) has yet to address some of these constraints confronting women micro-entrepreneurs.

2.3 Empirical Literature Review
Several researchers have examined factors/constraints women micro-entrepreneurs face in starting and expanding entrepreneurial activities. This section presents a review of some of the most recent empirical studies with particular attention to constraints women face regarding access to credit, particularly in developing countries.

Richardson, Howarth and Finnegan (2004), conducted a continental study on African women entrepreneurs. Its main objective was to find out the constraints affecting women
entrepreneurs in Africa. The study revealed that most women entrepreneurs in Africa felt that they lacked abilities, skills and expertise in certain business matters. Those constraints relate to women’s relative lack of exposure to the world of business. In addition to this lack of exposure, women’s business networks are poorly developed as social assets. This in turn impacts on a range of factors that adversely affect the women entrepreneurs at all levels. It is grounded in women’s gender experiences of education and work, and due to the demand of their reproductive and household roles, they lack key dedicated “time” to be able to play, explore and nurture their own resources. Their access to the essential abilities, skills and experiences for business is also adversely affected by various constraints on their mobility, often due to their dual (household) and triple (community) roles and responsibilities. In a more general way, society’s views are largely negative about women entrepreneurs who associate and network with others in business. Women entrepreneurs in Africa also face constraints and barriers to obtaining money to start and grow their own businesses. Their inexperience of negotiating with the banks and their lack of financial confidence to argue for what they are entitled to, are some of the problems they face in obtaining loans.

In a Tanzanian study which adapted both sample survey and in-depth study (done in Arusha, Dar es salaam and Zanzibar) by SIDO (2005), on constraints affecting women entrepreneurs it was found that women entrepreneurs quite often lacked technical and business management skills, including the sophistication needed to negotiate with financial institutions. The exception to this were women in large urban centers, or those in the food processing industry, who had substantial support from organizations such as the small Industries Development Organization.

A recent study was carried out by Tamilarasi (2013), in Salem District, Tamil Nadu, India. It examined an important question in entrepreneurship studies which was whether women entrepreneurs faced any specific constraints in setting up businesses that were different from those faced by men. In Salem District, many women entrepreneurs
have been carrying on various businesses in various sectors: manufacturing enterprises, trading enterprises and service enterprises. The study identified that at the time of start-up phase, the women entrepreneurs suffered a lot due to poor access to finance, poor business skills, gender-related problems, and time distribution between family and business. The study recommended that policy makers should consider drafting policies to ensure easy access to finance for women entrepreneurs.

Rao, Venakatachalam and Joshi (2012), studied women micro-entrepreneurs in India. The study used a questionnaire to identify the challenges faced by women entrepreneurs in Coastal Karnataka, India. The women entrepreneurs in the study were classified into four categories of success based on the profit generated. The results indicated that success of women enterprises depends on the formal education and the training received. Most the women entrepreneurs surveyed were married women who feel confident in running and expanding the business with the support from the family members. The work-life balance was not given priority as the challenge in establishing or diversifying the business. The important challenges faced by women entrepreneurs in establishing and growing the business were access to finance, finding the skilled labor and increased competition. Women entrepreneurs also rated the assistance in business planning as a crucial factor for the success of any business growth and expansion. The challenges faced by women entrepreneurs need to be addressed by the educational institutions especially in terms of business planning and inculcation of managerial skills.

Vatharkar (2012), conducted a study of constraints and motivating factors for Indian Women Entrepreneurs in Small Scale industries in Pune, India. The study specifically examined the problems faced by women entrepreneurs in Pune district at various levels in their journey as entrepreneur. Furthermore, the study also investigated into the factors motivating these women to become entrepreneurs. It surveyed a sample of 63 women owned enterprises and analyzed data using descriptive statistics the study revealed that these women entrepreneurs are both “willing” as well as “forced” entrepreneurs. For
some of them factors motivating to start their own enterprise is to support family financially, while for some of them it is the urge to be economically independent. It also found several factors constrained women start or expand their entrepreneurial activities gender bias, lack of technical and business skills, and inadequate access to finance which included how to pro-actively seek out finance source and fear of being harassed by authorities and possible legal battle should they not pay back.

Mwobobia (2012), conducted a study with women micro-entrepreneurs in Kenya. The study sought to identify the challenges facing small scale women entrepreneurs in Kenya and initiatives put in place to counter the challenges. The study employed desktop research. MSEs Baseline survey, recorded that 612,848 women in Micro and Small Enterprises (MSEs) in Kenya, accounting for 47.4 per cent of all those in MSEs. The study showed that women tended to operate enterprises associated with traditional women’s roles, such as hairstyling and catering services. The study further established that many stakeholders from both public and private sector are helping empower women entrepreneurs in Kenya: such as formation of women enterprise fund, establishing of women’s university of science and technology, formal and informal financial support, and donor initiatives among others have been put in place. The study recommended that women in entrepreneurship need to be accepted and supported financially, legally and more capacity building should be made available.

Otoo(2012), studied micro-credit for micro-enterprise in Central Region, Ghana. The study specifically examined factors that constrain women micro-entrepreneurs’ access to micro-credit and used a questionnaire of on convenience sample of 150 petty traders in the metropolitan towns of Ankessuim, Jukwa and Swedru from central region. It also studied the impact of micro finance credit on poverty alleviation for women petty traders in Ghana. The study identified three main constraints: internal factors (limited understanding of benefits of micro-finance); socio-cultural constraints (not receiving public attention, other acquired roles and absence of time to plan and think about
business; negative attitude and beliefs about women traditional roles) and policy constraints (operating environment not conductive for micro-enterprise to flourish).

2.4. Research Gap
Most of the studies discussed above showed that there was a myriad of constraints that women-micro-entrepreneurs face in accessing finance (credit facilities) for starting and/or expanding their businesses. These can be put into three categories: internal factors, socio-cultural constraints and policy constraints. However, most of these studies were conducted outside Tanzania. Little has been conducted in Tanzania specifically on constraints women entrepreneurs encounter in accessing finance (credit facilities) for starting or expanding their businesses. This research has filled the research gap and examined the constraints women micro-entrepreneurs face in accessing credit – a case of business women in Nyamagana District, Mwanza City.
2.5 Conceptual Framework on Constraints Facing Women Micro-Entrepreneurs

Figure 2.1: Conceptual Framework

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Dependent variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature of Business carried out by women entrepreneurs</td>
<td>Women entrepreneurs Performance</td>
</tr>
<tr>
<td>Strategies of Overcoming the Challenges</td>
<td></td>
</tr>
<tr>
<td>Strategies for Improving Access to Finances</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher’s Construction, 2014

Figure 2.1 is a conceptual framework which shows the relationship between the variables constraints of access to finance and entrepreneurial activities of women enterprises in Nyamagana district. The independent variables of constraints relating to access to finance are Nature of Business carried out by women entrepreneurs, Strategies of Overcoming the Challenges and Strategies for Improving Access to Finances. These factors have been identified from the review literature and have an impact on women’s entrepreneurial activities. The dependent variable is conceptualized as women entrepreneurs Performance. From the above, the accessibility of finance being a
hindrance to the performance of women micro entrepreneur is impacted by the nature of business, strategies to overcome the challenges and improving access to finance.
CHAPTER THREE

RESEARCH METHODOLOGY AND PROCEDURES

3.0 Introduction
This chapter describes the methods and techniques that were employed to carry out this study. In particular, this chapter has highlighted the research design, the area of the study target population, sample size, the sampling techniques, the sources and methods of data collection and analysis. It also presents validity and reliability of data as well as ethical considerations.

3.1 Area of the Study
The study was conducted in Nyamagana district Mwanza region. It involved selected micro-enterprises run by women such as farming, manufacturing and services. Mwanza is situated in Lake Zone of northern Tanzania bordering in the South shores of Lake Victoria. It covers approximately 1348/square kilometers. The study was conducted within the region because it is the second largest city in Tanzania in terms of population and large cultural mix from other parts of Tanzania. The economy in Mwanza region is dominated by smallholders agriculture employing 85% of the region’s population and is complemented by an expanding fishing sector. Other economic activities in the region are manufacturing, retail trade, hotels/restaurants, transport services, mining and small cottage industries, (Nyamagana Municipality Business Report,(2013).

3.2 Research Design
A research design is a plan that guides the researcher in achieving the desired outcome by providing basic direction (Burns & Grove, 2003). The function of a research design is to ensure that the evidence obtained enables the researcher to effectively address the research problem as unambiguously as possible. The study used a descriptive research design to guide the study and provide answers to the problem. This type of design is ideal for this study as no manipulation of the variable will be possible (Burns & Groves,
2003). The research is also concerned with obtaining information (description) concerning the current status of the phenomenon through views of respondents’ experiences (Easwaran& Singh, 2010). This study applied both quantitative and qualitative approaches which were employed in investigating the research problem. The use of both approaches in social research has been recommended by several researchers. Laws (2003,) argued that “participatory methods are clearly of great value for development of work and it is quite straightforward to advocate for these and explains how to use them”. Thus, both approaches enabled the researcher to obtain better understanding of the phenomena under study.

3.3 Sampling Techniques and sample size

3.3.1 Sampling Techniques

Sampling is that part of statistical procedure concerned with the selection of individual observations (unit of analysis) intended to yield some knowledge about the population concerned, especially for the purpose of statistical inferences (Kothari, 2008). Kothari (2008), recommends that if the population from which a sample is to be drawn, does not constitute a homogenous group as in this study then stratified random sampling should be applied so at to obtain a representative sample. Thus, this research used stratified random sampling and purposeful sampling designs (techniques) to obtain the respondents for questionnaire survey and interview respectively.

(i) Stratified random sampling

Stratified random sampling technique, is implemented as follows: first identifying types of businesses the particular group of women are involved in within Nyamagana District (such as manufacturing, services, farming, trading and multi-sector combination.), before sampling and then randomly distributing questionnaires. This technique is also in line with the concept of dividing respondents based on their demographic characteristics that is underpinning this research effort. Hence, using this sampling technique, 35 of MSE’s operators were proportionately selected from within each ward to form the study sample.
(ii) Purposive sampling

For interviewees, the researcher used purposive sampling to select women entrepreneurs (MSE operators) and two officers from each MFI, Mwanza Branch, for in-depth interview because they are believed to be reliable and information resourceful for the study. This was involving using personal judgment by the researcher’s perception that they are in the better position to provide the information for the study.

3.3.2 Sample Size

A sample size is a subset of the target population from which inference can be made (Kothari, 2008). The choice of methods to be used to determine a sample depends on several factors such as representativeness, the diversity of the target population and researcher’s preference. Since the target populations of women micro-entrepreneurs in Nyamagana District is diverse and have different identifiable strata (wards), this research used Roscoe (1975), rule of thumb of greater than 30 and less than 500 respondents and selected a minimum of 35 out of 175 from each ward (stratum). Thus a sample size of 175 (35x5) respondents was selected from five wards of Nyamagana District including Pamba, Mbugani, Butimba, Mahina-kati and Mkolani.

Furthermore, since the population of managers and loan officers from each MFI in this study area is less than 100, the entire population of all 14 will be taken. The total expected sample size of this research therefore was 189 (175 + 14) = respondents. Table 3.1 shows the sample size of this study.
Table 3.1 Distribution of the Expected Sample size

<table>
<thead>
<tr>
<th>S/N</th>
<th>Category of population</th>
<th>Population size</th>
<th>Expected sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Women in trading (buying and selling)</td>
<td>112</td>
<td>35</td>
</tr>
<tr>
<td>2</td>
<td>Women in services; saloon, school and restaurant</td>
<td>138</td>
<td>35</td>
</tr>
<tr>
<td>3</td>
<td>Women in manufacturing (posho, bakery, bride making)</td>
<td>127</td>
<td>35</td>
</tr>
<tr>
<td>4</td>
<td>Women in farming (poetry, piggery and growing flowers)</td>
<td>134</td>
<td>35</td>
</tr>
<tr>
<td>5</td>
<td>Women in multi-sector combination</td>
<td>131</td>
<td>35</td>
</tr>
<tr>
<td>6</td>
<td>SEDA (MFI)</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>7</td>
<td>FINCA (MFI)</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>8</td>
<td>PRIDE (MFI)</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>664</td>
<td>189</td>
</tr>
</tbody>
</table>

Source: Researcher’s Construction 2014

3.4 Data Sources and Collection Methods

Data are facts and other relevant materials, past and present, serving as basis for research study and analysis (Krishnaswami and Ranagnatham, 2006). The present study used both primary and secondary data and the methods used to collect data are described below.

(i) Questionnaires

The first primary data collection method that has been used in this research was the questionnaire. The researcher had a designed questionnaire (Appendix I) which focused on women entrepreneurs and issues relating to constraints women face in accessing finance as well as strategies women use to overcome these constraints. The aim of using this method was to get broad-based views from the respondents about matters relating to
constraints in accessing finance by women entrepreneurs in Nyamagana district. The questionnaire was first pre-tested with experts and few respondents from the study area (Nyamagana district), for clarity and completeness and their comments were incorporated in the final version. The researcher was personally distributed a total of 189 questionnaires to women micro-entrepreneurs and officers in MFI's (SEDA, FINCA & PRIDE) who filled them and being collected later at a time agreed with the respondents.

(ii) Interview
The second primary data collection instrument was semi-structured in-depth interview and this was used to collect qualitative data. The guiding questions on each research objective were prepared in advance as indicated in the interview protocols (Appendices II and III). Few selected women entrepreneurs and MFI’s officers were interviewed. This gave the researcher an opportunity to explore information about the research questions to supplement and corroborate data from questionnaires. This method of data collection is reliable because the information obtained comes from the right source.

(iii) Documentary Review
In this study, secondary data were obtained from documentary reviews of various reports such as Loan Applications and Assessment Reports, Nyamagana Business Operators Report as well as other MFI management reports available at Nyamagana Municipality.

3.5 Data Analysis
This study used both quantitative and qualitative techniques to analyze the collected data from questionnaire and interview respectively. Descriptive statistics was used to analyze and present the data from questionnaires. In particular, the researcher used SPSS software package version 17.0 to generate frequency tables as means of presenting data. Data was summarized, analyzed and interpreted as per research objectives. Qualitative data from interview scripts, notes and statements was systematically coded and classified into broad descriptive categories namely: exploring themes, meanings and/or issues through words or quotations which emerged from the information gained.
in the interview. These data was further linked to the research objectives/questions to generate meanings on the study topic.

3.6 Ethical considerations

The Ethical considerations in this research were addressed by adhering to the Code of Ethics for Research at Mzumbe University. In addition, the following was implemented:

The researcher first obtained a letter from Mzumbe University to introduce the researcher to the management of MFI’s in Mwanza, before the commencement of the study. Permission to conduct the research was also requested from Nyamagana Municipality Officials and their permission to distribute questionnaires to women micro-entrepreneurs within Nyamagana District.

Informed consent was obtained from all the participants prior to administering the questionnaires. Participants were informed of the purpose of the study and told that participation in the research was voluntary.

To ensure anonymity, the collection of the consent forms was undertaken separately from the questionnaires. Participants were informed of the purpose of the study. The respondents were not required to provide their names or any other form of identification. The respondents were also assured that the research is for academic purposes only and that the information collected will be treated confidentially (i.e. respondents remain anonymous). No risks were foreseen in this study at this stage. The researcher was also available for any queries from participants.

The researcher was accurate when constructing data collection instruments. For instance, most questions were in multiple choice closed formats so as to give room to select the best choice that suits them. This in turn helped respondents to answer accurately the question at hand.

In addition, high standards in the execution of research was maintained by means of focusing on implementing the proper referencing and acknowledgement of sources of information and avoiding plagiarizing of any information.
3.7 Validity and reliability

The quality of research depends on the design of research instruments as well as application of these instruments in data collection process in the field. There were several criteria or tests used for judging the quality of any empirical research. These included validity and reliability (Headlam & MacDonald, 2005; Easwaran and Singh 2010). How each of these tests was achieved is discussed hereunder.

(i) Validity

The Researcher was concerned with both external and internal validity.

**External validity** is the degree to which the study findings can be generalized to the entire population (Thomas & Nelson 2001). Every effort was made to ensure that the collected data was valid and accurate while adhering to all ethical considerations. Furthermore, since this research is not a statistical study and the aim was to sample widely, external validity was achieved by analytical generalization of comparing research evidence with the existing literature.

**Internal validity** refers to the consistency of the measurement of some phenomenon over relatively short period of time (Giacobbi, 2002). In this study, internal validity was achieved by specifying the units of analysis and developing the conceptual framework as shown in figure 2.1 in chapter two.

(ii) Reliability

**Reliability** is concerned with the accuracy of the actual measuring instrument or procedure (Joseph et al, 2003). In the words of Ary et al (1990), reliability also refers to when the research instrument is administered several times under the same set of conditions, and then similar results are obtained. In this research, reliability was achieved by first pre-testing structured questionnaires and semi structured interview protocols with five respondents from the target population and experts in the field to obtain consistency and accuracy. Their comments and suggested corrections were incorporated in data collection instruments and re-tested prior to developing the final versions of research instruments for use in the field.
CHAPTER FOUR
PRESENTATION AND DISCUSSION OF FINDINGS

4.0 Introduction

Chapter three described the methodology used to collect data for this study. This chapter aims to examine the constraints women micro-entrepreneurs face in accessing credit in Nyamagana District, Mwanza city. The following research objectives guided the investigation and they are the basis for the findings presented for discussion.

(i) To determine the nature of businesses women entrepreneurs are involved in.

(ii) To identify factors that hinder women’s access to finance for micro-entrepreneur activities.

(iii) To determine strategies women micro-entrepreneurs use to overcome financial constraints.

(iv) To identify measures that may be instituted to empower women to overcome financial constraints.

However, the background characteristics of respondents are firstly presented to provide a clear picture of the nature of people that participated in the study.

4.1. Background of respondents

4.1.1 Category of respondents and Response Rate

The study involved women-micro-entrepreneurs and MFI Officers in Nyamagana District of Mwanza city. A total of 175 questionnaires were sent out to ME owners and 131 were returned completed and useable as noted in table 4.1. This represents 75% response rate which is excellent rate because they are above industry standard of 40-60% (Mugenda and Mugenda 2003). A total of 12 questionnaires were distributed to credit officers and all were returned. Also 2 questionnaires were distributed to management and all were returned. These represent 100% response rate. Only eight MFI officials were interviewed.
### Table 4.1 Distribution of respondents and rate–response by category

<table>
<thead>
<tr>
<th>Categories of respondents</th>
<th>Number sent out</th>
<th>Number Received</th>
<th>Response Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>ME Owners</td>
<td>175</td>
<td>131</td>
<td>75.0</td>
</tr>
<tr>
<td>Credit officers</td>
<td>12</td>
<td>12</td>
<td>100.0</td>
</tr>
<tr>
<td>Management</td>
<td>2</td>
<td>2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>189</td>
<td>145</td>
<td>77</td>
</tr>
</tbody>
</table>

Source: Research findings, 2014

#### 4.1.2 Respondents’ age

### Table 4.2: Distribution of respondents (ME owners) by age groups

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>21 - 30 years</td>
<td>35</td>
<td>26.7</td>
</tr>
<tr>
<td>31 - 40 years</td>
<td>56</td>
<td>42.7</td>
</tr>
<tr>
<td>Above 40 years</td>
<td>40</td>
<td>30.5</td>
</tr>
<tr>
<td>Total</td>
<td>131</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Research findings, 2014

Table 4.2 shows that 26.7% of the respondents were in the age group 21 -30 years, 42.7% belonged to the age group 31 – 40 years and 30.5% are above 40 years. These results suggest that the majority (73.2%) of women micro – entrepreneurs were over 31 years. These are expected to be the most productive age group and are also expected to be energetic to engage in business ventures.

#### 4.1.3 Respondents’ Educational level

Table 4.3 shows that 22.9% of respondents had primary education, 24.4% had secondary / High school education, 48.8% were college / university graduates and 3.8% had other qualifications. These results suggest that the majority of women micro – entrepreneurs
were graduates which implies that they opted for self employment because of lack of employment in the formal sector. (see table 4.3)

Table 4.3: Distribution of Respondents by level of Education

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>30</td>
<td>22.9</td>
</tr>
<tr>
<td>Secondary</td>
<td>32</td>
<td>24.4</td>
</tr>
<tr>
<td>College</td>
<td>43</td>
<td>32.8</td>
</tr>
<tr>
<td>University</td>
<td>21</td>
<td>16.0</td>
</tr>
<tr>
<td>Others</td>
<td>5</td>
<td>3.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>131</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

**Source:** Research findings, 2014

4.1.4 Age at which Respondents started business

Table 4.4 Distribution of Respondents by age they started business

<table>
<thead>
<tr>
<th>Age at Starting business</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 21 years</td>
<td>31</td>
<td>23.7</td>
</tr>
<tr>
<td>21 - 35 years</td>
<td>41</td>
<td>31.3</td>
</tr>
<tr>
<td>36 - 45 years</td>
<td>47</td>
<td>35.9</td>
</tr>
<tr>
<td>Above 45 years</td>
<td>12</td>
<td>9.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>131</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

**Source:** Research findings, 2014

Table 4.4 shows that 23.7% of respondents started their micro – enterprises when they were under 21 years old, 31.3% when they were 21 - 35 years, 35.9% when they were 36 – 45 years and 9.2% when they were above 45 years. These results support earlier results that the majority (67.2%) of women start their businesses when they are in the most productive age of 21 - 45 years.
4.1.5 Respondents’ marital status
This study was intended to reveal the respondent’s marital status whether married, divorced, single or widowed.

Table 4.5: Distribution of Respondents by marital status

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married</td>
<td>34</td>
<td>26.0</td>
</tr>
<tr>
<td>Single</td>
<td>45</td>
<td>34.4</td>
</tr>
<tr>
<td>Divorced</td>
<td>25</td>
<td>19.1</td>
</tr>
<tr>
<td>Widow</td>
<td>27</td>
<td>20.6</td>
</tr>
<tr>
<td>Total</td>
<td>131</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Research findings, 2014
Table 4.5 shows that 26.0% of the respondents were married, 34.4% were single, 19.1% were divorced and 20.6% were widowed. These results suggest that there is no age limit in running a business although this table shows that the majority of women were single. This is expected because single women have few family responsibilities and therefore have more time to run their businesses.

4.1.6 Nature of business
The study is determined to show the respondent’s type of business.
Table 4.6: Distribution of Respondents by nature of business

<table>
<thead>
<tr>
<th>Business Structure</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sole Proprietorship</td>
<td>61</td>
<td>46.6</td>
</tr>
<tr>
<td>Partnership</td>
<td>59</td>
<td>45.0</td>
</tr>
<tr>
<td>Others</td>
<td>11</td>
<td>8.4</td>
</tr>
<tr>
<td>Total</td>
<td>131</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Study findings, 2014

Table 4.6 indicates that 46.6% of women micro – entrepreneurs were in sole proprietorship kind of business, 45.0% were in partnership and 8.4% were in other type of business ownership. This shows that women want to be in a business where they have fully control (sole proprietorship) or partnership, possibly with their husband’s support.

4.1.7 Distribution of respondents by Duration of business

This study ought to show for how long the respondents have been in business as summarized below in table 4.7.

Table 4.7: Duration in business

<table>
<thead>
<tr>
<th>Duration in Business</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 2 years</td>
<td>17</td>
<td>13.0</td>
<td>13.0</td>
</tr>
<tr>
<td>3 - 5 years</td>
<td>61</td>
<td>46.6</td>
<td>46.6</td>
</tr>
<tr>
<td>Above 5 years</td>
<td>53</td>
<td>40.5</td>
<td>40.5</td>
</tr>
<tr>
<td>Total</td>
<td>131</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Study findings, 2014

Table 4.7 shows that 13.0% of women micro – entrepreneurs had been in business for less than 2 years, 46.6% for 3- 5 years, and 40.5% above 5 years. This shows that the majority (87.1%) of the business surveyed have been operating for more than 3 years.
This result is consistent with earlier results that indicated that most of the women micro-entrepreneurs start business at an age (below 35 years).

4.2 Nature of businesses women entrepreneurs are involved in.

This research study aimed at determining the nature of businesses women entrepreneurs are engaged in. Table 4.8 summarizes the findings.

### Table 4.8: Distribution of respondents by Nature of business run by women micro-entrepreneurs

<table>
<thead>
<tr>
<th>Nature of business</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trading</td>
<td>23</td>
<td>17.0</td>
</tr>
<tr>
<td>Services</td>
<td>28</td>
<td>20.7</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>21</td>
<td>15.6</td>
</tr>
<tr>
<td>Farming</td>
<td>34</td>
<td>25.7</td>
</tr>
<tr>
<td>Multi-sector</td>
<td>29</td>
<td>21.5</td>
</tr>
<tr>
<td>Total</td>
<td>135</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Source: Study findings, 2014**

Table 4.8 above shows that women micro-entrepreneurs were evenly divided of the business they run in Nyamagana District. Table shows that 17.0% of the respondents were in trading business (buy and sell), 21.4% were involved in services (saloon, schools restaurants), 16.0% were in manufacturing (milling, bakery, brick making), 26.0% were in farming (poultry, piggery, growing crops) and 22.1% were into multi-sector (several businesses at the same time). This implies that most of the women go into simple and easy businesses such as trading, services and farming. It also implies that women micro-entrepreneurs start business that are culturally related and require low capital for start-up.
4.2.1 Reasons for starting micro – enterprises

This study sought to reveal reasons as to why the respondents start their businesses.

Table 4.9 Distribution of respondent by Reasons for starting business

<table>
<thead>
<tr>
<th>Reason</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strong agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chance to make profit</td>
<td>22</td>
<td>9</td>
<td>17</td>
<td>39</td>
<td>44</td>
</tr>
<tr>
<td></td>
<td>16.8</td>
<td>6.9</td>
<td>13.0</td>
<td>29.8</td>
<td>33.6</td>
</tr>
<tr>
<td>Good knowledge and experience</td>
<td>9</td>
<td>16</td>
<td>28</td>
<td>35</td>
<td>43</td>
</tr>
<tr>
<td></td>
<td>6.9</td>
<td>12.2</td>
<td>21.4</td>
<td>26.7</td>
<td>32.8</td>
</tr>
<tr>
<td>As a source of extra money</td>
<td>13</td>
<td>16</td>
<td>14</td>
<td>27</td>
<td>61</td>
</tr>
<tr>
<td></td>
<td>9.9</td>
<td>12.2</td>
<td>10.7</td>
<td>20.6</td>
<td>46.6</td>
</tr>
<tr>
<td>A source of my employment</td>
<td>8</td>
<td>12</td>
<td>18</td>
<td>23</td>
<td>70</td>
</tr>
<tr>
<td></td>
<td>6.1</td>
<td>9.2</td>
<td>13.7</td>
<td>17.6</td>
<td>53.4</td>
</tr>
<tr>
<td>To have greater flexibility</td>
<td>11</td>
<td>8</td>
<td>19</td>
<td>26</td>
<td>67</td>
</tr>
<tr>
<td></td>
<td>8.4</td>
<td>6.1</td>
<td>14.5</td>
<td>19.8</td>
<td>51.1</td>
</tr>
<tr>
<td>Somebody is doing same business</td>
<td>23</td>
<td>6</td>
<td>9</td>
<td>27</td>
<td>66</td>
</tr>
<tr>
<td></td>
<td>17.6</td>
<td>4.6</td>
<td>6.9</td>
<td>20.6</td>
<td>50.4</td>
</tr>
</tbody>
</table>

Source: Study findings, 2014

Table 4.9 shows that respondents (women micro – entrepreneurs) started or intended to start a business for different reasons. That is, table 4.9 shows that 63.4% of respondents agreed / strongly agreed that they started a business because of the chance to make profit, while 23.7% disagreed / strongly disagreed with that statement, while 13.0% were neutral.

Also, table 4.9 shows that 59.5% of respondents agreed / strongly agreed that they started their businesses because they had good experience and knowledge in the field while 19.1% disagreed / strongly disagreed with that statement and 21.4% were neutral.
Furthermore, table 4.9 shows that 67.2% of respondents agreed / strongly agreed that they started business as a source of extra money (to supplement their spouse’s income), while 22.1% disagreed with that statement and 10.7% were neutral. In addition, table 4.9 indicates that 71.0% of respondents agreed / strongly agreed that they started the enterprise as source of their employment, while 15.3% disagreed / strongly disagreed to that statement and 13.7% were neutral.

Furthermore, table 4.9 shows that 70.9% of the respondents agreed / strongly agreed that they started their enterprises in order to have greater flexibility, while 14.5% disagreed / strongly disagreed with the statement, while 14.5% were neutral. Finally table 4.9 shows that 71.0% of the respondents agreed / strongly agreed that they started their enterprises because somebody is doing the same business, while 22.2% disagreed / strongly disagreed with the statement and 6.9% were neutral.

4.3 Factors that hinder women’s access to finance for micro-entrepreneurs activities.

The study sought to establish factors that hinder women’s access to finance. The table below summarizes the findings.

4.3.1 General factors restricting the start of business.

The findings of this study intended to determine the constraints restricting women to start their enterprises as seen in the table 4.10 below
Table 4.10: Distribution of respondent by Factors restricting women’s access to finance for micro-entrepreneur activities.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strong agree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>%</td>
<td>Count</td>
<td>%</td>
<td>Count</td>
</tr>
<tr>
<td>Lack of access to loans</td>
<td>24</td>
<td>18.3</td>
<td>8</td>
<td>6.1</td>
<td>25</td>
</tr>
<tr>
<td>Lack of entrepreneurial skills</td>
<td>19</td>
<td>14.5</td>
<td>13</td>
<td>9.9</td>
<td>32</td>
</tr>
<tr>
<td>Cultural values</td>
<td>30</td>
<td>22.9</td>
<td>2</td>
<td>1.5</td>
<td>37</td>
</tr>
<tr>
<td>Gender related problems</td>
<td>30</td>
<td>22.9</td>
<td>5</td>
<td>3.8</td>
<td>30</td>
</tr>
<tr>
<td>Limited understanding</td>
<td>32</td>
<td>24.4</td>
<td>6</td>
<td>4.6</td>
<td>19</td>
</tr>
</tbody>
</table>

Source: Study findings, 2014

Table 4.10 shows several factors have restricted woman micro – entrepreneurs to start their businesses in particular, the table shows that, 56.5% of the respondents agreed / strongly agreed that lack of access to loans (credit) was the restricting factor to start their businesses, while 24.7% disagreed / strongly disagreed with that statement and 19.1% were neutral.

Moreover, table 4.10 shows that 47.4% of the respondents agreed / strongly agreed that cultural values were the restricting factors for starting their businesses, 24.4% disagreed / strongly disagreed to that statement, and 28.2% were neutral.

Furthermore, table 4.10 indicates that 50.3% of the respondents agreed / strongly agreed that gender related problems restricted starting their businesses, while 26.7% disagreed /
strongly disagreed to that statement and 22.9% were neutral. Lastly, table 4.10 indicates that 61.8% of respondents agreed / strongly agreed that limited understanding of benefits of micro – finance restricted them to start their businesses, while 29.0% disagreed / strongly disagreed to that statement and 14.5% were neutral.

In brief, these results suggest that women micro-entrepreneurs face a lot constraint that hinder their intentions to start or expand their businesses in the study area (Nyamagana District) and these include lack of access to finance, culture related factors, gender-related problems and their limited understanding of benefits of micro-finance.

4.3.2 Ranking of the importance of constraints that women micro-entrepreneurs face

The study aimed at showing the rank of the importance of constraints that women micro-entrepreneurs face as summarized below.
Table 4.11: Distribution ranking of the constraints in order of importance

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Most important</th>
<th>Second most important</th>
<th>Third most important</th>
<th>Fourth most important</th>
<th>The least important</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>Row %</td>
<td>Count</td>
<td>Row %</td>
<td>Count</td>
</tr>
<tr>
<td>Lack of access to loans</td>
<td>56</td>
<td>42.7</td>
<td>23</td>
<td>17.6</td>
<td>25</td>
</tr>
<tr>
<td>Lack of entrepreneurial skills</td>
<td>14</td>
<td>10.7</td>
<td>57</td>
<td>43.5</td>
<td>23</td>
</tr>
<tr>
<td>Cultural values</td>
<td>22</td>
<td>16.8</td>
<td>25</td>
<td>19.1</td>
<td>54</td>
</tr>
<tr>
<td>Gender related problems</td>
<td>23</td>
<td>17.6</td>
<td>13</td>
<td>9.9</td>
<td>16</td>
</tr>
<tr>
<td>Limited understanding</td>
<td>16</td>
<td>12.2</td>
<td>13</td>
<td>9.9</td>
<td>13</td>
</tr>
</tbody>
</table>

Source: Study finding, 2014

Table 4.11 shows the restricting factors when the first second and third positions are aggregated. The following is order of importance. First was the limited understanding of benefits of micro-finance (77.8%) followed by Gender related problems (72.5%), cultural values (64.1%) and lastly lack of access to loans (credit). These results highlight the fact that women micro-entrepreneurs have limited financial knowledge and are not aware of financial products available in the market.

4.3.3 Factors (constraints) restricting women micro-entrepreneurs to access finance

(i) Internal factors (constraints)

The study sought to establish factors (constraints) restricting women micro-entrepreneurs to access finance.
Table 4.12: Distribution of Internal factors that restricted access to finance for start or business expansion

<table>
<thead>
<tr>
<th>Internal Factors (constraints) hindering women’s access to finances</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Little understanding</td>
<td>34</td>
<td>18.7</td>
</tr>
<tr>
<td>Inability to negotiate</td>
<td>45</td>
<td>24.7</td>
</tr>
<tr>
<td>Lack of knowledge</td>
<td>31</td>
<td>17.0</td>
</tr>
<tr>
<td>Fear of harassment</td>
<td>31</td>
<td>17.0</td>
</tr>
<tr>
<td>Fear of legal battle</td>
<td>12</td>
<td>6.6</td>
</tr>
<tr>
<td>No time to plan the business</td>
<td>27</td>
<td>14.8</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>1.1</td>
</tr>
<tr>
<td>Total</td>
<td>182</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Study findings, 2014

Table 4.12 shows that respondents (women micro-entrepreneurs) were restricted to access to finance by the following internal factors (constraints): 18.7% by little understanding of the benefits of micro-finance, 24.7% by their inability to negotiate on the loan package, 17.0% fear of being harassed by authorities in the event of default, 17.0% by lack of knowledge of where to get finance, 18.8% by not having time to plan for their business, 6.6% by fear of possible legal battle should they not pay back and lastly only 1.5% by other factors. However, these restrictions were not as bad as would be expected because 65.0 -90.8% of the respondents (women micro-entrepreneurs) did not find any of these internal factors restricting them from starting or expanding their enterprises.

(ii) Cultural related factors

The study is determined to show the respondents on cultural related factors.
Table 4.13: Distribution of respondents on Cultural related factors (constraints)

<table>
<thead>
<tr>
<th>Cultural factors</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business is for men</td>
<td>20</td>
<td>12.7</td>
</tr>
<tr>
<td>Conflict between traditional rules and business</td>
<td>15</td>
<td>11.4</td>
</tr>
<tr>
<td>Lack of spouse support</td>
<td>29</td>
<td>18.4</td>
</tr>
<tr>
<td>Negative attitude and beliefs</td>
<td>28</td>
<td>17.7</td>
</tr>
<tr>
<td>Absence of time to plan</td>
<td>30</td>
<td>19.0</td>
</tr>
<tr>
<td>Women need their own savings for business</td>
<td>17</td>
<td>10.8</td>
</tr>
<tr>
<td>Not receiving public attention</td>
<td>14</td>
<td>8.9</td>
</tr>
<tr>
<td>Others</td>
<td>3</td>
<td>1.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>158</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Study findings, 2014

Table 4.13 shows that respondents (women micro-entrepreneurs) were restricted for access to finance by cultural related factors (constraints): 12.7% by belief that business is for men only, 11.4% by conflict between their traditional roles and ambition to do business, 18.4% by lack of support from their spouses, 17.7% by negative attitudes and belief about women’s traditional roles.

The table also indicates that 19.0% were restricted by absence of time to plan and think about business, 10.8% by the belief that women need their own savings to start or expand their businesses, 8.79% not receiving public attention and 1.3% by other cultural related factors.

In contrast, 77.0% to 89.3% of the women-micro-entrepreneurs indicated that they were not restricted by these cultural related factors in their ambition to start or expand their businesses. These results suggest that cultural related factors do not have a big impact on women’s access to finance for starting or expanding their enterprises.
(iii) Government policy related factors
The study is sought to reveal Government policy related factors.

Table 4.14 Distribution of respondents on Constraints due to government policy related factors

<table>
<thead>
<tr>
<th>Government Policy factors</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absence of government finance program</td>
<td>41</td>
<td>27.5</td>
</tr>
<tr>
<td>Inadequate national policy for women</td>
<td>55</td>
<td>36.9</td>
</tr>
<tr>
<td>Stringent requirements to access funds</td>
<td>51</td>
<td>34.2</td>
</tr>
<tr>
<td>Others</td>
<td>2</td>
<td>1.3</td>
</tr>
<tr>
<td>Total</td>
<td>149</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Study findings, 2014

Table 4.14 shows the extent to which respondents (women micro-entrepreneurs) were restricted by government related factors (constraints): 27.5% were restricted by absence of government financing programs for women, 36.9% by absence or inadequate of National Policy to support women entrepreneurs, 34.2% by stringent requirements to access government funded finance schemes, and only 1.3% by other government policy related factors.

In contrast, the percentage that these government policy related factors did restrict women micro-entrepreneurs ranged from 58.0% to 68.7%. These results suggest, that compared to other constraints in tables 4.12 and 4.13, Government policy factors (constraints) had more impact in restricting women micro-entrepreneurs to access finance to start or expand their businesses. These results imply that government policy related factors are the ones which require most attention.

In general, these results are in disagreement with earlier research by Otoo (2012), who found that the three main constraints grouped as internal factors, socio cultural factors and government policy were the main factors severely restricting Ghanaian micro-entrepreneurs access to micro-finance, However the Ghanaian study only dealt with
petty traders, while the present study dealt with reasonably educated women who have a relatively good knowledge about access to credit from financial institutions.

4.4 Strategies which women micro-entrepreneurs use to overcome financial constraints.

4.4.1 Strategies for overcoming constraints of access to finance

The study is determined to reveal the strategies which women micro-entrepreneurs use to overcome the constraints of lack of access to finance (credit facilities). Table 4.15 below shows that there are several strategies that women micro-entrepreneurs used to overcome constraints relating to access to finance. These are in order of frequency of use are: sale of personal assets (28.9%), getting loan from friends and relatives, (24.8%), acquiring assets or goods on credit (20.8%), use of personal savings (such as salary earnings) (16.1%), use of Hire Purchase facilities (8.7%) and others such as use of credits cards (0.7%). These results suggest that women first look at their own assets such as land, and other reliable items as a solution to constraints relating to access to finance and their relatives and friends are their next frequently used source of finance.
Table 4.15: Distribution of respondents on Strategies used to overcome constraints of access to finance

<table>
<thead>
<tr>
<th>Strategies Used by women to overcome constraints</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Getting loan from friends and relatives</td>
<td>37</td>
<td>24.8</td>
</tr>
<tr>
<td>Sale of personal assets</td>
<td>43</td>
<td>28.9</td>
</tr>
<tr>
<td>Acquiring assets or goods on credit</td>
<td>31</td>
<td>20.8</td>
</tr>
<tr>
<td>Use of personal savings (such as salary earnings)</td>
<td>24</td>
<td>16.1</td>
</tr>
<tr>
<td>Use of Hire purchase facilities</td>
<td>13</td>
<td>8.7</td>
</tr>
<tr>
<td>Others (loan from MFI or SACCOs)</td>
<td>1</td>
<td>0.7</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Study findings, 2014

4.5 Measures that may be instituted to overcome the constraints.

The study is sought to show ways of empowering women to have access to finance. Table 4.16 shows that 45.8% of respondents (women micro entrepreneurs) would like to be empowered to access to finance by formation of their own SACCOs, 26.8% by formation of women enterprise fund, 26.8% by donor initiative schemes (like SEED) and 2.0% other facilities. These results suggest that women micro-entrepreneurs would like to have better and easy ways of accessing funds for starting or expansion of their businesses. The results also imply that these women entrepreneurs are not comfortable with traditional sources of capital such as MFI and banks maybe because of high interests rates and stringent requirements such as the need to have collateral which most women do not have.
Table 4.16: Distribution of respondents on Ways of empowering women to have freedom of access to finance

<table>
<thead>
<tr>
<th>Ways of empowering women to have access to finance</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formation of own SACCOs</td>
<td>39</td>
<td>25.5</td>
</tr>
<tr>
<td>Formation of Women Enterprise Fund</td>
<td>70</td>
<td>45.8</td>
</tr>
<tr>
<td>Donor Initiative Schemes</td>
<td>41</td>
<td>26.8</td>
</tr>
<tr>
<td>Others</td>
<td>3</td>
<td>2.0</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Study findings, 2014

4.6 Other pertinent findings

The interview with Loan officers from MFIs centered on constraints women face when accessing finance from their institutions as well as strategies that may be used to address these constraints. The interviews revealed interesting insights.

First, the loan officers indicated that women micro entrepreneurs who have attempted to seek finance from MFIs neither did not have adequate understanding of the type of finance they were seeking for nor the benefits of micro – credit, and how to pro-actively seek out these finance sources in order to advance their businesses. Some loan officers said that a number of factors were responsible for this apparent lack of “mental access” to micro credit one, many women in their recitation of MFI offices, appeared reluctant about or were of the need for growing their businesses and had that mindset “I only want to make money to survive”, loan officers further noted that these women are not confident in taking risks to expand the businesses which is associated with being entrepreneurs they were more concerned about worrying about losing their existing assets when they were unable to repay back the loan on time. They also had the fear that they would be harassed by the police or debt convectors, not to mention possible legal battles should they be unable to pay their loans. To these loan officers, that was a big
constraint that they believed women micro entrepreneurs in Mwanza city were facing and these curtailed their desire to seek loans from MFIs.

Secondly, loan officers cited socio – cultural factors that constrained women access to finance: most of the Tanzanian women are largely responsible for most if not all household tasks and raising of children. “So they have no time to think or plan how to run their businesses and how to raise” the needed finance. Moreover, they noted that most women especially those who are less educated and have come from rural areas, are thinking that business is for men. So in a situation where women may wish to venture into certain business the responsibilities associated and acquired roles do limit their ambitions. As a result they tend not to have time, to think, plan and execute any business they wish to undertake.

The loan officers acknowledge that high inflation rates and accompanying interest rates were other constraining factors affecting women micro – entrepreneurs’ access to finance. They also emphasized that the Tanzanian operating environment is not supportive for micro – entrepreneurs not just women only, these hostile environmental forces can only be solved by public policy.

Finally, the interviewees noted that gender related problems were other restricting factors. That is, these were biased towards giving men access to finance compared to women because of stereotyping and undue prejudice. For example, some MFIs, request that women’s male counterparts should give support or guarantee for loan. They feel if there is someone to rely on, they would have the courage to offer micro- credit.
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction
The study was carried out to examine constraints women micro – entrepreneurs face in accessing credit in Nyamagana District, Mwanza city. This chapter presents summary, conclusion and recommendations which will assist micro-enterprise sector to improve the performance of women micro-entrepreneurs in Tanzania.

5.1. Summary
The purpose of the study was to examine constraints women micro-entrepreneurs face in accessing credit – a case of business women in Nyamagana District, Mwanza city, Tanzania. The summary and conclusion of each research objective are presented below.

Research Objective 1: To determine the nature of businesses women entrepreneur are involved in
The research findings revealed that women micro-entrepreneurs were engaged in several business activities but mostly in trade, services, manufacturing and multi-sector activities. They also preferred to be in businesses that are easy to start, related to their traditional roles and require little starting-capital.

The research found that women micro – entrepreneurs started their businesses for several reasons. These included chance to make profit (63.4%), had a good experience and knowledge in the field (59.7%), as source of extra money to supplement their spouse’s incomes, (67.2%), source of own employment (71.0%), in order to have greater flexibility (70.7%) and because somebody else is doing the same business (cut and paste situation). In addition the study revealed that there were several factors that restricted women micro – entrepreneurs from starting or expanding their businesses. These included in rank of their importance; lack of access to loan (credit) (66.5%), lack of entrepreneurship skills, (50.3%) and cultural values. Lack of entrepreneurship was
ranked second because these women have no or little education on how to start a business and this has restricted them and the idea remains small in their business undertakings.

**Research Objective 2: Factors that hinder women’s access to finance by micro-entrepreneurs for micro-entrepreneur activities.**

The study identified three main constraints that restricted women access to finance necessary for starting or expanding their businesses. These included internal factors such as limited understanding of benefits of micro finance, inability to negotiate in their loan package, lack of knowledge of where to seek finance, fear of being harassed by authorities in case of default and fear of legal battle should they fail to pay the loan back. The second group of constraint was to do with cultural related factors such as belief that business is for men only, conflict between their traditional roles and ambition to do business, absence of time to think and plan, the belief that women need their savings to start or expand their businesses. The third category of constraints was related to governance policy factors and these included absence of financial programs for women, absence or inadequate national policy to support women entrepreneurs and stringent requirements to access government sponsored finance schemes.

However, of the three major categories of constraints, government policy factors were the one that had a lot of restrictions to women’s desire to start or expand existing business.

Nevertheless, the other constraints had small or moderate restriction implying that Tanzanian women entrepreneurs are relatively well educated as it was indicated that 48.8% of women micro-entrepreneurs have college/university qualifications. They see these constraints as normal issues encountered in running a business and use other available strategies to overcome them.
Research Objective 3: To determine strategies women micro-entrepreneurs use to overcome financial constraints.

The findings of this research showed constraints relating to access to finance by women micro-e entrepreneurs were solved differently by different women. For example, internal factors of lack of access to loan were solved by getting loan from friends and relatives. On cultural related factors / constraints such as conflict between their traditional roles and ambition to do business was solved by employing a housemaid and other family helpers. In case of the constraint of government policy constraints such as stringent requirements to access government funded finance schemes, it was overcome by use of personal savings and use of hire purchase arrangements.

Research Objective 4: To identify measures that may be instituted to overcome the constraints.

The findings of this research revealed that each access restricting factor of access to finance was solved differently. For internal factors such as mental access to micro – credit, may be the majority of responding or respondents suggested having entrepreneurship and finance education, program to build women’s confidence about taking calculated risks.

For socio-cultural constraints, the suggested strategies ranged from developing and running gender equality campaign to educate the public about productive roles of women to creation of women support groups. In case of policy constraints the respondents mentioned that the Tanzanian government and MFI should establish various mechanisms such as guaranteed fund to help women to overcome the barriers, women, entrepreneurs themselves need to have more and better access to information about rights and entitlements as well as best practical models for women starting and running their own enterprises.

Finally, women entrepreneurs identified several ways they could be empowered and suggested self-help strategies which included: formation of own SACCOs as source of
regular and affordable finance, formation of women enterprise fund and start donor initiative schemes.

5.2 Conclusion
Women microenterprises form an important part of Tanzanian small and medium sector. These women undertake many economic activities in trade, services and manufacturing. The study noted that these women participate in these micro-enterprises as source of employment, source of extra income to supplement their spouse income and chance to make profit. In the course of conduct these businesses, this study identified and highlighted three types of internal constraints that hamper women micro entrepreneurs access to micro-finance in Nyamagana district of Mwanza: The first category grouped as internal factors included things such as lack of confidence (phobia and anxiety), lack of understanding of micro-credit and MFI's, a fear of the consequences of default, and the myth that “bank facilities are meant only for the rich. The second group classified as cultural related constraints comprised factors such as family and cultural expectations, women roles in the family and society, spousal influence, and traditions embedded in ethnicity. The third category of constraints related to non-supportive policy constraints refer to the hostile environmental forces that are within the ambit of public policy, such as inadequate national policy to support women entrepreneurs and stringent requirement to access government supported finance schemes. Despite these impediments (constraints), however, alternatives have been explored by women micro-entrepreneurs to access finance and these included the use of family networks to raise credit, use of own savings, creation of women support groups and use of hire-purchase facilities. Furthermore women were able to empower themselves for self-sufficiency through attending training on financial intelligence, creation of women SACCOS as source of regular and ease access to small credits and accessing donor initiated schemes. Thus, the potential economic benefits of women micro-entrepreneurs for sustainable development in Tanzania is compelling, creating an enabling environment and its potential effects on the development process cannot be understated. This calls for a
holistic approach to development of innovative and affordable finance program to keep the micro-sector which is dominated by women vibrant thereby unleashing its potential for accelerated growth and development and employment creation.

5.3 Recommendations
The Research has revealed several areas of concern. Based on the research findings the following recommendations are put forward:

One of the reasons for the proliferation of micro-small enterprises in urban areas is the large scale migration of rural residents in search of new livelihoods in towns and cities. The cause is “push” rather than “urban pull” factors the Tanzanian government and policy makers should realize that although the growth of MSEs has largely resulted from lack of employment opportunities, these MSEs are often viable undertakings and make an important contribution to the economic survival of the poor and disadvantaged groups in the society.

As such the Tanzanian government through the Ministry of Industry and Trade should encourage the establishment of more micro-enterprises in form of small cottage and agro-based industries. The government should also recognize that these undertakings need to be supported by better access to affordable institutional finance.

The results of the study revealed that women MSE operators in Nyamagana District, lack confidence (phobia and anxiety), lack understanding of micro-credit and MFIs that could be a source of capital, have a fear of the consequences of default and hold the myth that “bank facilities in Tanzania are meant for the rich people only” nurtured by the myths in surrounding the banking practices and lack of financial education for women in Tanzania SEDA in conjunction with Ministry of Education and Vocational Training (MEVT) and MFIs, should develop short-term trainings particularly on Finance management in micro-small enterprises for current and potential women small-micro-entrepreneurs. This will not only educate women about service of finance but also give them tools on how to apply and manage finances in the start of running and development of their micro-small enterprises.
The study also revealed that women micro – small entrepreneurs face socio – culturally included constraints such as family and cultural expectations of women, their multiple roles in the family and society (mother, wife and career), spouse’s influence (some husbands dislike their wires doing business), and traditions that are embedded in certain ethnicity. These constraints have curtailed women entrepreneurial potential and have restrained them from getting access to finance. These issues undoubtedly affect the attitude and behavior of women who are unsure about micro-financing of their enterprises. The Ministry of Gender and Youth should develop a run country-wide education campaign to de-mystify and change society’s perception of women’s roles in modern society. This will help in creating a favorable attitude towards women entrepreneurs and assist in confidence building and will also boost women’s morale as productive members of the society.

Furthermore, the study revealed that there are other hostile environmental forces in operation with Tanzanian public policy such as absence of non-supportive policy, poor financial and regulatory and physical infrastructure, high interest rate regimes, and unfriendly atmosphere of the formal banking system. These factors have the effect of dampening the enthusiasm women micro – entrepreneurs when they take up ambitions in enterprises development and growth via MFIs. These constraints make the world of business venturing for women entrepreneurs more risky and a costly exercise. The Tanzanian government through its SME department and in consultation with various women groups representative should develop innovative and affordable loans package tailored to micro-entrepreneurs. This will help women micro – entrepreneurs to expand their businesses and earn reasonable income to improve their economic status in the community. It would also empower women to become role models for other under – privileged and marginalized groups in the society.

The research also revealed that most women who run these micro- and small enterprises do so to supplement their spouses’ incomes. This is an evidence of necessity-based enterprises that is prevalent in African countries such as Tanzania. This has limited their growth into bigger enterprises because they have no focus of growing and all the income
they get from their business undertaking is used up and nothing is left for re-investment and saving. SIDO, SEDA and the Ministry of Industry and Trade should develop and run business courses on opportunity identification. This will help women micro-entrepreneurs to enter into businesses that will increase Tanzanian economic activities besides harnessing the prevailing business opportunities.

Women also should make own efforts through educating themselves, have more and better access to information about their rights and entitlements as well as about best practices/models for starting and running enterprises. In this case, women should organize themselves into self-help groups and organize a “one stop-shop solution” center that provides support and other services pertaining to personal and business development.

Another issue is that women were noted to have low saving culture and tend to spend every if not most of the money they get from their businesses. Women should establish their own “saving and cooperative credit organization (SACCO), where they come regularly deposit some of their money and later borrow from their SACCO at reasonable interest rate. This will give women another source of micro-credit.

5.4 Suggestions for further research

This study identified other areas for future research. This study examined women micro-entrepreneurs in Nyamagana District of Mwanza city. The market conditions, demographic and culture mixes may not be the same as other parts of Tanzania therefore; there is a need to conduct a large scale research in other cities/towns of Tanzania to generalize the results to the entire population.

The research looked at constraints women micro-entrepreneurs face when accessing finance (credit facilities). Further studies are needed in other areas such as impact of business training on enterprise development and growth, impact of access to micro-finance on business development, and effect of MFIs on development of micro-enterprises. Findings of such studies could be used by the government and its agencies to formulate micro–small enterprises development strategies/policies.
This research was essentially a cross sectional study which examined the constraints women face in accessing finance there is a need to do longitudinal research over a long time such as 10 years, to assess changes in constraints over time.
REFERENCES


Nyamagana municipality business report.


Robson, P., Haugh, H., & Obeng, B. (2009). Entrepreneurship and innovation in Ghana:

Krishnaswani O R (2003). Methodology of research in Social Sciences, Himalaya Publishing House, New Delhi, India


APPENDIX I
QUESTIONNAIRE
WOMEN MICRO-ENTREPRENEURS ONLY

PART 1: RESPONDENT’S PROFILE

1. Please indicate your age
   - 21-30 years
   - 31-40 years
   - Above 40 years

2. Please indicate your education level
   - Primary
   - Secondary
   - College
   - University
   - Other (specify) __________________________________________

3. At what age did you start your business?
   - Under 21 years
   - 22-35 years
   - 36-45 years
   - Above 45 years

4. Please indicate your marital status
   - Married
   - Single
   - Divorced
   - Widow

5. Structure of ownership of your enterprise
   - Sole proprietorship
   - Partnership
6. For how long have you been in business

☐ 0-2 yeas
☐ 3-5 yeas
☐ Above 5 years

PART II: PROFILE OF THE ENTERPRISE

7. What type of business activities are you engaged in?

☐ Trading (buy and sell business)
☐ Services (salon, schools, restaurant, computer services)
☐ Manufacturing (posho mill, bakery, brick making)
☐ Farming (poultry, piggery, growing crops)
☐ Multi sector (combination of the above)

8. Why did you start or intend to start a business activity? Indicate the extent you disagree or agree to the following statements:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Chance to make good profit</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>2 Got good knowledge and experience on this business</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 As a source of extra money</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 A source of my employment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 To have greater flexibility (compared to employment)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Because somebody is doing this kind of business</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
9. Which of the following items (factors) have restricted the start or expansion of your business? Kindly indicate to what extent you agree or disagree with the following statements

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly disagree</th>
<th>disagree</th>
<th>Somewhat agree</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Lack of access to loans</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Lack of entrepreneurial skills</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Cultural values</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Gender related problems</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Limited understanding of benefits of micro-finance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

10. Rank the following in order of their importance in restricting the start or expansion of your business. For example: 1 = most important, 2 = second most important, 3 = third most important; 4 = fourth most important; 5 = the least important

<table>
<thead>
<tr>
<th>Statement</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Lack of access to loans</td>
<td></td>
</tr>
<tr>
<td>2 Lack of entrepreneurial skills</td>
<td></td>
</tr>
<tr>
<td>3 Cultural values</td>
<td></td>
</tr>
<tr>
<td>4 Gender related problems</td>
<td></td>
</tr>
<tr>
<td>5 Limited understanding of benefits of micro-finance</td>
<td></td>
</tr>
</tbody>
</table>
11. Which of the following has restricted your access to finance to start or expand your business?

a) Internal factors
- Little understanding of the benefits of micro-finance
- Inability to negotiate on their loan package
- Lack of knowledge of where to get finance
- Fear of being harassed by authorities in case of default
- Fear of possible legal battle should they not pay back
- No time to plan for my business
- Other (please specify) ________________________________

b) Culture related factors
- Belief that business is for men only
- Conflict between my traditional rules and ambition to do business
- Lack of support from my spouse
- Negative attitude and beliefs about women traditional roles
- Absence of time to plan and think about business
- Belief that women need their own savings to start or expand their business
- Not receiving public attention
- Other (please specify) ________________________________

c) Government policy constraints
- Absence of government finance program for women
- Absence of or inadequate National policy to support women entrepreneurs
- Stringent requirements to access government funded finance schemes
- Other (please specify) ________________________________
12. Which strategies did you use to overcome these restrictions of access to finance so that you could carry our ambition to start or expand your business?

☐ Getting loan from friends and relatives
☐ Sale of personal assets
☐ Acquiring assets or goods on credits
☐ Use of personal savings (such as salary earning)
☐ Use of hire purchase arrangements
☐ Other (specify) __________________________

13. How can women be empowered to have easy access to finance and become financial self-sufficient?

☐ Formation of own community savings and credit cooperative organization
☐ Formation of women enterprise fund
☐ Donor Imitative scheme
☐ Other (please specify) __________________________

14. What other comments can you make about issues that appears to be restricting the access to finance (credit) for women entrepreneurs in Tanzania. Please list them here

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

15. What affirmative actions should be taken by the authorities concerned to assist women entrepreneurs to access credit/loans?

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

Thank you for your cooperation
APPENDIX II

INTERVIEW PROTOCOL FOR WOMEN MICRO-ENTREPRENEURS

1. Please tell me your experience in running or wish to start your business in Mwanza city.

…………………………………………………………………………………………………………………………
…………………………………………………………………………………………………………………………
…………………………………………………………………………………………………………………………

2. What types of business activities are you engaged in?

…………………………………………………………………………………………………………………………
…………………………………………………………………………………………………………………………
…………………………………………………………………………………………………………………………

3. What factors have restricted the access to finance (credit) for your business?

…………………………………………………………………………………………………………………………
…………………………………………………………………………………………………………………………
…………………………………………………………………………………………………………………………

4. From the experience of your business, have these restrictions, positively or negatively affected the growth of your business? Yes or No, How?

…………………………………………………………………………………………………………………………

a) Internal factors
…………………………………………………………………………………………………………………………

b) Culture –related factor
…………………………………………………………………………………………………………………………

c) Government policy factors

5. How did you overcome these restrictions to access finance (credit) for the start or expansion of your business?

…………………………………………………………………………………………………………………………
…………………………………………………………………………………………………………………………
…………………………………………………………………………………………………………………………
6 What suggestions can you make to make women entrepreneurs become self-financing for the start or expansion of their business?

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

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

7 What other comments can you make about issues that appear to be restricting the access to finance (credit) of women entrepreneurs in Mwanza City? List them here

........................................................................................................................................
1. Please tell your experience in dealing with women micro-entrepreneurs in obtaining business loan from your Institution

2. What ways do you use?
   (i) To determine the nature of businesses women entrepreneur are involved in.

   (ii) To identify factors that hinder women’s access to finance for micro-entrepreneurs activities.

4. How do you identify ways to empower women to be self-sufficient in the provision of or access to finance for starting or expanding their enterprises?

3. What other comments can you make about constraints hindering women micro-entrepreneurs in accessing micro-finance?

THANK YOU FOR YOUR COOPERATION