

CREDIT ACCESS AND PERFORMANCE OF WOMEN OWNED BUSINESS IN
SOUTHERN DIVISION KABALE MUNICIPALITY.

BY

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DECLARATION

I **Musinguzi Ambrose**, solemnly declare that this research report is my work and has never been submitted to any University or institution for academic award.

Signature

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APPROVAL

This research report titled "**Credit Access and Performance of Women owned Business in Southern Division Kabale Municipality**" has been carried out under my close guidance and supervision and is now ready for submission.

Signature ..~..

Date 12/01/22

Name: Mr. KANYESIIME ALEX

(University Supervisor)

DEDICATION

This research report is dedicated to my beloved parent, brothers, sisters and relatives for their encouragement and advice rendered to me during my course of study and laid a base of foundation for my education.

ACKNOWLEDGEMENT

My sincere gratitude and appreciation goes to the almighty God who has given me health and life, without Him I wouldn't have finished up this research report and where I have reached and Kabale University especially the department of economics for their contributions of knowledge about this research report.

I acknowledge the contribution of my supervisor **Mr. KANYESIIME ALEX** for his technical and academic guidance and support in the design and writing up of this research report. I am grateful to my beloved parents, sisters and brothers for their financial and moral support that helped me to complete my studies. This acknowledgement would be incomplete without recognizing the contributions of my friends towards the compilation of this research report. therefore appreciate them.

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LIST OF ABBREVIATIONS

LDC UK	Low Developed countries
SACCOs	United Nations
WB	Savings and Credit cooperative society
	World Bank

ABSTRACT

The study focused on the credit access and performance of women owned business in southern division Kabale municipality. The Study followed research objectives which was to find out the credit facilities offered by the financial institutions to women owned business in southern division Kabale Municipality, to establish the factors limiting the access of the credit and business performance in southern division Kabale Municipality and to determine the relationship between credit access and the performance of women owned business in southern division Kabale Municipality. The methodology of the study was cross-sectional research design and it explored both qualitative and quantitative data. A sample size of 80 respondents was selected from women owned business in southern division. The recommendations of the study included; there should be involvement of women in decision making and be consulted on policies regarding agricultural and rural development and their ability to influence these decisions, there should be training, workshops and seminars regarding potential women groups on how they affect the society on agricultural development programmes, there should be policies introduced to ensure that all women participate in agriculture activities and policies will hopefully contribute to increasing the income and employment opportunities amongst the rural women and there should be support and advice offered to the rural women by the government in order to develop and increase household income. The study included that, the role of rural women groups in the social-economic development of Uganda in southern division is one of the dynamic economic activities in creating socio-economic changes in southern division which has been increasingly important to empower women towards agricultural development. In the district present circumstances such as, disagreements with government concern, poverty, lack of government concern, decision making, and competition from indigenous groups are the major challenges facing the women groups. However different ways to mitigate the challenges were suggested and includes; sensitization of farm groups, training women groups, empowering women with leadership skills, basic planning skills, accountability and transparency as well as support from the government towards agricultural development programmes.

The role of rural women groups in the socio-economic development has enriched their income savings, and empowerment. The involvement of the women in the group considerably contributes to improvement and perfection in the quality of life, social status and confidence of the members, women groups lead and play an important role in social transformation, infrastructure building, and welfare activities. Rural Women Groups in agriculture development are one of the significant schemes through which empowerment of women, in terms of better leadership, decision making, utility, and skill up gradation. Considering the huge number of poor discriminated and deprived women there is need to encourage the women to become entrepreneurs on their own. The agenda of women groups should be to work towards the empowerment of the members and also other underprivileged poor women in the society. One such institution is education which will not only help in breaking the vicious cycle of poverty and mold of ignorance of rural women but is the right path to women social development and empowerment.

CHAPTER ONE

1.0 Introduction

This chapter gives an overview of the introduction, background of the study, statement of the **problem**, purpose of the study, objectives of the study, research questions scope of the study, significance of the study and definition of the operational terms.

1.1 Background of the study

Women's enterprises are one of the fastest-growing businesses in the world. They offer a significant contribution to innovation, employment, and wealth creation in all economies (Brush **et al.**, 2006). According to Lindvert (2017), a female entrepreneurial business is the "female manager of a company that takes the initiative to start a new one, accepting the associated risks, financial, administrative and social responsibilities and actually managing the company's daily activities."

Walsh & Likinski (2009) notes that more women need to participate in business education addressing business growth, technology, revenue models, and securing correct types of finance. **She** notes that globally, women-led businesses receive less than 5 percent of venture capital. Women business owners in the UK also seek less bank loans and overdraft facilities. Nonetheless, these women are faced with some obstacles before reaching their goals such as their financial and psychological independence to credit access.

Several studies (Reynolds, Hay, and Camp; 2000) declare that long-term growth and ownership require the participation of women in businesses, the potential of which requires an analysis of the differences from access to credit. Ali (2013) reports that women produce over 80% of the food for sub-Saharan Africa, 50-60% for Asia, 26% for the Caribbean, 34% for North Africa and the Middle East, and over 30% for Latin America. In Nigeria, scholars have reacted to microsmall and medium-sized enterprises' role and considered them to be the main drivers driving national economic growth. The involvement of women in these companies contributes over 97% to business growth, 60% of the national GDP, and 94% of the total employment share (Mayoux,

2001: Udechukwu, 2003; Ndubulze, 2004). Women business owners contribute to high **economic** growth since Nigerian women own around 25-30% of the registered companies (Iyiola and Azuh, 2014).

In many economies, women businesses continue to be in a position that is underlying men and are constantly struggling with gender issues (Nichter and Goldmark, 2009). But the problem they **still** face today is access to credit. When they request access to credit, women business owners encounter various obstacles due to problems on the demand and supply side, problems related to socio-cultural traditions, barriers related to the company's characteristics that they manage, and hitches on finding financial sources.

Women owned business is increasingly recognized in Uganda as an important driver of economic growth, productivity, innovation and employment, and it is widely accepted as a key aspect of economic dynamism (ILO, 2006). However, Namusonge (2006) states that access to credit has eventually become a detrimental factor to advancing their small scale business enterprises as most businesses owned by the rural poor women are poorly managed, have low income and are mostly deemed not credit worthy by financial institutions due to lack of training. **Its'** on this background that the researcher intended to find out credit access and performance of women owned businesses in southern division Kabale municipality.

1.2 Statement of the problem

Despite the presence and performance of financial institutions in Kabale district, many women owned businesses in the area have not developed. It is possible that financial institutions do not provide appropriate financial credit facilities to the business enterprises especially women owned business enterprises.

The government in the concept paper, prosperity for all (2007) said that, it came to her attention that women owned business do not easily acquire credit facilities from financial institutions and performance has remained low because of the security needed, therefore encouraging the affected people to form the savings and credit cooperative societies (SACCOS) where it can be easy and cheap to get a credit with small interest rate. The study therefore investigated credit access and the performance of women owned business in southern division Kabale Municipality.

1.3 Purpose of the study

The purpose of the study was to investigate Credit access and the Performance of Women owned Business in Southern division Kabale Municipality.

1.4 Objectives of the study

The research study was guided by the following objectives.

- (i) To find out the credit facilities offered by the financial institutions to women owned business in southern division Kabale Municipality.
- (ii) To establish the factors limiting the access of the credit and business performance in southern division Kabale Municipality.
- (iii) To determine the relationship between credit access and the performance of women owned business in southern division Kabale Municipality.

1.5 Research questions

Below are the research questions which guided the study.

- i. What are the credit facilities offered by the financial institutions to women owned business in southern division Kabale Municipality?
- ii. What are the factors limiting the access of the credit and business performance in southern division Kabale Municipality?
- iii. What is the relationship between credit access and the performance of women owned business in southern division Kabale Municipality?

1.6 Scope of the study

The scope of the study outlined the boundaries within which the researcher operated. They included the content scope, time scope and geographical scope.

1.6.1 Content scope

The study was confined on credit access and performance of women owned business in southern division Kabale municipality.

.6.2 Time scope

The study covered the period of five years that was from 2015- 2021. This period was enough to **establish** the relationship between the study variables.

1.6.3 Geographical scope

The **study was** carried out at southern division offices located along Kabale-Katuna road Kabale **municipality**. Kabale district.

} . ., Significance of the study

The study will contribute to the body of knowledge on the credit access and performance of women owned business taking into consideration the true cost incurred by women business enterprises apart from interest costs.

A study of this nature will equally be very important because it will enlighten the government and the public on the role of credit access in women owned businesses.

The researcher expects that the study will help the student to acquire knowledge and skills for future use while conducting research.

1.8 Definition of operational terms

Credit is generally defined as an agreement between a lender and a borrower. Credit also refers to an individual or business' creditworthiness or credit history. In accounting, a credit may either decrease assets or increase liabilities as well as decrease expenses or increase revenue.

Business performance is a set of performance management and analytic processes that enables the management of an organization's performance to achieve one or more pre-selected goals

Business refers to the organized efforts and activities of individuals to produce and sell goods and services for profit.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter covers the literature as reviewed by different scholars, academicians and researchers **on** issues related to this study. The literature will be aligned to research objectives to facilitate logical and data analysis.

2.1 Credit facilities offered by the financial institutions to women owned business

Banes (1996) notes that credit facilities are used to expand capital to accumulate more profits and diversify sources of income. This shows that credit faculties have a great impact towards the profitability of the small business enterprises. In order to promote profitability of small scale business enterprises, the business community should be facilitated to access cheap credit. The researcher will try to find out more of this particularly in Kabale Municipality.

According to Global Organization (2002) financial institutions make credit facilities to community members targeting investment activities. These credit facilities help people to do business which leads to improved profits. However, some misuse the credits given to them which sometimes lead to the collapse of their businesses.

The New Vision March 8", 2005 shows the benefits of credit facilities; that Jack fruits delivered Namanda Kabogoza Florence from poverty after obtaining a credit facility. It was reported that juice from jack fruits can be used to brew waragi, a local potent gin. She is now running this business and can afford to pay school fees for her children and can support her family at large.

The New Vision (Ibid) reports Rwampunde's Women Association which also obtained credit facilities in dealing with innovation in making charcoal fridges which are being sold to farmers and traders in the markets. This association has a benefit of credit facilities to make profits in their business. Thus this brings the researcher the desire to investigate whether credit facilities have had a significant impact on the profitability of the small scale business enterprisers particularly in Kabale especially in Kabale Municipality.

Lydia (2002) says that more men and women are discovering that credit facilities carefully contracted, applied and properly managed can transform their lives. Even those salary earners **who fall** into the low income bracket and use them as business capital for purchase of assets, a **boost** in income and self-esteem business have been reported.

According to the concept paper for prosperity for all (2007), environment and the entire **community** to increase access to credit facilities can promote a saving culture and develop infrastructure across the country to foster capital accumulation and investment.

22. Factors limiting the access of the credit and business performance

Lene (2003) says that when accessing credit application, financial institutions review the ability of the customer to increase the business profit, to improve their living conditions and repay their credit. Financial institutions use different methods to ensure timely credit for the profitability of the small scale business enterprises

Toe Concept Paper Prosperity For All (2007) environment would increase access to financial services to the vast majority of the Ugandans at affordable rates and also promote a saving culture and develop infrastructure across the country to foster capital accumulation and investment. The above ascertainment shows that there has been something lacking which has compelled the government to increase accessibility to financial services.

Mayanja (1995) observes that most importantly the commercial banking system of many Low Developed Countries (LDC) restrict its activities almost exclusively to rationing scarce credit funds to client with small scale business enterprises. This leaves behind small scale business to require credit to get profits such a scenario has made small scale business owners as well as those from medium scale to resort to money leaders who charge exorbitant rates of interest leaving them with little or no sufficient funds to operate.

Nagarian (1996) stresses that lack of sustainable access to the credit facilities is a key constraint faced by micro enterprises profitability in Uganda by providing financial services to the poor

especially women who have the capacity to undertake small business enterprises and there by contributing to the social economic status of the household.

the words of Sherhar (1998) credits are currently granted for wide spread purposes. It is ratifying to not that currently, financial institutions are showing more vigor to extending credit **○ priority** sectors of the economy leaving little attention and concern on small scale business enterprises.

The New Vision of April 14" 2011 shows that many Ugandans continue to get money from credit sharks instead of borrowing from formal financial institutions. Research has shown that **this** is because the process of securing a credit from a bank is long while credit sharks will extend credit almost immediately. However, the way the credit sharks demand payments has left many **in** utter despair.

Fabian Kaasi the Managing Director of Centenary Rural Development Bank in some column says "as long as these people are offering ready money at the time clients need it, people will always go to them". He says, financial institutions delay to process a credit requests because they want to ensure that clients get the amount of money they can pay back.

Furthermore the same vision of 14 April 2011 Willbroad Owor, the head of customer banking at DFCU bank, says credit sharks still exist because of financial institutions take time questioning and verifying documents presented by the client before disbursing the clients. This long process of the financial institutions and the urgent need for money by the client drives the customer to a credit shark. A credit shark will ask a few questions and will advance a credit.

2.3 Relationship between credit access and the performance of women owned businesses

Cartwright K P (1987), comments that most of the formal financial institutions in developing countries charge high rates of interest that make it hard for the business men and women especially those in the small scale and medium sectors to utilize them. This shows that financial institutions charge high interest rates and thus profitability is not attained as exploited by small business enterprises.

Mugenyi (1992) notes that formal financial institutions require one to have physical security to access credit facilities which most of the starting business operators may not have. Thus financial institutions have remained reluctant to lend or may limit the amount of credit to be obtained hence limiting the chances of profitability of small scale business enterprises.

Mayanja (1995) says that small scale business operators in Uganda meet genuine problems in seeking credit facilities from formal sources especially financial institutions. He forwarded that **he** major one being the cost of borrowing due to small amounts or the high risks involved. All these present setbacks to utilization of credit facilities hence affecting profitability of the small **scale** business enterprises.

fry Max-well (1998), also comments that financial institutions find most business enterprise operators notorious for diverting and misusing funds lent to them. Financial institutions complain that it is uncommon for business operator's mostly small scale to apply a particular purpose only; they also divert them for other users such as borrowers are often unreliable in the eyes of the financial institutions. This presentation above shows bias from financial institutions which lead to denial of credit facilities hence no profitability of small business enterprises.

Tayebwa B.M (1998) notes that most of the business operators lack the skill of preparing and presenting credit requests to potential sources. This shows that most of small business operators do not access credit facilities since they are not aware and worse still they lack the skills required by potential financial institutions hence low profitability of the small scale business enterprises.

It is therefore unfortunate that services rendered by the financial institutions to the small scale business enterprises are not yet at their maximum help. From the literature reviewed, it is seen that performance is mainly determined by credit access offered by the financial institutions.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter covers the research procedure, research design, area of the study, population sample, sampling techniques, research methods and instruments, data presentation and analysis and limitations of the study.

3.2 Research design

Descriptive research design was used in the study. However, the qualitative research design was descriptive in nature and this enabled the researcher to meet the objectives of the study by analyzing credit access and performance of women owned business in southern division Kabale Municipality. The quantitative research design was used in form of mathematical numbers and statistics assigned to variables that may not be easily interpreted. Excel was used to assign variables that was not adequately measured using numbers and statistics.

3.3 Area of the study

The study area was southern division which is located in Kabale Municipality, along KabaleKatuna road, southwestern Uganda.

3.4 Population study

The study population targeted specifically of 100 respondents who included women owned business and the employees of southern division. Mostly employees who work with finance department such as loans officers, accountants, cashier and the town clerk.

Respondents	Population size
Town clerk	1
Leans officer	1
Business owned customs	89
Accountants	04
Cashier	05
Total	100

Source: Primary data, 2021

3.5 Sample size and Sampling technique

A sample size of 80 respondents was used in the study: Simple random sampling was used to select customers who get access to financial credits and have been affected by credit policies of the financial institutions and foe technique were used to avoid bias, also the few employees of southern division was selected using purposive sampling and this was because the researcher was interested in their classified data records.

Respondents	Number of samples	Sampling technique
I own clerk	1	Purposive sampling
Loans officer	1	Purposive sampling
Business owned customs	71	Simple random sampling
Accountants	03	Purposive sampling
Cashier	04	Purposive sampling
Total	80	

Source: Primary data, 2021

3.6 Sources of data

The study got data from both primary and secondary sources. 3.6.1

Primary data source

ms source was used to collect original data from respondents using questionnaires, interviews **ad** bservations. This source was used due to its firsthand information and a lot of information as gathered in the shortest time possible.

3.6.2 Secondary data source

This source provided data from available literature like textbooks, journals, magazines, newspapers and other relevant sources. This was used because; it supplemented primary data. Accurate information was obtained through data comparison. It will be obtained at any time.

Data collection methods and instruments

The following methods were used; questionnaire, interviews and observation. 3.7.1

Questionnaire

Asset of questions containing both open and close ended questions were administered to the staff of southern division Kabale Municipality and business owners who are clients. This method was cheap and helpful in getting accurate data because respondents had enough time to digest the asked questions.

3.7.2 Interviewing

The technique involved face to face interaction between the researcher and various respondents from southern division. The researcher used standardized interviews guided with questions and made a list of them to respondents, thus get the best and reliable information, although this method of data collection contained falsification of information, it was preferred because it yielded high response rates and errors were easily detected thus minimized collection procedure. 3.7.3 **Observation**

The observation protocol critically involved observing and looking at several women owned business and their performance in the area of study. Then the results of observation were compared with those from questionnaire and interviews in order to acquire clear and purposed data for research.

3.8 Data presentation and analysis

fer collecting the data, the researcher compiled, collate, edit and classify the results. The alitative data was summarized and categorized and it was analyzed and presented using zristical tables and percentages.

39 Anticipated limitations of the study

The study was limited to the data of the case study because of lack of time to cover all the financial institutions in Kabale municipality. The researcher resorted in random sampling in order to choose the case study. Interviews based on the sample data of the case study were valid since the case study was scientifically chosen.

,**he** researcher had no adequate resources in terms of money to fund the research. Money was needed for transport to and from the area of research, buying stationery, getting information from the internet and other expenses. The researcher improvised the means of raising such funds from possible sources available like guardians, sponsors and other relatives.

The researcher anticipated limited cooperation of respondents leaving some questions in the questionnaire unanswered due to fear of disclosing their hidden secrets. This in turn this limited the chances of reaching at reliable and meaningful conclusions. However the researchers devoted most of the time convincing the respondents to fully comply with his request.

Falsification of information. The respondents who falsified the information especially that about credits advanced to their customers, since most of the people usually do not disclose their income or financial affairs as expected. This limited the results of the researcher in his research study. However this situation was minimized through the researchers visit and interviews to various clients or customers of southern division Kabale municipality.

Some respondents misunderstood the researcher and thought that the aim was to spy on their activities and refused to give data especially secondary data. However the researcher overcame this by explaining the purpose of conducting the study.

Language barrier, as some respondents were well versed with the language used by the researcher in the field. This limited the researcher from accessing some information from the respondent's especially rural based research on population. To overcome this, the researcher used an interpreter to translate for him.

CHAPTER FOUR: PRESENTATION OF FINDINGS

4.0 Introduction

4.1 Bio-Data of respondents.

Personal information of respondents was collected and determined the responses of respondents and these were; Age, sex, educational level and occupation of respondents as highlighted hereunder.

4.1.1 Age of the respondents

Table 1 Age of respondents

Variables	Cumulative Frequency	Percentage (%)
18-25	16	20.0
26-35	52	65.0
36-45	07	09.0
+6 and above	05	06.0
Total	80	100.0

Source: Filed data, 2021

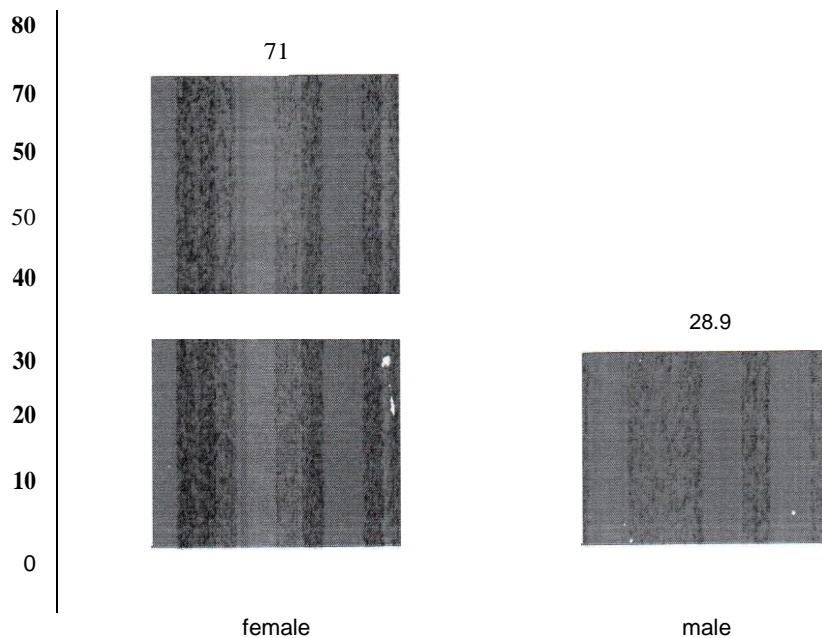
Age of respondents was considered as one of the variables in the study area and the findings presented in table one above revealed that majority of the respondents were between the age bracket of 26- 35 (65%), followed by respondents who were between the age bracket of 18-25 (20%), respondents the age bracket 36- 45 accounted for (9 %) and 46 years and above were reported by 6%. This means that majority of the respondents were involved in credit access and performance. Such findings imply that majority of respondents were in the age group of 26-35 years. This is because majority of respondents are energetic and need income for their families in order to get food, shelter, school fees and clothing since most of them are married. And this age group is supported by Michael, (2009) who asserted that economic development is supported by women in access of credit access formed by women in rural areas.

iv.

4.1.2 Sex of respondents

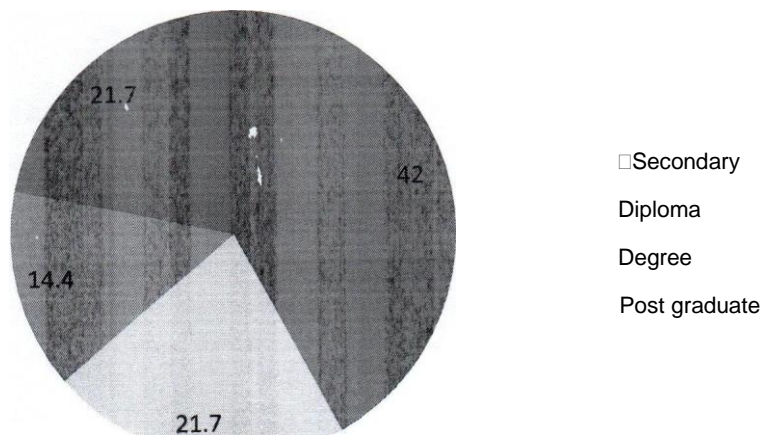
The findings of the study indicated that female respondents were highly represented as reported by 71.0% of the total respondents compared to their male counterparts 28.9%. This shows that females were engaged in agricultural groups. This could have been due to ability to produce work and hope associated to male. The population of female respondents shows that they are more engaged in agricultural groups than male respondents. This is in line with agricultural Development Plan 2040 which stated that many participants have been in agricultural and are supported by sustainable development goals.

Figure 1: Sex of respondents, 2021



3.1.3 Educational level of respondents

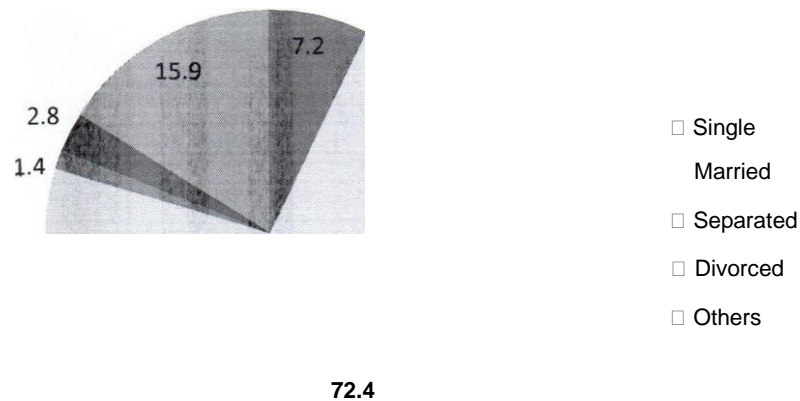
Figure 2: Educational level of respondents



The study findings indicated that majority respondents attained secondary level of education **42%**. Respondents with diploma level of education constituted 21.7% followed by those with **degree** holders 14.4% and finally post graduate qualification with 21.7% respondents. The study found out that the respondents with secondary level, diploma level and postgraduate level of education were engaged in business hence leading to economic development of Uganda.

a.1.4 Marital status

Figure 3: Marital status



The findings from the field shows that 7.2% of the respondents were singles 72.4% of the respondents were married 1.4% of the respondents had separated 2.8% of the respondents had Divorced and 15.9% of the respondents were others that is to say that they didn't mention their status. This indicates that majority of the respondents were married 72.4%, thus had formed partnership and working together with business for the betterment of their family. This is in line with Moore and Wall (2012) who explained that their work indicates that success in community involvement in business initiatives that married couples are likely to be more productive than single ones because married women provide extra labour in accomplishing business activities & continue being involved in business activities for socio-economic development.

42 Credit facilities offered by the financial institutions to women owned business

Table 2 : Credit facilities offered by the financial institutions to women owned business

Variables	Frequency	Percentage (%)
Capital	15	19
Incentives	14	17
Rewards	08	10
Subsidies	10	13
Agricultural inputs	12	15
Low tax rate	08	10
Government support	13	16
Total	80	100

Source: Field data, 2021

from the study findings, 64% of the respondents strongly agreed that Credit facilities offered by the financial institutions to women owned business contributes in the social economic development, 16% agreed and of the respondents disagreed that in the social economic development and this is in agreement with (RAF, 2004). When surveyed about the benefits of farmer associations the top four priorities mentioned by both members and non-members were technical training and adoption of new technologies; timely market information; advisory service to members; and advice on how to use inputs (RAF 2004). When asked about technical training received in the previous year respondents reported participating in training sessions organized by farmer associations, while only reported receiving training from other sources.

From the table above it was revealed that 70% of the women strongly agreed that rural women group contributes in the social economic development and this helps farmers to access marketing information, 9% of the respondents agreed and non-of the respondents disagreed that rural women groups help in accessing marketing information and this is in line with (World Bank, 2006) by acting collectively, farmers can capture some of the benefits available from economies of scale, enhance their bargaining power with dragonhead enterprises and integrate themselves more closely into supply chains. However, when enterprises themselves provide the motivating

force behind the organization of farmers, as in the "enterprise plus association plus farmer" model, there are likely to be conflicts of interest between producers and enterprises. The primary concern of the private companies is ensuring a consistent and regular supply of quality products.

The creation of producer organizations, which meet the demands of the market and serve the interests of small farmers as owners, is the most challenging of the options for achieving economies of scale.

From the study findings revealed that there are contributions of rural women groups in socioeconomic development of Uganda particularly in southern division Kabale municipality as reported by 13% of respondents by dramatic improvement in average yield. Team work by 16% of respondents, bargaining power as reported by 9% of respondents, pooling of resources as reported by 13% of respondents, social capital represented by 21%, education as reported by 17% of respondents and security reported by 11%. Majority of the respondents revealed social capital was a major contribution of rural women groups in the socio-economic development and this is in line with Mugumya (2006), women business are very essential to the present situation in Ugandan's Agricultural development. He mentioned that rural women groups are important in the following ways; Bargaining power, Individual weaknesses are overcome and teamwork. People come together for a common goal. Group request is likely to be processed faster. Pooling of resources. Individual resources which are usually smaller are pulled together to form big pool which can support large-scale production. Group guarantee. A big security for securing a loan from money lending institutions when in a group

4.3 Factors limiting the access of the credit and business performance

Table 3: Factors limiting the access of the credit and business performance

Variables	Frequency	Percentage (%)
Capital	15	19
Competition	14	17
Lack of government concern	08	10
Lack of incentives	10	13
Low agricultural inputs	12	15
Low revenue	08	10

-- government policy	13	16
Total	80	100

SWARCE: Field Data, 2021

The study findings reported that there were factors limiting the access of the credit and business performance towards development such as: capital indicated by 19%, competition indicated by 19%, Lack of government concern indicated by 10%, lack of incentives indicated by 13%, Low cultural inputs indicated by 15%, Low revenue indicated by 10% and Weak government support as it was indicated by 16% this shows that lack of capital takes a higher percentage as the leading hindering factor for the development of rural women groups in socio economic development of agriculture. This is in line with the (Arrossi, 1994). As rural communities tend to have low incomes from low seed capital provided, it presupposes that farmer groups' revenues generated by membership dues will be inadequate relative to the range of relevant activities they would want to engage in. In situations where assistance is given on condition of counterpart contribution, most farmer groups are unable to meet their commitment. This weak financial base and sustainability result in the inability of farmer groups to implement their objectives to the best and this normally leads to the collapse of organizations in a short time.

4.4. Relationship between credit access and the performance of women owned businesses

Table 4: Relationship between credit access and the performance of women owned businesses

Variables	Frequency	Percentage (%)
Sensitization of women business groups	16	20
Training	14	18
Leadership skills	12	15
Basic planning skills	09	11
Accountability and transparency	08	10
Financial support from government	21	26
Total	80	100

Source: Field Data, 2021

The study findings revealed that there were relationship between credit access and the performance of women owned businesses as reported by the respondents; sensitization of farm groups as reported by 20% of respondents, training as reported by 18% of respondents,

leadership skills as reported by 15% of respondents, basic planning skills as reported by 11%, Accountability as represented by 10% and support from the government as represented by 26%. Financial support from the government was marked the highest with the percentage by 26% and this is in line with Luisa, (2013) financial support has been advocated for farmer associations. In January 2003, the Central Committee Document repeated the encouragement to actively develop farmers' specialized cooperative organizations and in 2004 these instructions were elaborated with a call for "finance departments at all levels to arrange special funding and support for farmers specialized cooperative organizations". In 2004 a State Council document was issued stating "beginning in 2004 central and local authorities should provide financial support for Farmer Professional Cooperative Organizations to undertake information, training, quality management and certification and marketing services. Relevant financial bureaus should support farmer professional cooperative organizations to establish standardized production bases, storage facilities and processing enterprises, and to purchase transportation equipment. Finance departments may provide reasonable low interest loans."

Also World Bank Report, (1998) show that good leadership has long been recognized as one of the critical elements in the effective functioning of community organizations and this help in proper funding of the business programmes. Their organizing capabilities and ability to propose new initiatives that eventually are embraced by the entire community and transformed into community self-help projects are essential elements for promoting rural infrastructural development. Narayan noted that effective leadership could propel CBOs into initiating local action, but emphasized managerial leadership as being critical for the transformation of CBOs into self-managing organizations.

It was also revealed that 21 (26%) of the respondents also agreed that financial support from government was one way of overcoming the challenges affected rural women groups in economic development and this is in support with Luisa, (2013) financial support has been advocated for farmer associations. In January 2003, the Central Committee Document repeated the encouragement to actively develop farmers' specialized cooperative organizations and in 2004 these instructions were elaborated with a call for "finance departments at all levels to arrange special funding and support for farmers specialized cooperative organizations". In 2004 a State Council document was issued stating "beginning in 2004 central and local authorities

should provide financial support for Farmer Professional Cooperative Organizations to undertake information, training, quality management and certification and marketing services. Relevant financial bureaus should support farmer professional cooperative organizations to establish standardized production bases, storage facilities and processing enterprises, and to purchase transportation equipment. Finance departments may provide reasonable low interest loans."

CHAPTER FIVE

DISCUSSION OF THE STUDY FINDINGS, CONCLUSION AND RECOMMENDATION

5.0 Introduction

This chapter includes discussions, conclusions and recommendations. The findings are discussed basing on the study objectives.

5.1 Discussion of the study findings

5.1.1 Credit facilities offered by the financial institutions to women owned business

The study findings indicates that all the respondents interviewed shows that Credit facilities offered by the financial institutions to women owned business in southern division Kabale Municipality include dramatic improvement in average yield, team work, bargaining power, pooling of resources, social capital, education programmes and food security. Most of the respondents agreed that social capital was the most contribution of women owned business in the economic development of southern division Kabale municipality as presented by 21 % of the respondents.

5.1.2 Factors limiting the access of the credit and business performance

Findings of the study indicate that the there were factors limiting the access of the credit and business performance development include; lack of seed capital, competition, lack of incentives, low agricultural inputs, low revenue, and weak government policy. Most of the respondents revealed that lack of seed capital is highly limited by lack of government concern which was noted by 19% of the respondents.

5.1.3 Relationship between credit access and the performance of women owned businesses The study findings shows that ways of overcoming **Relationship between credit access and the performance of women owned businesses of southern division kabale municipality** as they include; sensitization of farm groups, trainings and workshops, leadership skills, basic planning

kills, accountability and transparency and support from government. Financial support from government in women in southern division was a major way to curb the challenges faced PY omen business since majority of them were peasants and the majority of the respondents with B6% argued that Financial support from government from government would help women businesses to booster in economic development.

5.2 Conclusions

The role of credit access by women owned business in development is a topic of growing interest, but empirical studies on this topic in the southern division Kabale municipality are greatly lacking. Basing on study objectives, the study included that, the role of women owned business in the development of Uganda in southern division Kabale municipality is one of the dynamic economic activities in creating socio-economic changes in southern division which has been increasingly important to empower women towards business development. In the district present circumstances such as, disagreements with government concern, poverty, lack of collateral security, lack of government concern, decision making, and competition from indigenous groups are the major challenges facing the women in business development. However different ways to mitigate the challenges were suggested and includes; sensitization of women business groups, training women groups, empowering women with leadership skills, basic planning skills, accountability and transparency as well as support from the government towards business development programmes.

The role of women in business is to bring about economic development has enriched the! income, savings, and empowerment. The involvement of the women in the business considerably contributes to improvement and perfection in the quality of life, social status and confidence of the members, women in businesses lead and play an important role in social transformation, infrastructure building, and welfare activities. Rural women businesses lead to development are one of the significant schemes through which empowerment of women, in terms of better leadership, decision making, utility, and skill up gradation. Considering the huge number of poor discriminated and deprived women there is need to encourage the women to become entrepreneurs on their own. The agenda of women groups should be to work towards the empowerment of the members and also other underprivileged poor women in the society.

One such institution is education which will not only help in breaking the vicious cycle of poverty and mold of ignorance of rural women but is the right path to women development and empowerment.

5.3 Recommendations

The study recommends that;

There should be need to analyze the need (both positive and negative) of women owned business in economic development of Uganda.

There should be involvement of women in decision making and be consulted on policies regarding business and rural development and their ability to influence these decisions.

There should be training, workshops and seminars regarding potential women business on how they affect the society on agricultural development programmes.

There should be policies introduced to ensure that all women participate in business activities and policies will hopefully contribute to increasing the income and employment opportunities amongst the women.

There should be support and advice offered to the women by the government in order to develop and increase household income

Furthermore, the study can help agricultural officers' community development, developers and planners to better understand the needs of women and design appropriate agricultural plans and management strategies. This would help the developers gain support from the women before establishing any business project in their area.

5.4 Further research

Further research should be done on;

1. Assessment of the extent of community involvement in business development and women owned business in Kabale municipality Kabale district

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APPENDICES

APPENDIX I: Questionnaire for southern division staff

Dear respondent;

I am Musinguzi Ambrose a student from Kabale University offering bachelor's degree in business administration and management. I am conducting a research study on "**credit access and performance of women owned business in southern division Kabale municipality**". I request you to give more information about the study problem and the information given will be confidential and only for academic purposes.

Tick in the boxes and fill in the blank spaces provided

SECTION A: Bio data

1. Gender

- a) Male
- b) Female

2. Age

- a) 21-30 years
- b) 31-40 years
- c) 41-50 years
- d) 51 years and above

3. Education level

- a) Primary level
- b) Secondary level
- c) Tertiary
- d) University

4. Marital status

- a). Married
- b). Single
- c). Widowed/er
- d). Separated/divorced

SECTION B: Credit facilities offered by the financial institutions in southern division Kabale municipality

5. Do you get credit facilities from financial institutions in southern division Kabale municipality?

Yes

No

6. If yes what are they?

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7. Do commercial officer help in facilitating credit facilities to women owned business?

Yes

No

8. Does the financial institutions require collateral security in credit access by women in southern division Kabale municipality?

Yes

No

9. What are the contributions of financial institutions to women owned business?

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SECTION C: Factors limiting the access of the credit and business performance

10. Are there factors that influence access of the credit and business performance of women owned business?

Yes

No

11. If yes what are the factors that limit credit access and business performance of women owned business in southern division Kabale municipality?

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12. What are the challenges encountered by the credit access and business performance of women owned business in southern division Kabale municipality?

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SECTION D: Relationship between credit access and the performance of women owned business in southern division Kabale Municipality

13. What is the relationship between credit access and the performance of women owned business in southern division Kabale Municipality?

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14. What advice can you give to community development officer on increasing credit access and the performance of women owned business in southern division Kabale Municipality?

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APPENDIX II: INTERVIEW FOR COMMUNITY MEMBERS

Dear respondent;

I am Musinguzi Ambrose a student from Kabale University offering bachelor's degree in business administration and management. I am conducting a research study on **"credit access and performance of women owned business in southern division Kabale municipality"**. I request you to give more information about the study problem and the information given will be confidential and only for academic purposes.

1. Do you get credit facilities from financial institutions in southern division Kabale municipality?
2. Do commercial officer help in facilitating credit facilities to women owned business?
3. Does the financial institutions require collateral security in credit access by women in southern division Kabale municipality?
4. What are the contributions of financial institutions to women owned business?
5. Are there factors that influence access of the credit and business performance of women owned business?
6. If yes what are the factors that limit credit access and business performance of women owned business in southern division Kabale municipality?
7. What are the challenges encountered by the credit access and business performance of women owned business in southern division Kabale municipality?
8. What is the relationship between credit access and the performance of women owned business in southern division Kabale Municipality"?
9. What advice can you give to community development officer on increasing credit access and the performance of women owned business in southern division Kabale Municipality?