INFLUENCE OF FISCAL ASYMMETRIC DECENTRALIZATION ON PERFORMANCE OF WOMEN-OWNED MICRO-ENTERPRISES IN KENYA

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DECLARATION

Declaration by the Student

This thesis is my original work and has not been presented for a conferment of a degree in any other University or for any other award.

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Declaration by the Supervisors

We confirm that the work reported in this thesis report was carried out by the candidate under our supervision and has been submitted with our approval as university supervisors.

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DEDICATION

This study is wholly dedicated to my lovely wife Lena Jane Wanjiru wa Mwangi, my adorable daughter Doris and my two sons Ephantus and Gideon who bore the brunt of low, and at times altogether lack of attention in the course of carrying out and documenting the study while burning the midnight oil.

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ABBREVIATIONS AND ACRONYMS

AGPO	Access to Government Procurement Opportunities
ERSWEC	Economic Recovery Strategy for Wealth and Employment Creation
GDP	Gross Domestic Product
IFC	International Finance Corporation
KNBS	Kenya National Bureau of Statistics
LED	Local Economic Development
MDGs	Millennium Development Goals
MSMEs	Micro, Small, and Medium-Sized Enterprises
NACOSTI	National Commission for Science, Technology and Innovation
OECD	Organization for Economic Co-operation and Development
OSR	Own Source Revenues
PFM	Public Finance Management
SDG	Strategic Development Goals
USA	United States of America
UNICEF	United Nations Children's Emergency Fund
USAID	United States Agency for International Development
USD	United States Dollar
WEF	World Economic Forum

ABSTRACT

The core component of decentralization is fiscal decentralization by which the government transfers revenues or allows the subordinate government levels to raise their own funds. Women owned businesses account for about 48% of all micro, small, and medium-sized enterprises (MSMEs), which contribute around 20% to Kenya's GDP. However, although the government of Kenya has made several efforts in support of women owned micro enterprises, a mismatch between male and female owned businesses still exists. The general objective of this study was to evaluate the influence of fiscal asymmetric decentralization on performance of women owned micro enterprises in Kenya. Specifically, this study examined whether own source revenue, access to government procurement opportunities, county physical infrastructure development and county capacity building, influences the performance of women owned micro enterprise in Kenya. This study was informed by the theory of fiscal federalism and Gibb's Micro and Small Enterprise Support Theory. This study adopted a positivist paradigm. The primary data consisted of a population of 628 registered women owned micro-enterprises in Kiambu, Kirinyaga, and Makueni Counties. A Sample of 239 respondents was determined using the fisher formula. The study response rate was 173 respondents. Stratified random sampling technique was used. To ascertain the reliability and validity of the research instrument, a pilot test was conducted on 10% of the sample size. The statistics generated were analysed using descriptive statistics, trend analysis, diagnostic tests and inferential statistics. The findings of the study revealed a positive relationship between the fiscal asymmetric decentralization on performance of women-owned micro-enterprises in Kenya. The findings showed a positive relationship between County own-source revenue and performance ($R = 0.91$ and $p=0.012$), Access to county government procurement opportunities and performance ($R= 0.289$ and $p=0.000$), county physical infrastructure and performance ($R =0.171$ and $p=0.024$) and county capacity building and performance ($R = 0.216$ and $p=0.004$). An analysis of the fiscal perspectives revealed that there were positive and significant relationships between county own source revenues, access to government opportunities, county fiscal infrastructure, county government procurement opportunities and performance. Given that the P values for all the variables were $p < 0.05$, the four null hypotheses were rejected. Performance of women owned micro enterprises was mostly average and most respondents indicated that the sales turnover, number of employees, and customers, amount of revenue per employee had not increased. The study concluded that the theory of Fiscal Federalism by Oates and the Gibb's Micro and Small Enterprise Support Theory were relevant to the study. The study also concluded that county governments should communicate the opportunities available and dedicated to women entrepreneurs so that they may participate in capacity development programs to increase capacity. The study also concluded that infrastructure development did not influence their businesses. The study also concluded that Counties offer training activities to women entrepreneurs in the areas of management, financing, culture re-orientation, risk-taking, and networking through the acquisition of managerial skills. It was recommended that the government should take a more proactive role in the form of incentives such as tax inducement, to ensure more support is dispensed to micro enterprises. The county governments need to put more effort and allocate more resources in training women owners of micro enterprises and as such they can partner with the private sector to fulfill this agenda.

CHAPTER ONE

INTRODUCTION

1.0 Overview

The focus of this study was the Influence of fiscal asymmetric decentralization on performance of women owned micro enterprises in Kenya. The government of Kenya decentralized its fiscal functions from the national government to 47 county governments. Women owned micro entrepreneurs play a great role in economic development. It was expected that women entrepreneurs would benefit from the county governments development programs. Despite the government efforts in devolving its fiscal responsibilities women owned micro enterprises still lag behind their male counterparts. In this view this study examined the influence of fiscal asymmetric decentralization in Kenya over the last five years in order to answer the research question.

This chapter discusses the background of the study, the problem statement, the objectives of the study and the hypothesis of the study was also tested. The scope of the study, limitations of the study and the operational definition of terms were also discussed in this chapter.

1.1 Background

Centralization refers to the process in which authority and activities involving planning and decision-making of public functions are concentrated in a single place, most often at the top level of a government. Decentralization on the other hand entails the transfer of authority and responsibility for public functions from the central government to subordinate or quasi-independent government organizations and or even the private sector through the public partner participation. Decentralization is a complex multifaceted concept which makes it important to understand the different types of

decentralization and also to distinguish them. This is owing to the fact that they have different characteristics, policy implications, and conditions for success. These include political, administrative, and fiscal decentralization (Litvack, Ahmand & Bird, 2011).

All three types of decentralization can exist and occur in a government at the same time, as well as in isolation. In some cases, it is hard to clearly distinguish one type of decentralization from another. Successful and effective decentralization of authorities and power requires the presence of all three types of decentralization (Wahiu, Hedling & Böckenförde, 2011). Therefore, policy makers should draw distinctions between these various concepts for highlighting the many dimensions to successful decentralization and the need for coordination among the various levels of governance. Political, administrative, fiscal and market decentralization for example can also appear in different forms and combinations across countries, within countries and even within sectors (Litvack et al., 2011).

Fiscal asymmetrical decentralization pattern is the level of conformity and commonality in the political relations of each separate unit of the system to both the system as a whole and to the other component units (Jaweng, 2011). Fiscal asymmetry is denoted by the mismatch between tax and expenditure. The former is more pronounced in developed countries than in the developing nations, including Kenya. To understand asymmetric decentralization, three dimensions of asymmetric decentralization are considered: political asymmetry, which refers to the capacity or assignment differences among local government units; administrative asymmetry, which is concerned with the differences on how political institutions turn policy decisions into allocative outcomes; and fiscal asymmetry, which is related to the

differences on revenue and spending pattern and how each of the local units rectifies imbalances (White, 2011).

In this study fiscal asymmetry decentralization of women owned enterprises was denoted by County government own-source revenue, access to government Procurement opportunities in County governments, county government physical infrastructure, and county capacity building and how each of them influence the performance of women owned enterprises in Kenya.

Own-source revenue (OSR) is the revenue that County government or Sub-National Governments raises by collecting taxes and resource revenues or by generating business and other income to enhance their service delivery. The largest portion of Own Source Revenue for Kenya counties is costs for services or payments based on the consumption of goods and public services. According to Controller of Budget, different counties have variance in OSR in all the 47 counties. The sources of finance used by the central government are mainly taxes paid by the public. According to a Kenya's National Treasury (2018), the government's revenues comprises of tax revenues such as taxes on property, Non-tax revenues including social security contributions, International Grants from foreign governments and organizations and lastly Loans either domestic borrowing and international borrowing.

Access to county government procurement opportunities (AGPO) Program was developed through a Presidential directive that 30% of government procurement opportunities be set aside specifically for youth, women and persons with disability-owned enterprises to participate in government procurement. This culminated to an affirmative action aimed at empowering youth, women and persons with disability-owned enterprises by giving them more opportunities to do business with Government (R. o. K, 2013).

Women are among the disadvantaged or special interest groups in many developing economies. Nonetheless, the World Bank (2012) indicates that many countries are yet to develop procedural frameworks that ensure: public procurement procedures are transparent and promote fair and equal treatment, and procurement officials are ethical and accountable and promote public scrutiny. County governments procurement opportunities when awarded to residents of particular counties or regions stimulate economic activities in the respective counties; protect national industry against foreign competition when tenders are awarded to deserving locals; improve the competitiveness of certain industrial sectors; and remedy regional disparities, and all these contribute to fiscal asymmetry.

Infrastructure development is considered a key factor in promoting economic growth and attracting foreign investors for sustainable production and productivity, since inadequate levels of infrastructure constrain economic growth, a situation developing countries find themselves in. This requires the government to invest in infrastructure supplemented by external financing (Osei & Kurantin 2017). Further, it is generally believed that reliable, adequate and quality infrastructure is a pre-condition for take-off into self-sustained growth. Infrastructure is all about the necessity of public establishments and buildings needed for social productions processes but unprofitable for private capital. This could be due to the fact that infrastructure provision and financing exhibit the characteristics of public goods of non-excludability in supply and non-rivalry in consumption.

Capacity alludes to the capacity of people and organizations to make precise and concise decisions with effective implementation in a powerful, proficient, and maintainable way. Capacity building, in this way, is a strategic advance acknowledged to upgrade women's capability, indicating critical improvements in exhibitions, the

advancement of advantages, and additional consolation among women entrepreneurs (Fullan, 2001). Capacity-building activities include fortifying women entrepreneurs in the areas of management, financing, culture re-orientation, risk-taking, and networking through the acquisition of managerial skills, knowledge, and disposition for improving the capacities to accomplish both short and long-term goals (Idawati & Gufran, 2016). Capacity building is measured by training and education, human resource management, financial and social strategy, skills development function, and gender equality (Mukwevho, 2015).

The role of Women Entrepreneurs needs to be considered in the economic development of the nation for various reasons. They have been recognized during the last decade as an important untapped source of economic growth. Women Entrepreneurship has been largely neglected both in society and in the social sciences. Not only have women lower participation rates in Women Entrepreneurship than men, they also generally choose to start and manage firms in different industries than men tend to do. The underlying challenges behind this market failure needs to be addressed by policy makers so that the economic potential of this group can be fully utilized, especially in line with Vision 2030, the Kenya's new economic blue print that recognizes and anchors entrepreneurship within the economic pillar. In spite of the large number of institutions serving exclusively or predominantly women while maintaining high levels of financial sustainability, institutions that place a priority on serving women also have a tendency to place social goals ahead of efficiency, leading to poorer financial performance (Beckman & Haunschild, 2002). There is therefore the need for the county and national governments to invest in capacity building to enrich the small and micro enterprises with adequate knowledge to run their businesses and contribute to economic growth.

1.1.1 The Global Perspectives of Fiscal Decentralization

There has been a global emphasis on fiscal decentralization trajectory, where many countries in the world have decentralized their fiscal functions in one way or another. This is because fiscal federalism has been successive in most developed economies like USA and China where it has been practiced and also due to its support by internationally known organizations like the World Bank. As such, about 75 countries all over the World have decentralized their fiscal responsibilities from the national level to lower tiers of their governments in the last quarter century in one way or another (World Bank, 2012). It is estimated that over 80% of the World in the late 1990's, were experimenting various forms of decentralization. Many developed countries have also increased their degree of fiscal decentralization. Europe has been on top of the list, followed by Austria, Germany, Switzerland, Belgium, Italy and Spain just to mention but a few. Various public services highlight fiscal decentralization in the United States by transfers of services to the regional governments, for example, welfare, Medicaid, legal services, housing and job training (Silas, 2018).

The Success of any economy largely depends on the success of businesses within it. MSMEs are such businesses which form the backbone of most economies (Ndiaye, Razak, Nagayev & Ng, 2018). This has globally been demonstrated through the contributions that MSMEs contribute to the gross domestic product (GDP) of many economies. In economies such as China and Japan, small and medium enterprises (SME) contribute 60%, in the USA they generate 65% and in UAE they contribute 52% to the respective GDPs (Kimathi, Mukulu & Odhiambo, 2019). According to the International Finance Corporation (IFC, 2016), one in every three registered ventures are owned by women. If eighty percent of employments globally are in SMEs, and these

are disproportionately owned and run by women, this is therefore a critical mass that deserves attention and deliberate efforts to improve it by all stakeholders.

Existing empirical data (which are mostly available for OECD economies since 1972) confirm that a number of countries in the World are characterized by an asymmetric mix of expenditure and tax decentralization, with the latter relatively being more centralized than the former (Dziobek, Mangas & Kufa, 2011). Researchers and economists have also provided broad empirical and theoretical evidence on factors that causes income inequality such as globalization, technological progress, skills biasedness, wage inequality, financial deepening, access to finance, fiscal spending, and inequality of opportunity.

Researchers have asserted that six out of the ten of the fastest growing economies came from Africa between 2011 and 2015 (Sow, & Razafimahefa, 2017). The economic performance of these countries made it to be categorized as the second fastest growing region in the world despite the slowdown in the world economy since. Majority of these countries have devolved their fiscal functions in one way or another. Several factors contributed to this performance. One of the factors that led to the fast growing scenario is a realignment of the fiscal policy in most African countries then. Research has also established that when fiscal policy is well aligned with the requirements of fiscal decentralization, the later can help reduce expenditure. This is because local authorities are under pressure to provide public goods at lower costs. This is enabled by the geographical closeness to the population and strong accountability which are ambiguous as they depend on the institutional context for decentralization (Governatori & Yim, 2012).

1.1.2 Regional Perspective of Fiscal Decentralization

Several African countries have also decentralized their provision of goods and services from the national level to devolved units. This includes Botswana, Burkina Faso, Ethiopia, Ghana, Mali, Mozambique, Nigeria, South Africa, Tanzania, Uganda and Kenya (Dickovick & Riedl, 2010). Sub-Saharan Africa has experienced an astrophysical economic augmentation ranging between 2004 and 2013 estimated at an annual average of 5.66 %. This preceded an annual rate of 6.43% during 2005–2010 and 4.56 percent during 2010–2013 (WEF, 2015).

The ILO further approximates that 50 percent of women's productive potential remains underutilized as compared to 22 percent of men's potential. Regionally, Small and Medium Enterprises (SMEs) encompass over 90% of African business enterprises and generate over 50% of African employment opportunities and GDP. Moreover, there are about 400 million MSMEs in developing countries, with most of them being informal. Africa has the highest rates of female entrepreneurship, with women bearing half of non-farm business ownership (Fonchamnyo & Wujung, 2016).

In Ghana, the MSME sector accounts for 92% of businesses, offer about 70% of industrial employment and contributes way over 50% of the country's GDP (Dzisi & Ofusu, 2014). In Nigeria, the contributions of Small and medium scale business as a creator of employment is widely recognized with over 80% of firms in the manufacturing sector being SMES (Kimathi, et al., 2019). In South Africa, SMEs contribute about 56% of private sector employment and 36% of GDP (Dzisi & Ofusu, 2014). In Kenya, as in many other growing economies, MSMEs are central to the development of the economy. They comprise about 80% of all Kenyan businesses (7.4 million MSMEs), jointly employ approximately 14.9 million people (78% of labor force) and account for a third of Kenya's GDP (Dickovick & Riedl, 2010).

As stated by the WEF (2015), the reasons or circumstances under which countries devolve their functions may differ. Decentralization plays an important role in broadening participation in political, economic and social activities in developing countries. A well-chosen form of decentralization helps alleviate the bottlenecks in decision making that is often associated with the central government in planning and control of important economic and social activities.

The World Bank (2012) also posits that decentralization helps in cutting complex bureaucratic procedures. Government officials' sensitivity to local conditions and needs can also be enhanced due to close proximate of the local populous. Government ministries are thereby able to reach larger numbers of local areas with the required services. On the other hand, decentralization allows greater political representation for diverse political, ethnic, religious, and cultural groups in decision-making. This relieves top government managers from the central Ministries of routine tasks to concentrate on policy matters.

1.1.3 Kenyan Perspective of Fiscal Decentralization

Kenya is a country of many contrasts, from its landscape to demographics, and in particular its social and Income inequalities. It is one of the most unequal countries in the sub-region. 42% of its population of 44 million people lives below the poverty level of less than one USD in relation to the GNI coefficient used by World Bank to measure the cost of living index (Unicef, 2013).

In the 1960s and 1970s, the Kenyan economy grew at the rate of 6 –7 % and the country was at par with some of the newly industrialized countries of East Asia like South Korea, Taiwan and Malaysia. However, the economic growth rate in 1980s and 90s declined and this was majorly due to stabilization policies and structural adjustment programs from World Bank and International Monetary Fund. Due to slow economic

growth rates, the government implemented the Economic Recovery Strategy for Wealth and Employment Creation (ERSWEC) in 2003-2007 and as a result the GDP growth increased steadily from a low of 1% in 2002 to 7.1% in 2007, before a drastic decline to 1.7% in 2008 majorly due to postelection violence shock. All in all, from 2008 to 2012 the economy grew at an average of 4.7%.

In an effort to reduce the gap in its household income inequalities, Kenya promulgated a new Constitution in 2010. This introduced a two-tier form of governance, which is a departure from the former unitary system and hence devolution was introduced in Kenya. 47 County Governments were created and consequently introduced fiscal decentralization by transferring fiscal functions from the national government to the county governments (Hope, 2014). However, Litvack et al… (2011) avers that a country may transfer administrative responsibilities to local levels without adequate financial resources resulting to a mismatch between revenue and expenditure. Revenue is usually less pronounced than the expenditure, resulting to asymmetric fiscal decentralization arrangements (Scherrer, Smith & Dowling, 2011)

Importantly, following the rebasing of GDP in 2014, Kenya became a lower middle income country with a Gross National Income per capita of US$1,160 (World Bank, 2012). This makes Kenya's performance to be compared with countries like Nigeria, India, Egypt and Yemen among others. Consequently, statistics indicate that the Kenyan economy grew by 5.7%, 5.3%, 5.6%, 5.8% and 4.9% in 2013, 2014, 2015, 2016 and 2017 respectively. However, the Kenya Vision 2030 aims to transform the country to an upper-middle income country by the year 2030 while growing annually by a 10% growth rate, though this growth rate has not been achieved since the year 2012.

For the last couple of years, the government of K has been registering and pre-qualifying Youth, Women and Persons with Disability owned enterprises so that they can access government tenders and contracts. Government tenders amount to billions each year; it is a great opening for the Youth, Women and Persons with Disability. In 2013, His Excellency the President Uhuru Kenyatta, directed that the procurement rules be amended to allow 30 per cent of contracts to be given to the youth, women and persons with disability without competition from established firms (GOK,2005).

1.1.4 Influence of Fiscal Decentralization on Performance of Women Owned Micro enterprises

The influence and contribution of MSME's to the Kenyan economy and development remains invaluable (Ngugi & Mugo, 2012). MSMEs are not only providers of goods and services, they cultivate innovation and competition, generate employment opportunities, improve livelihoods and ultimately alleviate poverty. Kenya's economic blueprint towards industrialization and quality life for all citizens, the Vision 2030, depicts MSMEs as key development drivers (Kenya National Bureau of Statistics (KNBS), 2016). Despite these concerted efforts by the government and complementary initiatives by stakeholders as well as women entrepreneurs themselves, the performance of women owned enterprises remains wanting, more so during and after the contagion. The ongoing pandemic threatens to wipe out all gains made in the past decades, thus exacerbating an already bad situation (Shah, 2008).

According to OECD research (2017), women owned enterprises globally have a 5.9 percent higher risk of closure than male-owned businesses, when controlling for region. Further, the research showed that the ability of women owned businesses in Africa to generate revenue is dis-proportionately affected by the pandemic compared to their male colleagues. The contagion has triggered the first recession in Sub-Saharan Africa

in 25 years, with growth projection ranging between -2.1 and -5.1, far from a modest 2.4% in 2019 (World Bank, 2012). In Uganda, for instance, research showed that 61% of women owned enterprises had no income compared to 22% of men owned ventures. South Africa and Rwanda mirrored these trends. Despite the easing of lockdown measures, female entrepreneurs will encounter increased operational costs due to the conditions of the new normal (distanced sitting in restaurants, sanitization costs among others), and the reduced spending power of consumers with limited or no income (Chimaobi, 2020).

Majority of micro enterprises are owned by women and therefore performance of women owned micro enterprises is important not only in this study but also in achieving Kenya's vision 2030 and the internationally sought for achievement of the Strategic Development goals (SDG). Women are the backbone of economies in developing countries and specifically in Kenya where they play a significant role to ensure their families wellbeing (Nkatha, 2016). KNBS (2016) emphasized the critical role of MSMEs in Kenya's industrialization strategy, more so in generation of employment and income opportunities for the majority of people. Small and medium enterprises (SMEs) face various small and large internal as well as external risks. While they are better placed to handle most of the internal risks through risk management and mitigation methods, they are often more susceptible to external risks which tend to be beyond their control and ability to manage, and unforeseen (Asgary, Ozdemir & Özyürek, 2020).

Despite the recognition of MSMEs in the economic development, 70 percent of women owned MSMEs in developing nations are underserved or not served at all by financial institutions. Women owned businesses yield on average lower sales and are mainly huddled in flooded and low-profit segments as well as markets, (IFC, 2016). IFC (2016)

defines women-owned enterprises as a firm with at least 51.0 % ownership by a woman or women and I woman as chief executive officer President/Vice-President) as well as less than or equal to 30.0 % of the board of directors being women, where a board exists.

A growing amount of research shows that countries that fail to address gender barriers are losing out on significant economic growth (Amanda, 2014). This study aims at evaluating the influence of fiscal asymmetric decentralization on performance of women owned micro enterprises in Kenya. Performance is a concept that is used to measure how well a mechanism or process fulfils the purpose for which it was established. County governments in Kenya have been mainstreaming gender issues in all its operation including developing capacity of women entrepreneurs. Performance of women owned micro enterprises in this study is indicated by the amount of Sales turnover and number of employees. Several factors affect the performance of women owned micro enterprises such as influence of own source revenue County Infrastructure Development, access to county government procurement opportunities and capacity building in county governments in Kenya.

1.2 Statement of the Problem

Women are the backbone of economies in developing countries and specifically in Kenya where they play a significant role to ensure their families wellbeing (Nkatha, 2016). Women are the backbone of economies in developing countries and specifically in Kenya and play a significant role to ensure their families‟ wellbeing. Majority of micro enterprises are owned by women. SMEs provide 50-70 % of Kenya's employment and contribute 28.5 % of its GDP. A survey by the World Bank (2015) on the role of women in economic developments in developing countries revealed that

71% of small and micro enterprises are likely to collapse compared to their male enterprises despite the role micro enterprises sector play in economic developments.

Despite encouraging remarks about the capacities of women enterprises to boost local economy and wellbeing of households, Thuranira (2017) briefs indicate that women owned and operated micro enterprises grow less rapidly and are likely to close sooner than male counterparts. Alene (2020) conducted a study to explore the determinants that influence women entrepreneurs' performance in micro and small enterprises in Gondar city, Northwest Ethiopia. The study employed an explanatory research design with agreement of primary data collection via a cross-sectional survey questionnaire followed by quantitative research approach. He used a logit model to see whether the government support is correlated with the performance of women entrepreneurs with special reference to profitability in Ethiopia. In this context, evidence of the regression output revealed that government support has a statistically significant influence on the performance of women entrepreneurs and is positively associated with performance 18.9%.

Njiru, Simiyu and Bunde (2020), investigated the effect of government Infrastructure on economic growth in Kenya. They found that government investment in economic infrastructure has a positive and significant effect on economic growth in Kenya with a p-value 0.0000 < 0.05 while social infrastructure investment has a negative and insignificant effect on economic growth with a p-value of 0.8798 > 0.05. However, the study established that private investment and labour force have negative and significant effect on economic growth in Kenya. Since infrastructure spending in Kenya is still inadequate, the study recommended that the government should increase funds directed to infrastructure investment in the country to the World Bank's infrastructure investment threshold of 7-9% of GDP, as this will translate to improved productivity

as a result of increased physical and human capital leading to actualization of the 10% economic growth rate as projected by the World Bank.

However, an examination of many women owned small and medium enterprises started in Nkubu town in Kenya either through women fund initiatives or individual investment for example finds that majority of them have stalled in their operations while others are operating in huge loan debts from the local financial institutions (Thuranira, 2017). This is supported by a study by Njiru et al., (2020) who also conducted a study on the effect of government interventions on the growth of women owned women Micro and Small enterprises in Trans Nzoia County in Kenya. He found that although the government has put in place a regulation for access to 30% government tenders by women, youth and people with disability, it has not been fully actualized for the benefit of majority of women owned enterprises. The study devoted much of its discourse on evaluating the influence of fiscal asymmetric decentralization on performance of women owned micro enterprises in Kenya.

Several researches have been conducted on women owned micro enterprises but there is a paucity of studies that relate any benefits from fiscal asymmetric decentralization if any to women owned micro enterprises in Kenya. Moreover, studies that have been conducted differ in contextual and methodical approach, posing a problem in generality gap which this study sought to fill.

Although the government of Kenya has put in place a regulation for access to 30% government tenders by women, youth and people with disability, it has not been fully actualized for the benefit of majority of women owned enterprises. This study therefore sought to determine the influence of fiscal asymmetric decentralization on performance of women owned micro enterprises in Kenya. The following proxy variables were considered most ideal in the study's endeavour to answer to the research question on

the influence of fiscal asymmetric decentralization on county own source revenue, access to government procurement opportunities, county physical infrastructure development and capacity building. These variables were considered key although previous studies have used other performance indicators.

1.3 Objectives of the Study

In order to answer the research question in this study, the following study objectives were examined:

1.3.1 General Objective

To determine the influence of fiscal asymmetric decentralization on performance of women-owned micro enterprises in Kenya.

1.3.2 Specific Objectives of the Study

i. Establish whether County own-source revenue influences performance of women-owned micro enterprises in Kenya.
ii. Determine influence of government Procurement opportunities on performance of women-owned micro enterprises in Kenya.
iii. Evaluate the relationship between county physical infrastructure development and performance of performance of women-owned micro enterprises in Kenya.
iv. Determine whether County capacity building has any influence on the performance of women-owned micro enterprises in Kenya.

1.4 Research Hypothesis

The study tested the following null hypothesis:

H_{01}: County own source revenue has no significant influence on the performance of women-owned micro enterprises in Kenya.

H_{02}: Access to government Procurement opportunities has no significant influence on the performance of women-owned micro enterprises in Kenya.

H_{03}: County Physical infrastructure development has no significant influence on the performance of women-owned micro enterprises in Kenya.

H_{04}: County Capacity building has no significant influence on the performance of women-owned micro enterprises in Kenya.

1.5 Significance of the study

Generally, women have been marginalized from economic participation, thereby leaving out the greatest percentage of human capital from development. Developing a woman has a great impact on development of any society based on the fact that women are more concerned with improving the welfare of their families compared to men. This will aid in the achievement of the World Bank's Sustainable Development Goal number 5 on gender equality aims at achieving gender equality and empowering all women and girls by 2030 (Thuranira, 2017).

For any government to alleviate poverty there must be inclusivity. Women should be entrenched in the development goals and programmes. This study is therefore geared towards nurturing inclusivity in MSME development process to alleviate poverty by supporting women-owned Micro enterprises to enable them live a decent life in line with Global and National conventions and the Big Four Agenda of the government of Kenya (Simiyu, Namusonge & Sakwa, 2016).

The study would enlighten women entrepreneurs and general public about on how the devolved funding can be beneficial on the performance of women-owned enterprises in Kenya. The findings of the study are expected to be a source of encouragement to women to venture into entrepreneurship and leverage on the available opportunities of

funding through the devolved government. This would in return aid in improving their standards of living.

This study serves as a useful guide to both the national government and the 47 county governments in Kenya and stakeholders in formulating MSE policies and regulations that would contribute to the increase of the Gross Domestic Product and poverty reduction in Kenya. Further, the study also contributes to the existing knowledge on the level of employment and so through the support of women-owned micro enterprises open avenues for the start-up of more income generation and employment creation in line with Kenya Vision 2030. This study facilitates the nurturance of an entrepreneurial culture in Kenya through development of growth oriented MSMEs. This is based on the fact that growth and survival of Micro and Small Enterprises depend on their ability to compete globally through nurturance of an entrepreneurial culture.

Further, this study also serves as a resource base for other scholars and researchers interested in carrying further research in the dynamic Micro and Small Enterprise Sector. This is attributed to the fact that there exists a dearth of literature in this field, this study results would benefit future researchers, as it would act as a reference. Additionally, the study increases the wealth of knowledge on the relationship between fiscal asymmetric decentralization and performance of women owned enterprises.

1.6 Scope of the Study

This study investigated the influence of fiscal asymmetric decentralization on performance of women-owned micro enterprises in Kenya. Specifically, the study focus is on County governments own source revenue, Institutional and policy frameworks, County physical infrastructure development and County capacity building within the confines of fiscal asymmetric decentralization in Kenya. The study site i.e. Counties under study had been chosen based on county performance rankings by Ngirachu

(2020) and own source endowments, Makueni county was ranked number one in the study and lies in the ASARD region while Kiambu County which is in a metropolitan region was ranked last on performance and Kirinyaga County is in the highland region and was ranked at the middle level, performance wise. This was the novelty in this study. Other studies had limited area of study, mostly one county in most studies in the midst of specific endowments among the 47 county governments in.

Women are the backbone of economies in developing countries and specifically in Kenya where they play a significant role to ensure their families wellbeing (Nkatha, 2016). IFC defines women-owned enterprises as a firm with at least 51.0 % ownership by a woman or women and 1 woman as chief executive officer President/Vice-President) as well as less than or equal to 30.0 % of the board of directors being women, where a board exists (IFC, 2016). A growing amount of research shows that countries that fail to address gender barriers are losing out on significant economic growth (Amanda, 2014). This study aimed at evaluating the influence of fiscal asymmetric decentralization on performance of women owned micro enterprises in Kenya. Besides women owned micro enterprises in Makueni, Kirinyaga, and Kiambu counties, the study also examined the relationship between women owned microenterprises and the tree county governments. The study confined its discourse on the performance of women owned micro enterprises between 2014/2015 and 2018/2019 Financial period in the three counties of Makueni, Kirinyaga and Kiambu.

1.7 Limitations of the Study

The use of women owned micro enterprises was also observed as a limitation as respondents kept on wondering and asking why women instead of a holistic study on the influence of fiscal asymmetric decentralization on performance of micro enterprises

in Kenya, this study skilfully explained the importance of women in the economic development of our country and the great role they play in the welfare of their households. This study also made use of secondary data with a view to triangulate primary data collected from the respondents as the respondents exhibited fear of the unknown when responding to the interview schedules. Secondary data was collected from the National Treasury but faced limitations also because of the government bureaucracies which took time to receive. This was mitigated by the concurrent data collection of both secondary and primary data.

Further, the study used ordinal scale among others to measure the variables. However, ordinal scale does not give the investigator the level of precision required in a study, especially when strong statistical procedures are to be applied (Cooper & Schidler, 2012). Despite the limitations experienced, the quality of the study was not compromised. The study was designed in highly scientific manner following a thorough literature and theoretical review. Moreover, the study was based on a single country using data from Kenya. There is an opportunity to conduct a larger survey in other major cities and countries across the world. It may be interesting to explore the relationship between fiscal decentralization and performance of women owned SME's in developing countries that have similar environments to Kenya. All in all, the study was rigorous in its approach to analysis, interpretation and reporting of the findings. The implications discussed did not therefore have any material effect on the results and findings of the study.

1.8 Definition of Terms

Capacity Building by the County Government – this refers to the effort by the county government to generate knowledge, skills and expertise in order to enhance analytical

capacity that may assist in increasing productivity and sustenance of women owned micro-enterprises.

County Government Own Source Revenue- this refers to the revenue generated by county governments from local sources in the form of taxes, charges and fees (ROK, 2013).

Decentralization- it is a process of dispersing certain responsibilities to regional areas without authority by central governments (Tende & Alagah, 2017).

Devolution- this is the transfer of authority for decision making and administration by central government to local governments (World Bank, 2012).

Fiscal Asymmetry- it is the financial delegation from the central to low Government levels (World Bank, 2012)

Institution Policy Framework - this refers to the policies that the county government has adopted to enable MSEs access support from the government.

Performance of microenterprises – According to the study, this is how well a microenterprise fulfils the purpose for which it was established in-terms of certain targets achieved, period of time in achieving the targets and the realization of efficiencies and effectiveness (Tende & Alagah, 2017).

Physical Infrastructure by the County Government – this refers to the development of physical infrastructure using county government resources as stipulate in the budget allocations.

Revenue mobilization – this is the collection of taxes and other fees by the county Government from businesses and individuals (Bird, 2010).

Service Delivery - these are social and other services provided by the state or by other authorities on behalf of the state to the public (Anderson & Isaksen, 2013).

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviewed literature on theories and variables of the study. The key theories informing this study on the dependent and independent variables were also discussed, Further, the study explored the empirical study and developed a conceptual framework and expounded on the research gaps on fiscal asymmetric decentralization and performance of women owned micro enterprises. The chapter finalized by giving a summary of the literature and research gap identified.

2.2 Theoretical Review

A theoretical review is a collection of interrelated concepts. It guides research to determine what things to measure, and what statistical relationships to look for (Defee, Williams, Randall & Thomas, 2010). A good research should be grounded on theory. This study was guided by Oates (1972) theory of fiscal federalism and Gibb's (1998) Micro and Small Enterprise Support Theory.

2.2.1 The Theory of Fiscal Federalism

The Theory of fiscal federalism was originally developed by Musgrave (1959) and Oates (1972) the theory is concerned with the division of public sector function and finances in a logical manner among multiple layers of government. The Theory is used to refer to the Fiscal arrangement among the different tiers of government in a federal structure (Ekpo, 2004). Fiscal federalism theory is a political concept in which the power to govern is shared among national government and local governments. According to Ewetan (2012), the concept of federalism implies that each tier of government is coordinated independently in its delimited sphere of authority and should

therefore have appropriate taxing powers to exploit its independent sources of revenue. Broadly speaking, fiscal federalism emphasized on how revenue are raised and allocated to different level of government for development (Dang, 2013).

Fiscal imbalances are a reality in Kenya as about 42 percent of her citizens live below the poverty line of less than one dollar per day. Majority of people affected in Kenya are women, children and people living with disabilities. Income inequality is the one major reason why Kenyans voted for a new constitution which was promulgated in 2010. This theory therefore resonated well with my study which aims at evaluating the benefits if any that have accrued to women owned micro enterprises in Kenya.

Although decentralization trend is often believed to be largely as much a consequence of economic globalization, past studies have realized that it is largely influenced by other agents such as the World Bank and International Monetary Fund for their own interest and not focused on poverty reduction as it has always been thought of through the result of the domestic regional pressures brought about by the process of economic liberalization. This trajectory has changed the roles and responsibilities of different levels of government not only in federal systems but also in unitary polities have undergone a sea-change. However, despite the theoretical anchorage, fiscal decentralization in developing countries including Kenya, has led to a host of fiscal problems, many of which the existing literature on fiscal federalism fails to address (Rodden, Eskeland, & Litvack 2003).

In theory fiscal decentralization should have positive effects on poverty reduction since it is likely to make the voice of the poor better heard, improve their access to and the quality of public goods and services and reduce their vulnerability. This is achieved

through public participative budgeting process at local level. However, participants of public participation are chosen selectively by politicians, who select people on political patronage, rather than professional competence (Sepulveda & Martinez-Vazquez, 2010). The theory of fiscal federalism does not support the participation of sub national governments in the redistributive policies (Sacchi & Salotti 2014). In practice sub national governments do participate in the implementation of these programs Even though they are not given direct responsibilities, their presence may influence the effects of the policies implemented by the national government.

The theory of fiscal federalism suggests that a close match between revenue and expenditure assignments at sub-national levels benefits allocative efficiency, and hence economic growth. This means that a convergence of revenue and expenditure assignments at sub-national levels of government should, be positively associated with a higher growth rate. The seeming contradiction between the theory and evidence in performance of women owned micro enterprises in Kenya is reconciled by taking into account the institutional arrangements that prevailed during the first phase of fiscal decentralization, in particular the inconsistency between the assumptions of the theory of fiscal decentralization and the institutional reality of Kenya.

The proponents of fiscal decentralization also aver that decision-making on expenditures at lower levels of government is more responsive to diversified local preferences and needs and, therefore, more conducive to allocative efficiency (Oates 1972). Further, it is generally believed that by decentralizing revenue discretion to sub-national governments to match the spending assignments may also enhance accountability (Oates, 1972). In this vein, it is held that for a given level of government, revenue means should be in equal proportion to expenditure needs as closely as

possible, to stimulate revenue mobilization from local sources, and to also improve a country's overall fiscal position, improve accountability of sub-national governments and reduce the distorting effects of intergovernmental transfers (Shah, 1994).

Theorists of fiscal decentralization were largely motivated by their observations of the functioning of fiscal systems based in highly developed economies, like the United States and China among other developed economies (Brueckner, 2000).

Similar implications of fiscal decentralization when observed from the context of a developing country are, however, subject to various qualifications due to the divergence between the assumptions of orthodox theory and the institutional framework as well as economic realities in developing countries. This is supported by the assertion of many researchers who have argued that if the standard assumptions of decentralization theory do not hold, the outcomes of fiscal decentralization may be detrimental to economic growth and efficiency (Lessmann, 2012), for example argues that local provision of public goods may not be more cost-effective than at the national level because of economies of scale and economies of scope. Other scholars also suggest that assuming constituents universally can express their Fiscal contracts between the Center and provinces gradually as introduced in 1980 in economies like China.

The limited fiscal autonomy in subnational governments has been criticized despite the theoretical under pinning on fiscal decentralization since it has the potential to increase corruption and to harm government accountability, because representatives and bureaucrats in local governments may be involved in private corporations and other special interest groups (Sharma, Hussain, Pathak, Shukla, Kumar & Singh, 2019).

Since the advent of devolution in 2013, over 1.3 trillion Kenyan shillings (Ksh) have been dispatched to forty-seven county governments which account for approximately

15 percent of national revenue disbursed to the counties, with the national government keeping the other 84.5 percent, while 0.5 percent is allocated to an equalization fund (Kimenyi, 2013). However, by late 2017, there was already an observable disparity between funds allocated and tangible improvements in the counties. This is supported by past research and reports issued by the Office of the Controller of Budget, who aver that money earmarked publicly for infrastructure projects or other elements related to the public good appears to have been misappropriated, misspent, or simply disappeared (Cannon & Ali 2018).

Recent studies had made numerous distinctions between the two generation of literature in fiscal federalism by critically analyzing the first-generation theory and second-generation theory of fiscal federalism. Although the later approaches to the problem of fiscal federalism from different perspective, it does not challenge but complements the former view as asserted by the proponents of the theory. The theory of fiscal federalism was for example supported by Chakraborty (2016), who assert that the core component of decentralization is fiscal decentralization by which the government transfers revenues or allows the subordinate government levels to raise their own funds. Fiscal autonomy was therefore the prerequisite for effective functioning of decentralization. Chakraborty (2016), further posit that without this, there would be horizontal and vertical imbalances between the expenditure needs and the available resources of the decentralized layer of the governance, which may hinder the developmental functions at local level.

Fiscal federalism creates a certain degree of fiscal autonomy for investment and expenditure decisions which also allows county governments to pursue policies for economic development tailored to their own local needs and endowments in tandem with the theory of fiscal federalism, which propagates the importance of devolving

functions at local level since local problems can better be understood and solved by the locals themselves. Devolution was thus expected to make public expenditure more efficient, create opportunities for local regimes to mobilise around sustainable development and contribute to a better coordination among various local actors (county government, businesses and civil society). Devolution also enhanced a mechanism through which local oriented activities could be rejuvenated to contribute to a sustainable economic development (Thuranira, 2017).

This may hold true only under normal circumstances but under circumstances such as emergencies witnessed in 2019 Corona Virus, governments objectives may change rendering the roles assigned to subordinate level irrelevant. This view is supported by Hughes and Podolefsky (2015) who opine that determining the optimal division of responsibilities is difficult because of varying subjective views about what the role of government should be. As a result, fiscal federalism research generally renders no judgment on the proper level of total government intervention or what types of services governments should provide

In view of the above discourse, it was observed that the first generation theory (FGT) of fiscal federalism was associated with decentralization of expenditure responsibilities and centralization of revenue responsibilities for the purpose of achieving 'efficiency' and 'equity' in the federation. Further, the theory emphasized the importance of transfers for addressing the problems of vertical and horizontal imbalances. The theory was largely normative and assumed that federal and sub-national decision-makers were 'benevolent' and maximized the social welfare. However, Hughes and Podolefsky (2015) argued that the field of fiscal federalism studies how to divide responsibilities (including finances) among federal, state, and local governments to improve economic efficiency and achieve various public policy objectives. Determining the optimal

division of responsibilities is difficult because of varying subjective views about what the role of government should be. As a result, fiscal federalism research generally renders no judgment on the proper level of total government intervention or what types of services governments should provide.

With the devolved system of governance in Kenya, fiscal autonomy is a key tenet of the County Governments sustainability. Kangu (2015) further noted that the Constitution of Kenya (2010) establishes County Governments that are meant to have financial autonomy in two respects; access to sufficient revenue from both their own sources and transfers from revenues raised nationally, and ability to determine their own budgets and budgetary priorities. In terms of the Constitution of Kenya (2010) Article 175(b), County Governments must have 'reliable sources of revenues to enable them govern and deliver services effectively'.

The advent of devolution in Kenya, revolutionized the way in which counties are funded through the introduction of the business rates retention scheme. This allows county governments to raise own source revenues through collection of taxes which include fees, levies, cess and rates. Together with the transfers from the national government, the ability to raise own source revenues enables the county governments to meet their expenditure needs (Lidija, 2009). As stated by the World Bank (2012), county governments create structural networks for inter-governmental funds' proper usage and controls, with the ultimate goal of improving taxable efforts of the County and meeting their expenditure needs which improves the livelihoods of the residents in the long run.

Mwangi and Gachunga (2014) opined that the county governments in Kenya should endeavour to use the finances collected from fees and levies, cess and rates in proper and controlled manner with a goal of improving the working environment for the SMEs

in Kenya. They also pointed out that the county government should put in strict measures to ensure that there is no corruption in the fees and levies, cess and rates collection process to ensure that the amount collected do not go to the hands of few individuals and that a substantial amount can be received to support the plans and policies of the county government. This would help in increasing compliance and reduce tax evasion among business owners as they would be certain that the tax collected would be beneficial to them.

In relation to this study, county governments generating their own source revenue aligns with the revenue aspects of the SGT while the use of transfers from the national government as well as own source revenue to provide services to the public aligns with the expenditure aspect of the SGT. Contextualizing this to the study collection of taxes, levies and licence fees from women owned micro-enterprises is aligned to county governments generation of own source revenue. On the other hand, county governments provision of services by the county government informs of advancement of credit to women owned micro-enterprises, conducting capacity building programmes and development of physical infrastructure is aligned to county government expenditure.

2.2.2 Gibb's Micro and Small Enterprise Support Theory

The model was promulgated by Gibb in 1998. The model outlines various policies that need to be considered while embarking on Micro and Small Enterprise Development programmes. The model is dynamic in that it propagates that as the needs of the Micro and Small Enterprises change, policies, institutions and assistance packages for the development of this enterprise sector also change. Gibbs model also indicates that the needs of MSEs determine the component of the support service programmes. In view of this, four kinds of assistance packages for MSEs are explained in this model. Firstly, the policy framework where the impact of policies for Micro and Small Enterprises are

measured in various ways and secondly, the assistance frames that are divided into software and hardware support (Gibb, 1998).

The software support includes training, counseling, consulting, transport among other forms of support whereas the hardware support includes credit provision, infrastructure and materials. Thirdly, is the needs frame model where Gibb and Li (2003) asserts that th**e** needs can be considered from the point of view of the Nation as a whole, the level of the local community's participation and from requirement that consists of various dimensions of institutional capability geared towards promotion of the MSEs. Gibb and Li (2003) noted that entrepreneurs seeking to start business for the first time needed non-financial assistance packages compared to those already running business.

Smallbone and Welter (2001) as cited by Simiyu Namusonge and Sakwa (2016) posit that in transitional economies, many Micro and Small Enterprises are set up, survive and sometimes even grow on their own despite absence of direct government intervention due to the creativity of individuals in mobilizing resources and their flexibility in adapting to hostile external environments. However, under such circumstances, the number of firms remains small and their software and hardware support is negligible.

In support of Gibb and Li (2003), Smallbone and Welter (2001) posit that for developing economies, more enhanced Government interventions in terms of policy as it pertains to affordable financing mechanisms, business infrastructure and entrepreneurial training are the necessary ingredients to nurture an SME enterprise culture. As it pertains to this study, Gibb and Li (2003) posits that Government support framework model for developing economies expound that the business world of MSEs is beset with different problems at different stages. Entrepreneurial credit and training provision in addition to investor friendly government policies and regulations improves

the entrepreneurial capability of MSE owner managers with the resultant improvement of their enterprise performance.

Despite Gibbs model on the emphasize on the characteristics of an entrepreneur, given the characteristics of a microenterprise, it is difficult to separate a small enterprise, as a firm, from the characteristics of the entrepreneur who contributed to its creation and development over time. Researchers have asserted that both the firm and the entrepreneur should be considered when attempting to classify them. Barrett and Rainnie (2002), alludes that both structure and human agency should be taken into account, and this requires a consideration of the influence of the owners and the managers of the firm as well as the structural determinants.

Gibb (1998), further aver that family structure, education, occupational choice, among other factors, should be considered in reviewing the determinants of the success of a microenterprise as it allows the possibility of exploring a variety of influences regarding entrepreneurial firms. This therefore support the focus of this study on performance of women owned microenterprises and this study's interest on the consideration of the micro entrepreneur.

The theory of human capital suggests that individuals with increased abilities are likely to be more productive than those without such personal traits. When this concept is applied to microenterprises, it implies that individuals with greater human capital are better at building their ventures. This is despite the fact that human capital may adopt different forms, including prior learning and experience as well as other personal characteristics (Westhead, Wright & Ucbasaran, 2001).

The educational level of an entrepreneur is a key factor that defines the silhouette of a microenterprise given that formal education is likely to affect a firm's management quality. Prior research suggests that highly educated entrepreneurs can deal with complex problems and more easily escape the financial constraints suffered by new firms as formal education is a source of knowledge, skills, discipline, and self-confidence (Lidija, 2009).

The proponents of Micro enterprise support model had several approaches towards the growth of micro enterprises such as the impact of the entrepreneurial personality and capability in growth like the owner manager's personal goals and strategic vision, approaches seeking to characterize the way the small organization develops and influences for example the influence of the owner-manager, approaches broadly embraced under the term 'business' which focus upon the importance of business skills and the role of functional management, planning, control and formal strategic orientations; and finally, approaches which are more macro in scope and which usually have their academic base in industrial economics. These approaches obviously have overlaps between the discipline of the researcher and other factors that also contribute to the growth of a micro enterprise. No single approach by the proponents cut across the growth model without the support of another. Other scholars aver that not all SME owner-managers have the desire, or indeed the capability in terms of resources and expertise, to grow their business (Hay & Kamshad, 1994)

Although the economic importance of microenterprises has been recognized as an important factor for a country's growth, policymakers still struggle to design policies that not only achieve the goal of enhanced growth but also solve the problem of unemployment. This is common in developing countries (Kenya included), where

policymakers design programs to finance microenterprises to reach such goals in the hope that financing is a sufficient condition to assure success in a venture. Contrary to this believe, evidence regarding the effectiveness of these programs is still several steps far from being conclusive and especially when small firms are considered (Berrone, Gertel, Giuliodori, Bernard & Meiners, 2014).

Gibb's theory concentrated on economic development, which focused on understanding the structural preconditions required for entrepreneurship to become an important factor in economic growth and analyzing the conditions governing its supply. However, despite the advances that this stream of studies has produced, he paid little attention to the sociocultural conditions associated with the success of entrepreneurship. Generally, there is still scanty information on factors that determine the performance of these economic units when they receive public support, particularly in the context of developing countries (Berrone et al., 2014).

2.2.3 Theoretical Matrix

The theories are summarized in the matrix in table 2.1 below.

Table 2.1: Theoretical Matrix

Theory	Postulation	Support	Critique	Relevance to the study
Theory of Fiscal Federalism (Oates, 1972)	The theory is associated with decentralization of expenditure responsibilities and centralization	Chakraborty (2016) who argues that the core component of decentralization is fiscal	Hughes and County Padolefsky (2015) argue that since fiscal federalism involves to divide responsibilities among federal, state,	governments generating their own source revenue aligns with the revenue

	of revenue responsibilities for the purpose of achieving 'efficiency' and 'equity' in the federation, which is core to this study. The theory emphasizes the importance of transfers for addressing the problems of vertical and horizontal imbalances.	decentralization by which the government transfers revenues or allows the subordinate government levels to raise their own funds. Fiscal autonomy is therefore the prerequisite for effective functioning of decentralization.	and local governmentsaspects of the SGT to improve economicwhile the use of efficiency and achievetransfers from the various public policynational objectives ii isgovernment as difficult to determinewell as own the optimal division ofsource revenue to responsibilities provide services because of varyingto the public subjective viewsaligns with the about what the role ofexpenditure government shouldaspect of the SGT. be.
Gibbs Micro and Small Enterprise Support Theory (Gibb, 1998)	The theory postulates that MSEs require support and the nature of support keep on changing which necessitates the need for		

having a policy framework where the impact of policies for MSEs are measured. The theory also points out that the assistance frames can be divided into software and hardware support.

2.3 Empirical Literature Review

Empirical literature review is a search of published works which includes books and periodicals that looks at the theory and provides empirical results that are relevant to the topic under study (Zikmund, Babin, Carr & Griffin, 2010). It is a comprehensive survey of previous inquiries related to a research question. The study on empirical was geared towards evaluating the areas that are directly related to area of research (Kaifeng & Miller, 2008). This review allowed the researcher to bring out the intellectual and historical context of the area of the study and help indicate why the research is important (Kaifeng & Miller, 2008).

2.3.1 County Government Own Source Revenue and Performance of Women Owned Micro Enterprises in Kenya.

The Constitution of Kenya (2010) under Article 209 depicts Own Source Revenues (OSR) as revenues generated by one level of government in this case the County Governments revenues generated through property taxes, entertainment taxes, fees and

charges from the services they provide. The harsh tax policies and the complex taxation systems also discourage the SME growth among both male and female entrepreneurs. Even though the tax regimes in Kenya differ in that larger corporations pay higher rates, the impact of growing taxes have greater negative effects on the SMEs.

According to Thuranira (2017), government revenue is money received by a government. It is an important tool of the fiscal policy of the government and is the opposite factor of government spending. Revenues earned by the government are received from sources such as taxes levied on the incomes and wealth accumulation of individuals and corporations and on the goods and services produced, exports and imports, non-taxable sources such as government-owned corporations' incomes, central bank revenue and capital receipts in the form of external loans and debts from international financial institutions. It is used to benefit the country. Governments use revenue to better develop the country, to fix roads, build homes, fix schools etc. The money that government collects pays for the services that are provided for the people.

The core component of decentralization is fiscal decentralization by which the government transfers revenues or allows the subordinate government levels to raise their own funds. Fiscal autonomy is therefore the prerequisite for effective functioning of decentralization. Without this, there will be horizontal and vertical imbalances between the expenditure needs and the available resources of the decentralized layer of the governance, which may hinder the developmental functions at local level (Chakraborty, 2016).

The taxes a county may impose include property rates entertainment tax business licensing and any other tax that a county is authorized to impose by an act of Parliament. 18 Counties charge a fee for services rendered in accordance with certain laws. Some kinds OSR streams include fees, business licenses, parking fee, a license for

construction and invoicing, as well as a fee for advertising with billboards. All these sources of county government revenue in Kenya constitute the OSR. The county governments impose the rates and taxes through the Finance Act (Thuranira, 2017).

This is supported by Blackburn, Hart and Wainwright (2013) who argued that reducing tax costs and simplifying tax provisions may help reduce the tax burden on SMEs and improve efficiency and compliance with the tax laws. High taxation is attributed to low level of compliance and poor performance of women owned micro-enterprises. For instance, a study by Ntayi, Mutebi, Byangwa and Kamanyi (2014) in Uganda demonstrated that legal and regulatory framework is biased towards SMEs due to high regulatory burden of registering and running enterprises and the cost of registering a business is high. Similarly, Kedogo (2013) on his study concluded that business regulation, taxation and registration procedures affect the business performance including other mandatory requirement to operate the business. These studies exude a contextual gap as they were not based in Kenya and were not specific to women owned micro-enterprises.

The study by Demeke (2016) assessed the challenges and opportunities of women-owned micro and small enterprises in Asella town, Oromia National regional state, Ethiopia. He conducted a census on the area in collecting primary data through questionnaires from 107 women-owned micro and small enterprises. The study revealed that tax levied on the business has a negative relationship with the performance of women owned micro enterprises in Ethiopia. This is supported by Yissa (2013) who posit that tax levied on the business is a constraint for small and micro enterprises in Mekelle town in Ethiopia. These studies exude a contextual gap as they were not based in Kenya. The study also reveals a methodological gap as it used a census while this study will adopt stratified random sampling technique.

Tee, Boadi and Opoku (2016) aimed to explore the managers/executive officers' perception of the tax system in Ghana on the profitability of their businesses. The study was based on a survey of 102 managers/ Executive officers of the selected SMEs in the Ga West Municipality in the Greater Accra region of Ghana. The survey was administered using questionnaires and interview with the selected respondents. Data was analyzed by descriptive analysis method, correlation and regression analysis and findings were presented in terms of frequencies and percentage analysis. Findings indicate that majority of the respondents perceive the adverse impact of existing tax policies on the growth of SMEs and suggested for reforming the tax policies in the Country. The study findings are related to the scenario in other countries. The study exudes a scope gap as it was conducted in Ghana.

An empirical study by Nashikawa and Ogada (2019) on fresh fruits and vegetables sector in Taita Taveta County-which is among the country's major producers of fresh fruits and vegetables. The study established that proportionality, affordability and poor regulation of the levies in that order had strong negative effects on the performance of fresh fruits and vegetables trade in the County. The same is supported by Dickovick and Riedl (2010) which indicated that levies may have a substantial effect on the costs of the fresh fruits and vegetables business and, subsequently, the overall performance of the businesses. A conceptual gap is revealed as the study only focused on regulation while this study takes on a larger outlook of the factors that influence performance such as capacity building, access to credit and physical infrastructure. A contextual gap also exists as this study will only focus on women owned micro-enterprises.

A study by Sitharam and Hoque (2016) sought to establish the factors affecting performance of MSEs they concluded that some MSEs fail to comply with the rules and regulation due to the high cost and registration processes being time consuming.

Further, they noted some of the entrepreneurs don't understand the rule and regulation that they are to abide with thus it become difficult for their business to be compliance. According to Thuranira (2017), SMEs performance emphasized that the rules and regulation that are set up by the government has a great impact on the business performance. Further, the study noted that the legal and regulation framework set up result into a complex registration and licensing process and also the tedious and costly reporting practice may impose a great constrains on the performance of SMEs. Some of the regulation set up by the government are beyond entrepreneurs' capabilities and they end up paying penalty since they cannot afford to comply. A conceptual gap is revealed as the studies only focused on regulation while this study takes on a larger outlook of the factors that influence performance such as capacity building, access to credit and physical infrastructure. A contextual gap also exists as this study will only focus on women owned micro-enterprises.

Another study by Mwangi and Gachunga (2014) sought to establish the effect of devolution on small and medium enterprises performance in Kenya. The study adopted a descriptive survey research design. The target population of this study composed of representatives of the various industries including the matatu, dairy, supermarkets, jua kali and small manufacturing companies in Nairobi and its environs. The target population of this study was therefore 1015. The study used stratified random sampling method to select 10% of the respondents who formed a sampling frame of 102 respondents. Data was collected using questionnaires. Data was analysed using descriptive statistics done with the help of software program SPSS version 21 and presented using frequency tables.

In addition, multivariate regression model was applied to determine the relative importance of each of the two variables with respect to SME performance. The study

revealed that that fees and levies, affect the performance of Small and Medium Enterprises in Kenya to a moderate extent. The study concluded that fees and levies, cess and rates by the county government affect the performance of Small and Medium Enterprises in Kenya. The study also concluded that SME financing mechanism, fair trading practices, capacity development, mechanism for value addition and increase in supply, distribution and access to goods and services affect the performance of Small and Medium Enterprises affect the performance of SMEs in Kenya. The study differs from this in the sense that this study is specific to women owned micro-enterprises.

Empirical study by Fagbemi, Uadile and Noah (2010) has reported that non-compliance of tax is prevalent in developing countries and it hinders development thereby leading to economic stagnation and other social and economic problems. Bamifo, Asiedu-Appiah and Oppong-Boakye (2015) did a study on the disparity between revenue generation and expenditure in the United States and found that larger centralized removals are related with high rates of sentence for abuse of public office, which backs the philosophy that soft-budget constraints created by national government transfers are potentially problematic.

Balunywa, Nangoli, Mugerwa, Teko and Mayoka, (2014) carried out study on analysis of fiscal decentralization as a strategy for improving revenue performance in Ugandan Local Government. Balunywa et al., (2014) established that Local Governments should diversify their revenue streams to ensure increased compliance and therefore recommended that local Governments to diversify their sources as they tighten the laws on revenue collection to ensure increased compliance. According to Balunywa et al., (2014) fiscal decentralization helps identification of more sources of revenue. However, this study could not establish the effect of own revenue sources on performance of SMEs which is the focus of this study.

Another study by Fjeldstad and Heggstad (2011) on the relations between local bureaucrats, politicians and donors in local government revenue enhancement in Tanzania found out that fiscal administrations in many counties are found to be highly corrupt, partly due to the extreme degree of discretionary fiscal power held by local officials, and poor or non-existent monitoring from above. Furthermore, the research demonstrated that the associations of donors through engagements which provide development aid on the base of corresponding funds from the local government may encourage increased tax effort, but at the expense of accountability, responsibility and democratic development revenue streams that maximize revenue (Deloitte, 2016). The study reveals a conceptual gap as it did not relate decentralization to performance of women owned micro-enterprises.

To enhance the performance of SMEs County governments have adopted strategies that create an enabling business environment. One of the strategy entails granting SMEs special tax preferences and giving incentives (Atawodi & Ojeka, 2012). These incentives comprise of the lowering of corporate income tax rates, special tax exemptions or tax holidays and relieves for small businesses. The underlying reason for all these is to effectively raise revenue through measures that suit a country's circumstances and administrative capacity (Atawodi & Ojeka, 2012).

2.3.2 Access to County Government Procurement Opportunities and Performance of Women Owned Micro Enterprises in Kenya.

The objective of the access to government procurement opportunities (AGPO) Program was to facilitate the youth, women and persons with disability-owned enterprises to participate in government procurement. This was made possible through the implementation of the Presidential directive that 30% of government procurement opportunities be set aside specifically for these enterprises. This culminated to an

affirmative action aimed at empowering youth, women and persons with disability-owned enterprises by giving them more opportunities to do business with Government (GOK, 2005).

Regulations, 2011 of the Public Procurement and Disposal Act 2013 (Preference and Reservations), state that there shall be set aside 30% of all procurements by public entities when soliciting tenders from the following target groups: Disadvantaged Groups (Youth, Women, and Persons with Disability), Small Enterprises, Micro Enterprises, Citizen Contractors, local Contractors and Citizen Contractors in Joint-venture or Sub-contracting arrangements with foreign suppliers. This applies also to county governments in line with the constitution of Kenya 2010.

For the last one year, the government has been registering and pre-qualifying Youth, Women and Persons with Disability owned enterprises so that they can access government tenders and contracts. Government tenders amount to billions each year; it is a great opening for the Youth, Women and Persons with Disability. In 2013, His Excellency the President Uhuru Kenyatta, directed that the procurement rules be amended to allow 30 per cent of contracts to be given to the youth, women and persons with disability without competition from established firms (GOK, 2005).

Women are among the disadvantaged or special interest groups in many developing economies. According to Blome and Schoenherr (2011), the participation of Special Interest Groups in Public procurement is an important function of governments across the world. Nonetheless, the World Bank (2012) indicates that many countries are yet to develop procedural frameworks that ensure: public procurement procedures are transparent and promote fair and equal treatment; public resources are linked to public procurement and in accordance with intended purposes; procurement officials are

ethical and accountable and promote public scrutiny. Neha, Manjula, Srinivasulu and Subhas, (2012) posited that the role of progressive legislation in empowering women in accessing public procurement opportunity has proven successful around the world. However, poor implementation of policies has ensured that the vulnerable populations are more likely to be over-looked by government procurement, less likely to receive skills and training. As a result, disadvantaged groups particularly women are at greater risk of being unemployed and having no source of livelihood (Attaran, 2002).

This implies that exclusion of women from development ultimately causes economies to stagnate. According to the IFC (2016), the same challenges face public procurement policy in stimulating entrepreneurial activity by women-owned enterprises. Nevertheless, the application of gender equality objectives through public procurement remains underdeveloped and under-researched (Neha et al., 2012). Further, OECD (2014) posited that increasing the effectiveness, efficiency and transparency of procurement systems is an on-going concern of governments and the international development community. Moreover, special interest in procurement expenditure has a great impact on the economy and needs to be well managed (Rovai, Baker & Ponton, 2013).

Routledge and Bolton (2006) posited that the estimates of the financial activities of government procurement across the world by the youth or disadvantaged groups are believed to be in the order of 10% – 30 % of the Gross National Product (GNP). This explains why empowerment programmes organized at the national and international levels are increasingly targeting youth and women (Rovai et al., 2013).

According to Webb, Ireland and Ketchen (2014), women empowerment in public procurement is a matter of advancing women's rights especially through lack of

employable and entrepreneurial skills for them to be included in public procurement activities. As a result, disadvantaged groups or people are generally excluded from public procurement thereby hampering their overall economic independence (GOK, 2005). Therefore, the World Bank (2012) posited that many governments now practice gender mainstreaming when designing national budgets to make sure national economic planning pays adequate attention to the unique challenges of women's economic empowerment.

Neha et al., (2012) pointed out that the rapidly growing social entrepreneurs which tap practical and creative business approaches in solving pressing social and development problems have been equally instrumental around the world in creating opportunity for women, youth and the disadvantaged. Gender equality, according to the OECD (2011) is the opportunity sought to narrow gender gaps to support greater equality between women and men.

According to Salia (2017), women are the backbone of rural economies in Africa. Preferential treatment to the disadvantaged groups, among them the youth, women and persons with disabilities, is slowly taking shape in Africa through enactment of various procurement laws. In South Africa, preferential treatment is given to the blacks in an attempt to accommodate group differences, encompass the right to reparation for past inequalities and to uplift vulnerable groups in society.

Similarly, in Malawi, a reservation scheme is currently being applied to the ICT sector for procurement below BWP 300,000 (US$ 46,000), where the opportunity to bid is reserved for 100% citizen-owned companies (Kennekae, 2012). However, unequal procurement opportunities between women and men continue to hamper women's

abilities to lift themselves out of poverty and gain more options to 3 improve their lives (Fanuel, 2001).

Furthermore, regardless of inequalities that persist in the way paid and unpaid work is divided between women and men, women remain the sole caregivers despite limited access to resources (Ongori, 2009). Polo (2008) posited that the best thing about getting government contract is that you will get paid but it takes a while. In Kenya, the government still face an uphill task in ensuring youth, people living with disabilities and women groups to participate in public procurement as they may not have the financial wherewithal (Orodho, 2013).

Fortunately, there are a host of financial instruments being offered by various institutions, including local purchase order (LPO) financing and invoice discounting. There is also the Uwezo Fund and the youth and women enterprise fund, yet processing an invoice takes months. The level of compliance to procurement regulations can therefore determine whether a government meets its goals and objectives or not as well as affect many internal and external stakeholders (Eyaa & Oluka, 2011).

According to Amemba, Nyaboke, Osoro and Mburu (2013), public procurement in Kenya plays a major role in the utilization of government resources and achievement of the economic development agenda. In 2013, the Government of Kenya enforced procurement regulations which began the Access to Government Procurement Opportunities (AGPO) programme, under the National Treasury Public Procurement Directorate. Women and other marginalized groups were allowed to procure 30% of public goods and services in line with Article2 of the PPDR of 2013 and Article 27 of the Constitution of Kenya, 2010, on equality and freedom from discrimination. The sole purpose of the AGPO was to ensure that women and discriminated groups actively

participate in public procurement. The benefits of registering for the AGPO includes among others: the ability to participate in 30% of government tenders, to qualify for Local Purchase/Service Orders financing from the Youth/Women Enterprise Development Fund, exclusion from bid bonds, and invoice discounting with financial institutions.

According to the implementation of the PPDA 2015, for the three years the procurement law has been in operation, several weaknesses and complaints have been raised with regard to its efficiency and effectiveness. Long delays in procurement process, a lot of supply details that have to be evaluated before awarding tenders (KURA, 2012). There have also been many petitions surrounding procurement procedures. However, the Public Procurement Oversight Authority (PPOA) dismisses claims that government procurement procedures are too bureaucratic because the process only becomes long when the due process is not followed.

Gatare and Shale (2014) studied challenges affecting the implementation of access to the government procurement opportunities for youth, women and persons with disabilities in Kenya. A case of Nairobi County, the study found out that the legal framework has a duty to facilitate in the implementation of access to government procurement opportunities for youth, women & persons with disabilities in Kenya. The study also concluded that good training for practitioners in procurement would raise the skills of the procurement staff and to familiarize suppliers with the requirement of the reformed system. They also established that the Kenyan government is very critical in funding Youth, women and persons with disabilities. According to Wee (2002) ethics are the moral principles or values that guide officials in all aspects of their work. Ethical behavior encompasses the concepts of honesty, integrity, probity, diligence, fairness,

trust, respect and consistency. Ethical behavior includes avoiding conflicts of interest, and not making improper use of an individual's position.

Raymond (2008) acknowledges that lack of high degree of professionalism in public procurement leads to corruption which ultimately impedes compliance. Procurement staff of county governments must be trained and made aware of all the regulations in relation to procurement and related procedures (Hui, Othman, Norman, Rahman & Haron, 2011). The ethical code is not only the deterrent of incorrect behavior but also an enabler for all members of the organization to safeguard the ethical legacy of the firms (Rossi, 2010). According to public procurement regulations 2011, procuring entities are allowed to unbundle goods, works and services in practicable quantities pursuant to Section 31(7) of the PPDA, 2005 for the purpose of ensuring maximum participation of disadvantaged groups, small and microenterprises in public procurement (ROK, 2013).

ROK (2013) posited that in Kenya special groups constitute over 85% of the entire population and yet contribute to less than 10% of public procurement. In a strategic plan of Ministry of Finance (2013), government spends approximately 70% of budget on procurement. In addition, procurement has a major role to play in the execution of budget at all levels of government. The main aim of public procurement is to achieve maximum value for money while ensuring fair competition and meeting the needs of the public.

2.3.3 County Physical Infrastructure Development and Performance of Women Owned Micro Enterprises in Kenya

Lack of proper infrastructure in developing countries has affected the abilities of SMEs to fairly compete in the global market. Infrastructure is the totality of fundamental

physical facilities upon which all other ranging from economic, social and political activities significantly depend on. Infrastructure are those services without which primary, secondary, and tertiary production cannot work and function and that will lead to negative SMEs performance.

According to Scherrer et al., (2011), infrastructure is all about the necessity of public establishments and buildings needed for social productions processes but unprofitable for private capital. This could be due to the fact that infrastructure provision and financing exhibit the characteristics of public goods of non-excludability in supply and non-rivalry in consumption. On the other hand, Mudida (2014) argues that free rider problem arises when public goods are provided by private sector. Thus, these issues suggest that the government has a role to play in efficiently supplying and maintaining infrastructure, especially when it spans across geographic borders. Hirschman (1958) also defined infrastructure as basic services without which primary, secondary and tertiary productive activities cannot function.

The impact of public infrastructure on economic growth has been a subject of discussion in literature since the contribution of Aschauer (1989) seminar work and the theoretical model of Barro (1990). Aschauer who found that core infrastructure had significant explanatory role in US productivity, argued that decrease in public investment may have been crucial in explaining the US economy's relatively poor economic performance between 1970s and 1980s. Theoretically, Barro's model introduced government expenditure as a public good in the production function with the effect of increasing the rate of return to private capital which in turn would stimulate economic growth. However, the source of financing such expenditures has been regarded as growth retarding due to disincentive effects associated with taxation (Musgrave, 1959).

The benefits derived from infrastructure investment may be offset by the negative impact of additional distortionary taxes to finance them. In a study carried out by Srinivasu and Rao (2013) opined that infrastructure in general, is a set of facilities through which products and services are produced to the citizens and the infrastructure installation does not produce goods and services directly but provides inputs for all other economic, social and political activities.

Nkechi, Emeh Ikechukwu and Okechukwu (2012) opined that it is a universal belief that infrastructural facilities aid the development of the mind, body and assist productivity in any environment and at the same time increase SMEs performance effectively and efficiently. Infrastructure includes structures such as roads, railways, port facilities, power facilities and telecommunications networks, educational institutions, hospitals, justice facilities and community facilities. The study exudes a contextual gap as it was not specific to performance of women owned micro-enterprises.

In Czech Republic, Palei (2015) researched on the effect of infrastructure on the growth of the economy and businesses. The results indicated that infrastructural development in terms of electricity supply, air transport, railroad transport, quality of roads had an influence that was significant on the growth of businesses. In Ghana, Forkuoh and Li (2015) carried out a study on the influence of electricity power on SMEs growth. The results indicated that in the last five years the supply of electricity in Ghana had been fluctuating. The results also indicated that electricity supply fluctuation and power outages had a negative significant influence on small businesses growth. Power outages led to an increase in the cost of business operation as business owners had to purchase other sources of power. These studies exude a contextual gap as they were not based in Kenya and were not specific to performance of women owned micro-enterprises.

In Nigeria, Obokoh and Goldman (2016) examined on the effect of infrastructure deficiency on the performance of small and micro enterprises. The study employed a longitudinal research design where a survey was conducted amongst 500 SME's in Nigeria. To complement this, semi-structured interviews were conducted in 2007 and 2011 respectively. The results indicated that infrastructure deficiency (road projects, water projects, electricity) had a negative influence on the growth of small and micro enterprises. This was due to the high cost the SMEs were incurring in infrastructure self-provision and in finished goods distribution. In addition, although electricity production had been fully privatized there was no considerable improvement in the supply of electricity. This study exudes a contextual gap as they were not based in Kenya and were not specific to performance of women owned micro-enterprises. A methodological gap is also evident as the study used a longitudinal research design while this study used a descriptive and causal (explanatory) research design.

Abdullahi, Abubakar, Aliyu and Umar (2015) also researched on the effect of infrastructure on SMEs performance in Nigeria using Kano State as a case study. A descriptive research design was adopted. Sample size of 310 SMEs was drawn through simple random sampling out of the population of 1530 registered SMEs in Kano State, Nigeria. The results indicated that infrastructure had a significant positive influence on the performance of small and micro enterprises. The available infrastructural facilities like electricity, road, water supply, telecommunication and sewerage system were poor and hence need improvement. In addition, Oyeku, Oduyoye, Asikhia, Kabuoh and Elemo (2014) conducted an empirical study on the influence of infrastructure support on small business growth. Using a survey research design, the study found that the infrastructural support provision has an influence on the growth of small businesses in

Ogun State. These studies exude a contextual gap as they were not based in Kenya and were not specific to performance of women owned micro-enterprises.

According to an investigative journal by Gaal and Afrah (2017), infrastructure is a key element of poverty alleviation. The purpose of this study was to investigate lack of infrastructure and its impact on economic development as a case of Benadir region and Hirshabelle in Somalia. A survey research method was adopted. The data were collected through questionnaires filled by the respondents equally. The results of the questionnaire were analyzed by using SPSS version 16.0. The results showed that lack of infrastructure brings poor standards of living, economic deficit and increases poverty. This study exudes a contextual gap as they were not based in Kenya and were not specific to performance of women owned micro-enterprises.

Khanani, Adugbila, Martinez and Pfeffer (2020) investigated how the implementation of road infrastructure projects is transforming the socio-spatial landscapes and economic development, and how they affect social groups within the peri-urban areas of Kisumu (Kenya) and Accra (Ghana) cities, focusing on effects at the community level. The research employed a case study approach, using qualitative, quantitative and spatial methods to examine these socio-spatial and economic development dynamics. The findings show that, on the one hand, road infrastructure projects scaled up residential development, both in Kisumu and Accra, as the roads contributed to housing rents and land prices to increase and rendered peri-urban communities along them as attractive zones for real estate developers. Furthermore, accessibility to facilities and services improved. Also, in both cities, the road improvements fuelled employment opportunities. Conversely, in both cities, the road infrastructure projects led to gentrification and therefore to the displacement of poor residents into the hinterlands, which changed the social fibre and integration to a certain degree. The study results

illustrate that better roads improve business performance in terms of creating business opportunities which in turn lead to more employment opportunities and improved livelihoods.

In order to answer the research question in this study, the following study objectives were examined; Gaal and Afrah (2017), examined on the effect of infrastructure on small and micro enterprises' growth (wood enterprises). Descriptive research design was employed in the study and the study was done in Uasin Gishu, Nakuru and Kericho counties. The results indicated that the infrastructure (communication, roads, energy and water) of the SMEs in the wood industries were accessing was poor, which led to the poor growth of wood enterprises.

Using a descriptive survey research design, Ouma (2013) carried out a research on the influence of electrification on SMEs growth in Mbita town. The results revealed a strong relationship between rural electrification and value addition in small towns in the rural areas. Amemba et al., (2013) conducted a study on transportation and performance of small and micro enterprises using a descriptive survey design. The results indicated that transportation factors such as enforcement of roads and access act, insecurity related to transport and cost of transport influence on the performance of small and micro enterprises. These studies exude a contextual gap as they were not specific to performance of women owned micro-enterprises.

Kyunga (2017) sought to answer the research question: does infrastructural development influence the growth of small and micro enterprises (SMEs) along Thika road, in Kenya. The target population of this study was 597 small and micro enterprises, located along Thika Superhighway. Simple random sampling was used to select 179 respondents from the target population. The study used primary data, which was collected by use of a structured questionnaire. The results indicated that

infrastructural developments (roads, water and sewerage, telecommunication) were affecting the growth of SMEs along Thika superhighway. However, electricity had no significant influence on the growth of SMEs. This study exudes a contextual gap as they were not specific to performance of women owned micro-enterprises. A methodological gap also exists as simple random sampling was used to sample the respondents while this study used stratified random sampling.

Amemba et al., (2013) found that infrastructure investments have positive and significant relationship with economic growth. However, Amemba et al., analyzed only the economic infrastructure without modeling the social infrastructure and used a small study period, which he admits posed serious drawbacks in drawing clear-cut conclusion from the results. In view of the above, limited research explores infrastructure investment in Kenya and in addition, the existing literature is not in consensus on infrastructure - growth relationship it is against this background that this study sought to determine the effect of government infrastructure in county governments on performance of women owned micro enterprises in Kenya from 2014/2015 to 2019/2020.

Due to inadequate supply of infrastructure in the country, the infrastructure inefficiencies that have resulted according to Thuranira (2017) include; congested roads, erratic power supply, long waiting lists for installation of telephone and power lines, shortages of clean and safe drinking water, overloaded disposal system and pollution, among others like declining life expectancy rates, high infant mortalities, overstretched facilities in schools and universities. As a result, the ERSWEC identified poor infrastructure as a major constraint to doing business in Kenya and it took infrastructure as an important prerequisite in creating and supporting a business environment capable of facilitating investment, growth and job creation (ROK, 2013).

Further, the Sessional Paper Number 10 of 2012 on Kenya Vision 2030 gives priority also to investment in infrastructure as the country aspires to provide cost effective and world class infrastructure facilities and services.

2.3.4 County Government Capacity Building and Performance of Women Owned Micro Enterprises in Kenya

Capacity building is aimed at building and enhancing the knowledge of women entrepreneurs to assist them to solve complex issues in the environment of their operation. Most women enterprises are still at micro level, which is attributed to limited skills among owners to think outside the box and make informed decisions. Most women owned enterprises require sufficient training and skills for managers and other inputs for better financial performance (Baltov, 2016).

Capacity alludes to the capacity of people and organizations to make precise and concise decisions with effective implementation in a powerful, proficient, and maintainable way. Capacity building, in this way, is a strategic advance acknowledged to upgrade women's capability, indicating critical improvements in exhibitions, the advancement of advantages, and additional consolation among women entrepreneurs (Fullan, 2001). Capacity-building activities include fortifying women entrepreneurs in the areas of management, financing, culture re-orientation, risk-taking, and networking through the acquisition of managerial skills, knowledge, and disposition for improving the capacities to accomplish both short and long-term goals (Idawati & Gufran, 2016).

The Organization for Economic Co-operation and Development (OECD) working group on SMEs has identified managerial weakness as a key factor in the failure of small businesses and is more prominent in developing countries and also smaller firms (Bierut & Kuziemska 2017). Managerial incompetence was more prevalent in SMEs as compared to the larger companies because SMEs (entrepreneurs) do not have the

managerial capabilities and are also not prepared to hand over the management of the business to the professional managers for some reasons such as lack of trust, risk among others (Cavusgil, Ghauri, & Ackcal 2013).

Aladejebi (2018) uses human capital development, gender equality, networking, and leadership as components of capacity building. This current study, therefore, measures capacity building by financial inclusion strategy, social inclusion strategy, entrepreneurial orientation strategy, and networking skills strategy. Thus, these components empower women entrepreneurs towards sustainable, inclusive, and equitable economic growth. The Success of any economy largely depends on the success of businesses within it. MSMEs are such businesses which form the backbone of most economies. This has globally been demonstrated through the contributions that MSMEs contribute to the gross domestic product (GDP) of many economies. In economies such as China and Japan, small and medium enterprises (SME) contribute 60%, in the USA they generate 65% and in UAE they contribute 52% to the respective GDPs. (Ndungu, 2017).

Mishra (2015) reviewed literature on capacity building and its impact on women entrepreneurs. The sample is compiled following extensive electronic searches of the popular academic databases and research journals. A sample of 48 scholarly publications constituted the main data for analytical purpose. The study established that several components of capacity building which helps women entrepreneurs to establish and run entrepreneurs successfully. These include build up self-confidence; providing guidance to women entrepreneurs on how to start and manage an enterprise; enlightening women entrepreneurs' on how to explore and seize business opportunities and capacity to effectively participate in the economy; equipping them with skills on what they can do to expand their access to credit; enlightening them of how to leverage

on business opportunities through networking; empowering them to enlarge their scope of engagement such that they can engage in local, national and international markets; helps women improve their marketing activities in order to strengthen the export competitiveness of products and services of their small and micro enterprises. The study exudes a methodological gap, as the study was qualitative in nature while this study was quantitative in nature.

Aladejebi (2018) examined the impact of the human capacity building on Small and medium enterprises in Lagos, Nigeria. The study design was quantitative. Data was gathered from 139 respondents selected from entrepreneur's small and medium enterprises in Lagos. SPSS was used to analyse the data gathered. Findings from the study reveal that regulatory constraints, accessibility to credit and low marketing skills are the top three barriers to the SMEs owner's business. The study results also showed that SME owners adopt various training approaches like formal and informal training, on-the-job training and job-specific training. The conclusion of the study includes the need for the government to organize more training for SMEs at affordable prices; establishment of skills acquisition centres. This study exudes a contextual gap as they were not based in Kenya and were not specific to performance of women owned micro-enterprises.

Ndungu (2017) identified effective entrepreneurship as the most important factor in enterprises growth. The study assessed the factors that affect enterprises growth in Zimmerman ward in Nairobi County. It was noted that good entrepreneurial practices combined with information Technology (IT) could create synergistic effects that lead to sustainable growth. His findings differ slightly with previous researches who considered entrepreneurship as a mere moderating variable and not an explanatory

variable (Cassia & Minola, 2012). This study exudes a contextual gap, as it was not specific to performance of women owned micro-enterprises.

Muthoni (2013) sought to establish the influence of capacity building strategies on financial performance and growth of women owned SMES in Gikomba market in Nairobi County, Kenya. The study employed descriptive survey research design. The researcher employed proportionate, simple random sampling techniques in identifying 357 respondents to be included in the sample. The study concluded that majority of the women owned SMEs in Gikomba Market were run on trial-and-error basis as majority of the owners had never received training and development on entrepreneurship. A similar study by Gatare and Shale (2013) to establish the influence of capacity building strategies on financial performance and growth of women owned SMES in Gikomba market in Nairobi County, Kenya established a positive influence of capacity building on performance of on financial performance and growth of women owned SMES. This study exudes a contextual gap as it only focused on women entrepreneurs in Gikomba market whose business environment differs from what women entrepreneurs that this study will target are exposed to. The target respondents in this study are based in different locales that are not necessarily a town set up as it the case of Gikomba market. Hassan and Mugambi (2013) investigated the key determinants of growth such as access to financial resources, entrepreneurial education and training and social networks. The study found out that government and non-state actors provide some financial support and training to women groups but individual women entrepreneurs struggle on their own. The government through Constituency Women Enterprise Fund disburses interest free loans whose impact is positive and laudable. The study concludes that financial resources, entrepreneurial skills and networking are important ingredients in growth and expansion of women micro enterprises in Garissa. Equally important are

gender balanced participation in business and inclusiveness and responsive policies by financial institutions. The study revealed a conceptual gap as business growth is not an exclusive measure of performance.

Siekei, Wagoki and Kalio (2013) assessed the effects of the financial literacy education on performance of small and micro enterprises in Njoro District where the program was implemented since 2011. The target population for the study was 467 beneficiaries of equity group foundation project in Njoro District. A sample size of 82 was selected random sampling technique. Primary data was obtained using questionnaires administered to the selected program beneficiaries. The study found out that: the program emphasized on budgeting, financial analysis, credit management and book keeping skills; indeed, there was a significant improvement in revenue performance of small enterprises whose managers had attended the financial literacy programme. This study exudes a contextual gap as it fused on SMEs in Njoro district and were not specific to performance of women owned micro-enterprises.

Maina and Mwiti (2016) aimed at assessing the drivers of growth of women-owned micro enterprises in Meru Municipality, Kenya. The study employed descriptive research design. Self-administered questionnaires were used to collect data from the respondents. Descriptive statistics was used to analyze the data which was presented in the form of frequency tables, pie charts, bar graphs and percentages. The study concluded that, there is need for women entrepreneurs to participate in entrepreneurship trainings and beneficial associations. The study reveals a conceptual agp as it focused on business growth which is not an exclusive measure of performance.

Njoroge and Gathungu (2013) conducted a study on the effect of entrepreneurial education and training on development of small and medium size enterprises in Githunguri District- Kenya. The study used an exploratory research design. The target

population was all the 1670 legally registered SMEs in Githunguri district. The study used simple random sampling in which 167 SMEs were sampled. Data was collected using structured questionnaire. The study established that after the training entrepreneurs were able to market their products within the district but not around the country. The results of the study revealed that the entrepreneurs were able to do simple daily book keeping of business transactions.

2.3.5 Performance of Women Owned Micro Enterprises in Kenya

Neha et al., (2012) posited that the role of progressive legislation in empowering women in accessing public procurement opportunity has proven successful around the world. However, poor implementation of policies has ensured that the vulnerable populations are more likely to be overlooked by government procurement, less likely to receive skills and training. As a result, disadvantaged groups particularly women are at greater risk of being unemployed and having no source of livelihood.

This implies that exclusion of women from development ultimately causes economies to stagnate. According to the International Trade Centre (ITC). (2014), the same challenges face public procurement policy in stimulating entrepreneurial activity by women-owned enterprises. Nevertheless, the application of gender equality objectives through public procurement remains underdeveloped and under-researched (Callerstig, 2014). Further, OECD (2011) posited that increasing the effectiveness, efficiency and transparency of procurement systems is an on-going concern of governments and the international development community. Moreover, special interest in procurement expenditure has a great impact on the economy and needs to be well managed (Rovai et al., 2011).

Despite the recognition of MSMEs in the economic development, 70 percent of women owned MSMEs in developing nations are always underperforming due to low access to funding, poor access to county government procurement opportunities, and lack of capacity building. Women owned businesses yield on average lower sales and are mainly huddled in flooded and low-profit segments as well as markets, (IFC, 2016). The influence and contribution of MSME‟s to the Kenyan economy and development remains invaluable (Ngugi & Mugo, 2012). MSMEs are not only providers of goods and services; they cultivate innovation and competition, generate employment opportunities, improve livelihoods and ultimately alleviate poverty. Kenya's economic blueprint towards industrialization and quality life for all citizens, the Vision 2030, depicts MSMEs as key development drivers (Kenya National Bureau of Statistics, KNBS, 2016).

Routledge and Bolton (2006) posited that the estimates of the financial activities of government procurement across the world by the youth or disadvantaged groups are believed to be in the order of 10% – 30 % of the Gross National Product (GNP). This explains why empowerment programmes organized at the national and international levels are increasingly targeting youth and women (Salia, 2017). Women empowerment in public procurement is a matter of advancing women's rights especially through lack of employable and entrepreneurial skills for them to be included in public procurement activities. As a result, disadvantaged groups or people are generally excluded from public procurement thereby hampering their overall economic independence (GOK, 2005). Therefore, the WEF (2015) posited that many governments now practice gender mainstreaming when designing national budgets to make sure national economic planning pays adequate attention to the unique challenges of women's economic empowerment.

According to Salia (2017), women are the backbone of rural economies in Africa. Preferential treatment to the disadvantaged groups, among them the youth, women and persons with disabilities, is slowly taking shape in Africa through enactment of various procurement laws. In South Africa, preferential treatment is given to the blacks in an attempt to accommodate group differences, encompass the right to reparation for past inequalities and to uplift vulnerable groups in society. Similarly, in Malawi, a reservation scheme is currently being applied to the ICT sector for procurement below BWP 300,000 (US$ 46,000), where the opportunity to bid is reserved for 100% citizen-owned companies. However, unequal procurement opportunities between women and men continue to hamper women's abilities to lift themselves out of poverty and gain more options to 3 improve their lives (Kennekae, 2012).

Furthermore, regardless of inequalities that persist in the way paid and unpaid work is divided between women and men, women remain the sole caregivers despite limited access to resources (Ongori, 2009). Polo (2008) posited that the best thing about getting government contract is that you will be paid but it takes a while. In Kenya, the government still face an uphill task in ensuring youth, people living with disabilities and women groups to participate in public procurement as they may not have the financial wherewithal (Orodho, 2013). According to Amemba et al., (2013), public procurement in Kenya plays a major role in the utilization of government resources and achievement of the economic development agenda.

In 2013, the Government of Kenya enforced procurement regulations which began the Access to Government Procurement Opportunities (AGPO) programme, under the National Treasury Public Procurement Directorate. Women and other marginalized groups were allowed to procure 30% of public goods and services in line with Article2 of the PPDR of 2013 and Article 27 of the Constitution of Kenya, 2010, on equality

and freedom from discrimination. The sole purpose of the AGPO was to ensure that women and discriminated groups actively participate in public procurement. The benefits of registering for the AGPO includes among others: the ability to participate in 30% of government tenders, to qualify for Local Purchase/Service Orders financing from the Youth/Women Enterprise Development Fund, exclusion from bid bonds, and invoice discounting with financial institutions.

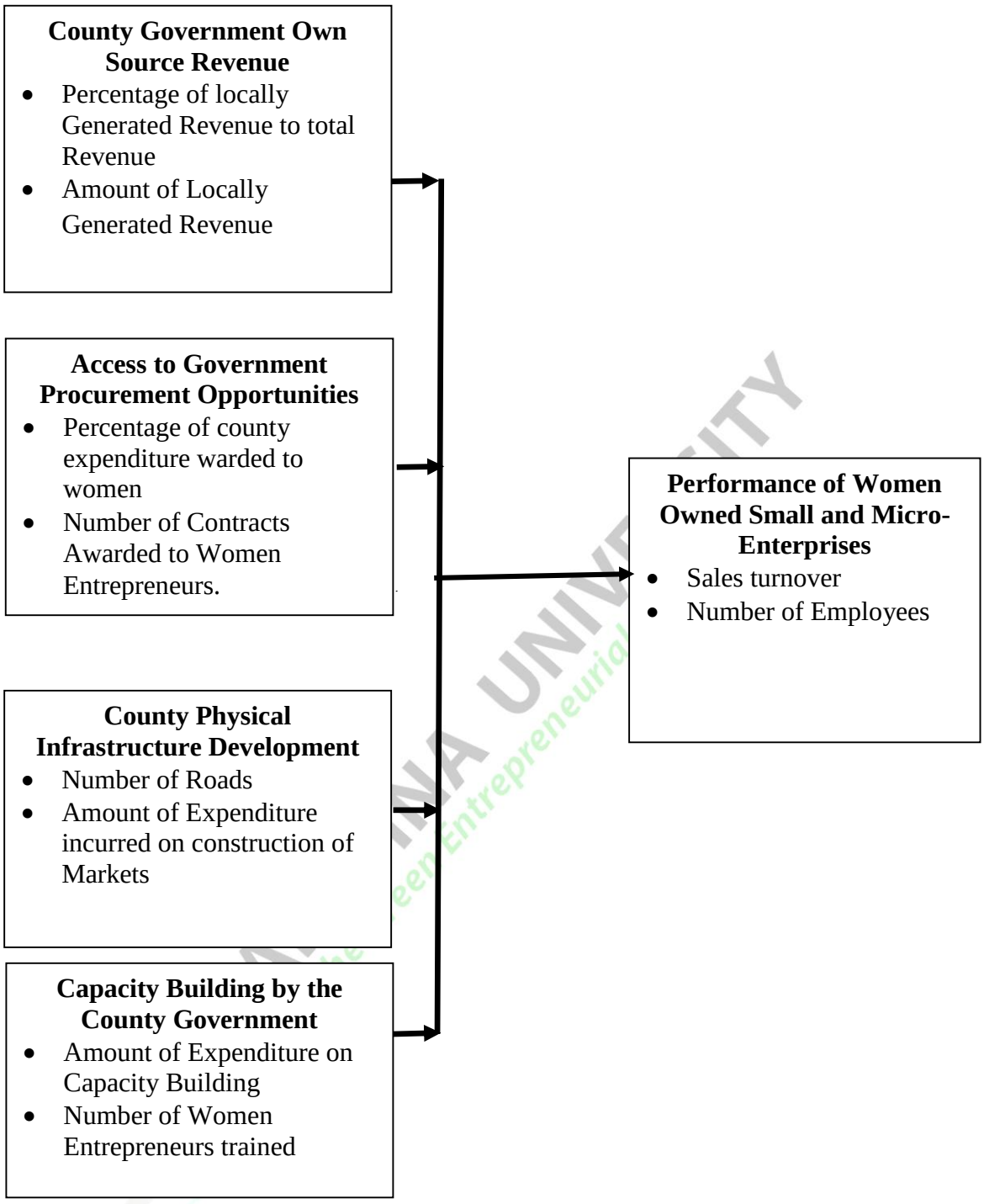
According to the implementation of the PPDA 2015, for the three years the procurement law has been in operation, several weaknesses and complaints have been raised with regard to its efficiency and effectiveness. Long delays in procurement 4 process, a lot of supply details that have to be evaluated before awarding tenders (KURA, 2012). There have also been many petitions surrounding procurement procedures. However, the Public Procurement Oversight Authority (PPOA) dismisses claims that government procurement procedures are too bureaucratic because the process only becomes long when the due process is not followed.

2.4 Conceptual Framework

Conceptual framework is a diagrammatic representation of the relationship between variables and helps the researcher to create awareness and understanding of the area being researched on and advice on the same. Several interrelationships between variables of the study are expressed (Gall, Gall & Borg, 2007). The study's independent variable is fiscal asymmetric decentralization while the dependent variable is performance of women owned microenterprises. The independent variable encompasses four aspects of fiscal asymmetric decentralization namely fiscal autonomy, access to credit, development expenditure and capacity building. Demographic characteristics were the moderating variable.

The study was guided by various variables as shown in figure 2.1. A variable is defined as anything that can take on different values or quantitative expression of a construct usually measured in terms of scores on an instrument and classified in to dependent and independent categories (Cooper & Schindler, 2012; Gall et al., 2007). The independent variable is one that is controlled or manipulated by the researcher and its effects examined (Cooper & Schindler, 2012). The five independent variables for this study are business experience, entrepreneurial training, entrepreneurial credit, entrepreneurial orientation and government policy and regulations. The dependent variable is measured by the effect of the independent variable. In this study, the dependent variable is performance of women owned Micro and Small Enterprises (in sales turnover and number of employees). The performance of women Micro and Small Enterprises is a combined measure of the effect of the independent variables of own source revenue, institutional policy framework, county physical infrastructure, and county government capacity building.

This study made a number of assumptions in the process of developing the conceptual framework. It was assumed that there was a direct relationship between the independent and dependent variables of the study. The study also assumed that there was no intervening or moderating variables and even if they were available, their influence negligible and could not affect the final outcome. Therefore, the study considered only the direct relationship between dependent and independent variables. The four independent variables were each individually measured using five likert scale questions/statements of between 1 and 5 possible choices. An optimal four variable multiple regression model for this study is as shown in figure 2.1.



Independent Variables **Dependent Variable**

Figure 2.1: Conceptual Framework
Source: Researcher (2021)

2.4.1 Influence of Fiscal Asymmetric Decentralization on Performance of Women Owned Micro Enterprises in Kenya

Performance is a concept that is used to measure how well a mechanism or process fulfils the purpose for which it was established. A growing amount of research shows that countries that fail to address gender barriers are losing out on significant economic growth (Amanda, 2014). The national government in coordination with county governments in Kenya have been mainstreaming gender issues in all its operation including developing capacity of women entrepreneurs, facilitating access to credit for start-up capital while refinancing existing business ventures by offering guarantee in financial institutions like LPO financing and bid boards for procurement purposes and setting up affirmative funds.

Women in return, contribute to county own source revenue through payment of taxes, fees and other levies into the county revenue fund, which in turn is used for county development and operational expenses beside the transfers from the national government. However, there was no sufficient empirical data that show how funds transferred to the county government have assisted the performance of women owned micro enterprises in Kenya. This study aimed at evaluating the influence of fiscal asymmetric decentralization on performance of women owned micro enterprises in Kenya. Performance of women owned micro enterprises in this study was indicated by Changes in turnover, change in productivity, change in sales profit, change in total assets and change in total sales.

2.4.2 Influence of County Government Own Source Revenue on Performance of Women Owned Micro Enterprises in Kenya

The core component of decentralization is fiscal decentralization by which the government transfers revenues or allows the subordinate government levels to raise

their own funds. Fiscal autonomy is therefore the prerequisite for effective functioning of decentralization. Without this, there would be horizontal and vertical imbalances between the expenditure needs and the available resources of the decentralized layer of the governance, which may hinder the developmental functions at local level (Chakraborty, 2016).

The Constitution of Kenya (2010) under Article 209 depicts Own Source Revenues (OSR) as revenues generated by one level of government in this case the County Governments revenues generated through property taxes, entertainment taxes, fees and charges from the services they provide. The harsh tax policies and the complex taxation systems also discourage the SME growth among both male and female entrepreneurs. Even though the tax regimes in Kenya differ in that larger corporations pay higher rates, the impact of growing taxes have a greater negative effect on the SMEs. A study by Blackburn et al., (2013) on the effect of tax on performance of women owned SME found a positive influence on tax on performance of women owned micro enterprises.

2.4.3 Influence of County Government Procurement Opportunities on Performance of Women Owned Micro Enterprises in Kenya

Kenya has made it a legal requirement for women, youth and persons with disabilities to access 30% of Government Procurement opportunities. This is being implemented within the context of the Access to Government Procurement Opportunities, otherwise referred to as (AGPO) program which was officially launched by H.E President Uhuru Kenyatta on 16th October, 2013 in Nairobi County.

The program is creation of the Constitution of Kenya, 2010, Article 227 on the fair, equitable, transparent and cost-effective public procurement of goods and services,

Article 55 on affirmative action and, the Public Procurement and Asset Disposal Act, 2015.The aim of the program is to facilitate the enterprises owned by women, youth and persons with disabilities to be able to participate in Government opportunities. This is made possible through the implementation of the legal requirement that 30% of Government procurement opportunities be set aside specifically for enterprises owned by these groups. As a result, the program is aimed at empowering them by giving them more opportunities to do business with Government.

This constitutional framework and the new Micro and Small Enterprise Act 2012 provide a window of opportunity through which the evolution of SMEs can be realized through the devolution framework. However, the impact of devolution of SMEs development depends on the architecture of the regulatory and institutional framework inclined to support SMEs in an economy. A study by Scott (2009) observes that governments that are concerned with the promotion of small enterprises should examine the impact of its policies and programmes on the small businesses.

In Kenya, the official policy framework of SMEs is contained in the Sessional Paper No 2 of 2005: Development of Small and medium enterprises for Wealth and Employment Creation for Poverty Reduction ("Sessional Paper No. 2 of 2005"). This policy paper was intended to form the basis for enacting the SME Act to institutionalize SME Policy in Kenya. The new SME Act would give direction to among others, key issues such as the legal and regulatory environment, markets and marketing, business linkages, the tax regime, skills and technology and financial services. Indeed, the Small and medium enterprises Bill 2011 enacted into law in the year 2012 was developed upon this Policy framework (ROK, 2013).

2.4.4 Influence of County Government Physical Infrastructure Development on Performance of Women Owned Micro Enterprises in Kenya

Lack of proper infrastructure in developing countries has affected the abilities of SMEs to fairly compete in the global market. Infrastructure is the totality of fundamental physical facilities upon which all other ranging from economic, social and political activities significantly depend on. Nkechi et al., (2012) opined that it is a universal belief that infrastructural facilities aid the development of the mind, body and assist productivity in any environment and at the same time increase SMEs performance effectively and efficiently. Infrastructure includes structures such as roads, railways, port facilities, power facilities and telecommunications networks, educational institutions, hospitals, justice facilities and community facilities.

According to the Council of governors (COG) the Improvement and upgrading of rural road networks in county governments has helped the opening of markets by linking producers to buyers and increase in self-employment. This study aimed at establishing the influence of access to physical Infrastructure on the performance of women owned microfinance in Kenya as indicated by expenditure on roads, electricity, Water and sewerage and telecommunication. A study by Abdullahi et al., (2015) on the effect of infrastructure development in Nigeria found that infrastructure development has a positive and significant effect on the performance of SMEs in Nigeria

2.4.5 Influence of County Government Capacity Building on Performance of Women Owned Micro Enterprises in Kenya

The Organization for Economic Co-operation and Development (OECD) working group on SMEs has identified managerial weakness as a key factor in the failure of small businesses and is more prominent in developing countries and also smaller firms

(Bierut & Kuziemska 2017), Managerial incompetence are more prevalent in SMEs as compared to the larger companies because SMEs (entrepreneurs) do not have the managerial capabilities and are also not prepared to hand over the management of the business to the professional managers for some reasons such as lack of trust, risk among others (Cavusgil et al., 2013). The national government has managed to follow through training of business owners through allocation of funds for training at the county government level. Business owners, including women micro-enterprises owners, receive training which acquaints them with the much-needed skills for business success. Capacity building in county government in this study was indicated by the levels of the entrepreneurial skills given to women, amount of sales, marketing skills, and levels of networking skills and financial management skills acquired.

2.5 Research Gaps

This study reviewed a nexus of studies on the area of study which revealed various gaps that the current study aimed at bridging. For instance, most of the studies revealed contextual gaps as they focused on the general performance of SMEs with only a few being specific to women owned enterprises. Additionally, some of the studies were based outside Kenya where there exist different parameters that influence SMEs performance. Further, conceptual gaps were evident as the studies were focusing on the general factors that influence performance of SMEs without considering the role of the government.

This study specifically focused on the factors that influence performance of women owned micro-enterprises in relation to fiscal asymmetric decentralization in Kenya. What role does the county government play? and is their impact on the same across various counties. The study selected counties that have varies attributes in form of

performance ranking, geographical location and agglomeration of resources. The gaps are as summarized on the Table 2.2 below.

Table 2.2: Summary of Research Gaps

Author(s)	Study focus	Key findings	Knowledge gaps identified
Demeke (2016)	Challenges and opportunities of women-owned micro and small enterprises in Asella town, Oromia National regional state, Ethiopia.	Tax levied on the business has a negative relationship with the performance of women owned micro enterprises in Ethiopia.	The study exudes a contextual gap as they were not based in Kenya. The study also reveals a methodological gap as it used a census while this study will adopt stratified random sampling technique.
Yoshino and Taghizadeh (2016)	Major challenges facing small and medium-sized enterprises in Asia and solutions for mitigating them	Many SMEs do not realize their potential due to factors related to their small scale and lack of resources (finance, technology, skilled labor, market access, and market information) among other factors.	The study exudes a contextual gap as they were not based in Kenya.
Eriksson (2017)	Influence of government financing of Swedish SMEs.	Swedish government offers different types of support to SMEs with Swedish origin. The support includes business consulting to financing; an overall mix which is consistent with what research say is optimal. The support is however not attached, meaning an enterprise has to apply for every single one they want.	The study exudes a contextual gap as they were not based in Kenya. The study did assume a very high literate level which may hinder its generality, the reason why research is conducted. This is because the government support requires one to apply and only those who apply are given support.
Palei (2015)	effect of infrastructure on the growth of the	Infrastructural development in terms of electricity	The study exudes a contextual gap as they were not based in Kenya

Author(s)	Study focus	Key findings	Knowledge gaps identified
	economy and businesses in Czech Republic.	supply, air transport, railroad transport, quality of roads had an influence that was significant on the growth of businesses.	and were not specific to performance of women owned micro-enterprises.
Obokoh and Goldman (2016)	Effect of infrastructure deficiency on the performance of small and micro enterprises in Nigeria using a longitudinal research design.	Infrastructure deficiency (road projects, water projects, electricity) had a negative influence on the growth of small and micro enterprises.	This study exudes a contextual gap as they were not based in Kenya and were not specific to performance of women owned micro-enterprises. A methodological gap is also evident as the study used a longitudinal research design while this study will use a descriptive and causal (explanatory) research design.
Mishra (2015)	Capacity building and its impact on women entrepreneurs using a desktop literature review.	The study established that capacity building helps women entrepreneurs to establish and run entrepreneurs successfully.	The study exudes a methodological gap as the study was qualitative in nature while this study will be quantitative in nature.
Aladejebi (2018)	Impact of the human capacity building on Small and medium enterprises in Lagos, Nigeria.	The study results showed that SME owners adopt various training approaches like formal and informal training, on-the-job training and job-specific training influenced performance positively.	This study exudes a contextual gap as they were not based in Kenya and were not specific to performance of women owned micro-enterprises.

Source: Researcher (2021)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the methods applied in carrying out the study and included the following sub-topics, research philosophy, research design, study area, target population, sample design, data collection, pilot study, data collection procedure and data analysis and presentation.

3.2 Research Philosophy

Research philosophy relates to the development of knowledge and the nature of that knowledge, and contains important assumptions about the way in which researchers view the world (Saunders, Lewis & Thornhill, 2007). There are two extreme philosophical views regarding knowledge and reality (schools of thought). These are Positivism (sometimes referred to as deduction research) and Phenomenology (also known as induction research).

This study adopted a positivist paradigm which was also called the scientific paradigm. Under the positivistic philosophical approach, the study set up the hypotheses on the basis of the existing relevant theories. Then the hypotheses were tested and confirmed or disproved by quantitative and statistical methods in order to answer the research objectives and accomplish the research objectives. Remenyi, Williams, Money and Swarts (2005) claimed the final result of such research can be applicable through the positivist approach.

The principles of positivism include; an observable social reality is preferred to be studied and only observable phenomena produce credible data (Saunders, Lewis & Thornhill, 2009; Remenyi, et al., 2005). The purpose of theory was to generate hypotheses that could be tested, the role of research was to test theories and to provide material for the development of laws (Bryman & Bell, 2007), research should be

conducted in a way that is value free-in and objective (Saunders, et al…, 2009; Bryman & Bell, 2007), the researcher was independent and should neither affect nor be affected by the subject of research, the end product of research was aimed to be law, like generalizations similar to those that are produced by natural scientists, and positivism emphasizes quantifiable observations that are used for statistical analysis (Remenyi, et al., 2005).

The philosophy is not without criticism. Opponents of this paradigm argue that uniform causal links that can be established in the study of natural science cannot be made in the world of the classroom where teachers and learners construct meaning. However, Karl Popper argues that we should not quickly disregard all the good qualities of the scientific method but rather, make small adjustments that can be improved upon to provide objective research within the social sciences and further says that there are no absolute truths. Moreover, he claims that scientific theories cannot be confirmed but only falsified. Theories can never obtain the real truth they can only get closer to the truth (Gellner, 1994). Crotty (1998) postulate that a positivist, claims a certain level of objectivity rather than absolute objectivity, and seeks to approximate the truth rather than aspiring to grasp it in its totality or essence. In general, when people refer to themselves as positivists they are talking more about probability than absolute certainty

3.3 Research Design

A research design is a blueprint for conducting a study with maximum control over factors that may interfere with the validity of the findings (Bryman & Bell, 2007). It is also described as a plan that assists a researcher to describe how, when and where data is to be collected and analyzed. Houghton, Casey, Shaw & Murphy (2013) further defined a research design as the researcher's overall approach to answering the research question or testing the research hypothesis. This design aimed at allowing the process

of incorporating elements which require both quantitative and qualitative research methodologies within the same study.

The research design was descriptive and causal (explanatory). Descriptive design was used as it focused on complex analysis to bring out the correlation of variables. The causal explanatory design sought to establish how one variable affects changes in another. This focused on understanding, explaining, predicting and controlling relationships between variables. This is consistent with Olusola, Olugbenga, Adeoluwa and Oluwagbemiga (2013), who explained that a descriptive design is described as a method of collecting information by interviewing or administering a questionnaire to a sample of individuals and is appropriate as it answers research questions who, what, where, when and how is the problem.

Explanatory study designs are important in answering the "how" questions. Such designs seek to explain how one variable affects another. The use of the explanatory research was considered appropriate to use any time there is need to clarify a perceived problem. Whenever there is a problem, it is important to completely understand it before solving it and the use of explanatory research to address such a problem is recommended (Saunders et al., 2009). Explanatory study design was preferred because the study needed to establish the relationship between fiscal asymmetric decentralization and performance of women-owned micro-enterprises in Kenya.

3.4 Study Area

A study area is the research site that a researcher has identified from where the data would be collected (Polit & Beck, 2003). This study was carried out 3 county governments in Kenya namely Kiambu, Makueni and Kirinyaga Counties. The choice of the counties under study were chosen based on county performance rankings by Ngirachu (2020) and own source endowments. As per the rankings Makueni county was ranked number one in the study and lies in the ASARD region, while Kiambu

County which is in a metropolitan region was ranked last on performance and Kirinyaga County is in the highland region and was ranked at the middle level performance wise (Ngirachu, 2020).

Similarly, the choice of the counties allowed for comparison between counties with high population and many resources (Kirinyaga and Kiambu Counties located in Central Kenya with favourable climate) and counties that are sparsely populated and have a scarcity of resources (Makueni County which is located in the ASARD region coupled with unfavourable climate). These also reflected the state of augmentation that exists in Kenya. Some of the arguments that have been advanced for this includes differences in geographic and agro-climatic conditions, infrastructural access to markets and public facilities, the presence or absence of natural resources such as forests or water bodies, and political and historical factors.

Due to the various environmental topologies of the three counties that were far apart, the researcher embarked on subdividing the regions for ease of access and used research assistants to ensure that the data collection was carried out in an efficient and effective manner.

3.5 Target Population

Cooper and Schindler (2012) defines the target population as a universal set of the study of all members of real or hypothetical set of people, events or objects to which an investigator wishes to generalize the result. According to Kothari (2008), a population refers to all items in any field of inquiry and is known as the 'universe'. The target population for this study comprised of all the registered women micro enterprises in Kiambu, Makueni and Kirinyaga Counties.

As recorded in the County (2013) for the respective counties under study, the number of registered microenterprises was as shown in Table 3.1 below. According to KNBS

(2016) 31.4 % of the registered micro-enterprises are owned by women. Hence, the target population constituted of the 31.4% of the total number of registered micro-enterprises. This yielded a target population of 628 registered micro-enterprises are owned by women.

This study collected both primary and secondary data. This included collection of county fiscal data from the national treasury and the county Integrated Development Programs (CIDP) for the last five years, which included comparison of actual and budgeted expenditure on capacity development of women entrepreneurs, county physical infrastructure development and composition of own source revenue paid by women entrepreneurs against total locally generated revenue in county governments in Kenya.

Table 3.1: Target Population

County	Number of Registered Microenterprises	Women-Owned Micro-enterprises (31.4%)
Makueni	300	94
Kiambu	1200	377
Kirinyaga	500	157
Total	**2400**	**628**

Source: Researcher (2021)

3.6 Sampling Design

A sample design is the architecture or the strategy used to select study participants or respondents (Kothari, 2008). The term sample is defined in several ways by different scholars. Bryman and Bell (2007) and Udo-Akang (2013) defined a sample as a part of the total population. Further, Kothari (2008) defined a sample as a collection of units chosen from the population with a view to represent it.

3.6.1 Sample Size

A sample size of a survey refers to the number of units that chosen from data which have been gathered. However, sample size may be defined in various ways, for example, designated sample size refers to the number of sample units selected from

contacts or data collection. Final sample size on the other hand is the number of completed interviews or units for which data are actually collected. For the purpose of this study sample size refers to which is the final sample size. Sample size is determined at the planning stage because the researcher must decide on the sample design. A Sample size is one aspect of the sample design and is inversely related to the variance, or standard error of survey estimates, and it is also a determining factor in the cost of the survey. This therefore means that in the simplest situation, the variance is a direct function of the sample size (Lavrakas 2010).

Gerstman (2003) state that a sample is needed because a study that is insufficiently precise is a waste of time and money. The sample was determined using the fisher formula 1998 for a population exceeding 10,000 given as;

$$n=Z^2*p*(1-p)/d^2$$

Where:

n = Sample size for large population

Z = Normal distribution Z value score, (1.96)

p = Proportion of units in the sample size possessing the variables under study, where for this study it is set at 50% (0.5)

d = Precision level desired or the significance level which is 0.05 for the study

The substituted values in determining the sample size for a large population are shown below, 4 cases were added to cater for non-responsiveness.

$$\mathbf{n}= \frac{(1.96)^2*(0.5)\ (0.5)}{(0.05)^2} = 384$$

Since the target population was not large the formula for adjusting the sample size was

$$n_0 = n/ (1+ ((n -1)/ N))$$

n_0 239 Desired sample size.

n	384	Sample Size when population is more than ten thousand
N	628	Total population size

The sample size was 239.

Table 3.2: Sample Size

County	Women-Owned Micro-enterprises	Sample Size
Makueni	94	36
Kiambu	377	143
Kirinyaga	157	60
Total	**628**	**239**

Source: Researcher (2021)

3.6.2 Sampling Technique

Sampling is a deliberate choice of a number of people who will provide the data from which conclusions were drawn on larger group, which these people; represent (Kothari, 2008). This study used stratified random sampling technique. Stratified random sampling technique was used as it ensured that all the registered women owned enterprises were well represented.

According to Adejimi, Oyediran and Ogunsanmi (2010), stratified technique was advantageous as it sampled each sector (stratum) independently by grouping members of the population into relatively homogeneous sub-groups before sampling. This improved the representativeness of the sample by reducing sampling error. The target population was stratified into the 3 strata (registered women owned enterprises per county). Further, random sampling was used to select 384 registered women owned enterprises. Random sampling ensured that the study eliminates bias in its choice of respondents. The study also used an inclusion criterion whereby only those women who were micro-enterprise owners participated in the study.

Equally important was the fact that the researcher must use simple probability sampling within the different strata. With this technique the researcher had a higher statistical precision compared to simple random sampling. This was because the variability

within the subgroups was lower compared to the variations when dealing with the entire population. Since this technique had high statistical precision, it also meant that it required a small sample size which could save a lot of time, money and efforts of researchers. Stratification produced a smaller error of estimation than would be produced by a simple random sample of the same size.

3.7 Data Collection Methods

Data collection refers to the process of gathering raw and unprocessed information that can be processed into meaningful information, following the scientific process of data analysis (Gall et al…, 2007). Burns and Grove (2003) defined data collection as the precise, systematic gathering of information relevant to the research sub-problems, using methods such as interviews, participant observations, focus group discussion, narratives and case histories.

The study made use of both primary and secondary data. Data collection was a means by which information was obtained from the selected subjects of an investigation (Reswell 2002). Secondary data was collected from Makueni, Kiambu and Kirinyaga County governments on the four independent variables of this study which includes County own source revenue, access to county government opportunities, fiscal structure financing by county governments and capacity building financing by county governments. Primary research data was collected from Women entrepreneurs doing business with the county governments of Makueni, Kiambu and Kirinyaga on their demographic characteristics.

Questionnaire aided a researcher to obtain first-hand information on the subject matter being investigated. Further, it provided an opportunity for anonymity to promote high response rate, (Cooper & Schindler, 2012). A certain degree of flexibility should be provided to allow the respondents to ask questions and raise issues, as this would be

enriching in trying to solve the problem (Gall et al… 2007). The questionnaire employed both structured and unstructured questions. It also adopted open ended and closed ended questions. Structured questions relied on closed-ended categories pre-selected by the researcher. A structured question reduces the amount of thinking that a respondent need in order to complete the task. These generally aimed at the achievement of a higher response and more accurate data and also make it easier for the researcher to code and analyze. Unstructured questions were in this study since they were more qualitative in nature and do not require pre-defined categories. Unstructured questions also allow the respondent to express their views openly. On the other hand, open-ended questions, are known and are expected to produce a higher intellectual load.

3.8 Pilot Study

The pilot study like in most social science research domain served dual purpose; it was used as a feasibility study done in preparation for the major study and a pre-testing or 'trying out' of a particular research instrument (Rovai et al., 2013). The purpose of the pilot test is to refine the questionnaire so that respondents do not face challenges in answering the questions and there would be no problems in recording the data. Piloting served obtains some assessment of the questions' validity and the likely reliability of the data that was collected.

Pilot testing was conducted on 10% of the sample size. This implies that 24 respondents participated in the pilot study. The respondents were selected randomly from the three counties. The respondents who participated in the pilot study were not engaged in the final survey.

3.8.1 Reliability

Reliability in research is influenced by the degree of error. As random error increases, reliability decreases. In order for results to be usable in further research steps they must be reliable and valid. A measure is considered reliable if a person's score on the same test given twice is similar. It is therefore important to remember that reliability is not measured, and also it is not estimated (Tavakol & Dennick, 2011).

The questionnaire was subjected to overall reliability analysis of internal consistency. This was measured using Cronbach alpha as a coefficient of internal consistency. Internal consistency measures the correlations between different items on the same test (or the same subscale on a larger test) and whether several items that propose to measure the same general construct produce similar scores. Castillio, Guyette, Suffoletto, Peitzman and Puyana (2009) provide the following rules of thumb: >0.9 – Excellent, >0.8 – Good, >0.7 – Acceptable, >0.6 – Questionable, >0.5 – Poor and <0.5 – Unacceptable. The acceptable value of 0.7 used as a cut–off reliability for this study. The formula produced a coefficient alpha of 0.8. This was considered acceptable for a reliable instrument (Sijtsma, 2009).

3.8.2 Validity

This study used both construct validity and content validity. Content validity is usually established through the use of content experts to make judgments on the process followed (Kothari, 2008). This is done by use of a judgmental procedure of assessing whether a tool is likely to provide content valid data. The researcher makes requests to professionals or experts in the particular field to review it and give suggestions on content improvement within the tool such as lecturers who have specialized in the field of finance (Cooper & Schindler, 2012). Content validity was measured through the use

of expert judgment which involved lecturers of Karatina University, colleagues at doctoral class, doctoral supervisors and research experts.

According to Cooper and Schindler (2012), construct validity is viewed as the extent to which a particular measure relates to other measures in a way that is consistent with theoretically derived hypothesis that concerns the concept. To assess this, construct validity, the questionnaire was divided into several sections to ensure that each section assessed information for a specific objective, and also ensured that the same closely ties to the conceptual framework for this study.

3.9 Data Analysis and Presentation

Data analysis is a practice in which raw data is ordered and organized so that useful information can be extracted from it (Gall et al, 2007). According to Zikmund et al. (2010), data analysis refers to the application of reasoning to understand the data that has been gathered with the aim of determining consistent patterns and summarizing the relevant details revealed in the investigation. According to Hyndman (2008), data processing involved translating the answers on a questionnaire into a form that can be manipulated to produce statistics. This involved coding, editing, data entry, and monitoring the whole data processing procedure. To determine the patterns revealed in the data collected regarding the selected variables, data analysis was guided by the aims and objectives of the research and the measurement of the data collected.

3.9.1 Operationalization of Research Variables

Operationalization is the process of strictly defining variables into measurable factors.

Table 3.3: Data Analysis and Variables Operationalization

Objective	Variable	Type	Measurement (Primary Data)	Measurement (County Fiscal Data)	Hypothesis Testing
1	County Government own source revenue	Independent	• Land and property rates • Fees & Penalties	Proportion of actual Revenue to total own source revenue	Correlation & regression Accept if p< 0.05 or otherwise reject
2	Access to government Opportunities	Independent	• Access to government procurement • Preferential trade opportunities	Number of Tenders awarded to women entrepreneurs	Correlation & regression analysis Accept if p< 0.05 or otherwise reject
3	County Physical infrastructure Development	Independent	• Roads constructed by county governments • Markets constructed by county governments	Proportion of Expenditure on Women Related Infrastructure to total development budget	Correlation & regression analysis Accept if p< 0.05 or otherwise reject
4	Capacity building by the County Governments	Independent	• Entrepreneurial skills • Sales and marketing skills • Networking skills • Financial management skills	Expenditure on Capacity Development among women entrepreneurs in County Governments	Correlation & regression analysis Accept if p< 0.05 or otherwise reject
5	Performance of Women Owned Micro Enterprises	Dependent	• Changes in turnover • Change in productivity • Change in sales profit • Change in total assets • Change in total sales	Proportion of expenditure on women to total county development expenditure	

Source: Researcher (2021)

3.9.2 Data Processing and Analysis

After quantitative data was obtained through questionnaires, it was prepared in readiness for analysis by editing, handling blank responses, coding, categorizing and

keyed into statistical package for social sciences (SPSS) version 20.0 computer software for analysis. The choice of SPSS to other statistical software is that it was user friendly. The statistics generated were descriptive statistics, diagnostic tests and inferential statistics.

3.9.2.1 Descriptive Statistics

This study made use of descriptive statistics in order to display the characteristics of the sought data. Descriptive statistics serves as a summary to the symmetrical and kurtosis behaviours of the preferred variables. The descriptive statistics included frequencies and percentages

3.9.2.2 Diagnostic Tests

The assumptions of the classical linear regression model were tested as indicated in the following steps.

Step 1: Normality of the data

Normality test was needed for tests of significance and construction of confidence interval estimates of the parameters. Given that the t-tests and F- test expected to be conducted for hypothesis testing are assumed to follow normal distributions (Bera, Jarque, & Lee 1984). Further, in order to detect non-normality, Kothari (2008) emphasizes the use of plots of observed residuals Ɛ for each variable and measures of skewness and kurtosis. Skewness coefficient for a normal distribution is 0 while that of kurtosis coefficient is 3.0. Any other measure derived meant that the distribution is asymmetrical, too flat or too peaked. The Skewness/Kurtosis test was performed on all variables.

Step 2: Pre-Estimation Test

Prior to running a regression model pre-estimation tests were conducted. The pre-estimation tests conducted in this case was the multi-collinearity test. This is usually performed to avoid spurious regression results from being obtained.

Multi-collinearity of the data was tested using correlation coefficients. The rule of the thumb is that a correlation coefficient of more than 0.9 indicates substantial multi-collinearity. Variance inflation factor was used to measure multi-collinearity since it is more conclusive than Pearson. The problem is the severity of the multi-collinearity as it makes it difficult to determine the separate effects of individual variables (Saunders & Thornhill, 2012).

Step 3: Autocorrelation

The test for autocorrelation was performed to establish whether residuals are correlated across time (autocorrelation). OLS assumptions require that residuals should not be correlated across time and thus the Wooldridge test was adopted in this study. The null hypothesis is that no first order serial /auto correlation exists. Failure to identify and account for serial correlation in a panel model would result into biased standard errors and inefficient parameter estimates (Wooldridge, 2002)

Step 4: Heteroscedasticity

Ordinary least squares (OLS) assumption stipulates that the residuals should have a constant variance (i.e. they should be Homoskedastic). Heteroscedasticity (that is unequal variance) of error term was checked using the modified Wald test. The Breusch-Pagan test and the White test was utilized in this study.

Step 5: Unit Root Testing/ Stationarity

Unit roots/stationarity of the data was tested through the Augmented Dickey Fuller Test.

3.9.2.3 Inferential Statistics

The study also used inferential statistics in determining the correlation between the independent and dependent variables through a correlation matrix. The correlation matrix indicated the degree of the relationship between study variables. Ordinary Least

Squares (OLS) regression analysis helped to explain the causation between variables and the coefficients in respect of each variable.

Ordinary Least Squares (OLS) regression model was used to establish the causation between the independent and dependent variables. The regression model is as follows.

$Y= \beta_0 +\beta_1X_1 + \beta_2X_2+ \varepsilon$…….. (1)
$Y= \beta_0 +\beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$…….. (2)
Y= Dependent variable (Performance of women owned micro-enterprises)
X_1 = County Government Own Source Revenue
X_2= County Government Procurement Opportunities
X_3= County Government Physical Infrastructure Development
X_4= County Government Capacity building
B_i is the parameters and ε is the error term

The *p value* at 95% confidence level was used to determine the statistical significance of the constant terms coefficient terms β_{1-4}. The coefficient of determination R^2 was used to determine how much variation in the dependent variables is explained by the independent variables. The findings were presented using tables and graphs where applicable for clarity and easy of understand-ability.

3.10 Ethical Considerations

When detailing the outcome of the study, the analyst guaranteed that the research report precisely speaks to what was seen after appropriate analysis of the considerable number of information gathered. Journals and course readings utilized in any piece of this study have been duly acknowledged, utilizing APA Referencing Style.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presented the research findings and results of the study. The findings and discussions were in line with the variables and objectives of the study and were based on mixed research design. Results from the study were systematically presented in line with four specific objectives beginning with findings on demographic characteristics of respondents in the study. For each specific objective, two perspectives were investigated, interpreted and implications drawn on them. The two perspectives included entrepreneur and fiscal data. The chapter also reviewed the results of statistical analysis to test the research hypothesis as well as presenting discussions of the results and implication arising from the findings.

4.1.1 Pilot Test

A pilot study was conducted before the main study to check the problem areas and possible confusion that may be associated with the survey. The pilot study was also to standardize the measuring instrument and improve its validity. First, the instrument was discussed with the supervisor and then pre-tested with 24 women entrepreneurs from the county of Machakos who were not part of the study. This is generally supported by Cooper and Schindler (2012) who indicated that successful pilot study uses 1% to 10% of the actual sample size. The respondents were asked to carefully read and answer the questions and to also provide feedback regarding clarity and suggest areas for improvement. Based on respondents input, the questionnaire was edited and a final version used in the study.

To measure the reliability of the data collection instrument, Cronbach alpha was calculated for Likert scale questions of the questionnaire. Internal consistency was

relevant to this study because the instruments were measuring the same thing. The cronbach's alpha is a statistic calculated from the pairwise correlations between items, and the results range between zero and one. According to Sekaran (2003), the closer the Cronbach's Alpha is to one (1) the higher consistency reliability. Only items with a coefficient alpha value of more than 0.7 would be relevant. Cronbach Alpha value less than 0.7 implies that the internal consistency is weak.

Table 4.1 below indicates the reliability statistics for county government own source revenue, access to government opportunities, county government physical infrastructure, and county government capacity building. The results show that all the variables had a Cronbach Alpha Coefficient of more than 0.7 which is acceptable.

Table 4.1: Reliability Statistics

Variable	Cronbach alpha Co-efficient
Performance	0.806
Own source revenue	0.839
Access to government opportunities	0.791
County government physical infrastructure	0.887
County government capacity building	0.782

Source: Research Data, 2021

The reliability coefficient was considered adequate for the internal consistency of the instrument.

4.1.2 Diagnostics Tests Results

Before interpretation of the results of the study models, various diagnostic tests were conducted on each model. This was in order to find out the best estimation method and also to validate the results. It is a prerequisite that for a classical linear model, the error term be normally distributed, with a zero mean and constant variance (George &

Mallery, 2018). Likewise, the residuals should be free of heteroscedasticity and autocorrelation. The diagnostics tests that were conducted were normality test, Multicollinearity test, auto correlation test, Heteroskedasticity test and serial correlation test. The findings are reported and discussed in the following sections.

4.1.2.1 Normality and Linearity Test

Linear regression analysis requires all variables to be multivariate normal. If the residuals are not skewed, that means that the assumption is satisfied. In this study, normality was tested by using skewness and kurtosis.

Table 4.2 Skewness and Kurtosis

Variable	Skewness	Kurtosis
Performance	0.516	0.812
Own source revenue	1.132	0.760
Access to government opportunities	0.962	0.276
County government physical infrastructure	0.631	0.462
County government capacity building	1.069	1.265

Source: Researcher (2021)

Findings in Table 4.2 show the skewness and kurtosis values for variables in the study. The findings show that the smallest value for skewness is 0.516 (Performance) while the largest is 1.132 (Own source revenue). The smallest value for kurtosis is 0.276 (Access to government opportunities) while the largest is 1.265 (County government capacity building). The data therefore shows that the data is normal because all the skewness and kurtosis values are between +/-1.5. According to George and Mallery (2018) the values for asymmetry and kurtosis between -2 and +2 are considered acceptable in order to prove normal univariate distribution.

4.1.2.2 Multi-collinearity Diagnostic Tests

Multicollinearity diagnostic tests were performed to obtain collinearity statistics and establish whether the predictors are highly correlated. A high correlation between one independent variable with another independent variable leads to multi-collinearity which is a problem in regression analysis. In such a situation, the method of analysis cannot distinguish from each other preventing multi-regression from estimating coefficients, and the equation is unsolvable (King, Keohane & Verba, 1994).

A test interchanging the variables were run and found to be within acceptable levels with Variance Inflation Factor (VIF) of less than 5. According to Greenberg and Parks (1997), a VIF of more than 10 indicate trouble and more than 2.5 raise concern. Table 4.3 shows the Collinearity Tests output.

Table 4.3: Collinearity Tests

Model	Collinearity Statistics	
	Tolerance	**VIF**
Own source revenue	.800	1.249
Access to government opportunities	.723	1.383
County government physical infrastructure	.762	1.313
County government capacity building	.783	1.291

Source: Researcher (2021)

4.1.2.3 Heteroscedasticity Test

Heteroscedasticity is a regression issue that is normal with cross-section information, where there are expansive contrasts in measure between perceptions. It shows itself by methods for the error term that does not have a steady difference. This study used Breuch Pagan test to detect the problem of heteroscedasticity in the model as presented in table 4.4 below.

Table 4.4: Heteroscedasticity Test Results

Breusch – Pagan / Cook-Weisberg heteroscedasticity test
Chi2(1) = 2.54
Prob>chi2 =0.1061

Source: Researcher (2021)

As shown in Table 4.4, the study tested for heteroscedasticity, utilizing Breusch-Pagan test. The null hypothesis was that the error term was homoscedastic. The calculated *p* value for variables fitted values of fragility index was 0.1061 which is more than the critical value 0.05, implying that the error terms were homoscedastic.

4.1.2.4 Panel Unit Root Tests

This study utilized the hadri Lagrange Multiplier (LM) test; null hypothesis was that panel had a unit root. The study employed hadri LM test since it took care of missing data unlike other panel roots that do not execute the data with missing information. Table 4.5 presents the panel unit root test at level difference.

Table 4.5: Panel Unit Root Test

Variable	Test	At Level difference	
		Statistics	Significance
Financial Performance	Hadri LM Test Z	12.1842	0.0000
Own source revenue	Hadri LM test Z	3.5347	0.0001
Access to government opportunities	Hadri LM test Z	8.5648	0.0000
County government physical infrastructure	Hadri LM test Z	6.7856	0.0000
County government capacity building	Hadri LM test Z	3.3658	0.0005

Source: Researcher (2021)

As reported in table 4.5 the hadri LM test presented *p*-values that are less than 0.05. These finding had to reject the null hypothesis that all panel have unit root for Own source revenue, access to government opportunities, county government physical infrastructure, and county government capacity building. The study in this scenario

reached a consensus that all the variables under study did not have unit root; they were in that case used at that level instead of their first difference. This implied that the outcomes extracted were not misleading.

4.1.3 Survey Response Rate

This section refers to the study's response rate as a percentage of the total number of people in the sample who were interviewed as per Table 4.6

Table 4.6 Survey Response Rate

County	Women-Owned Micro-enterprises	Sample Size	Response	Percentage of responses
Makueni	94	36	34	19.7
Kiambu	377	143	99	57.2
Kirinyaga	157	60	40	23.1
Total	**628**	**239**	**173**	**100**

Source: Researcher (2021)

As shown in Table 4.6 above, out of 36 sampled women owners of micro enterprises in Makueni, 34 responded, out of 143 in Kiambu County, 99 responded and 40 out of the 60 sampled in Kirinyaga responded. The questionnaire response rate was therefore 72.4% and was considered acceptable based on a study carried out by Yun and Trumbo (2000) where a response rate of 72% was obtained and was considered acceptable. According to Cooper and Schindler (2012), a response rate of 50% is considered adequate for analysis and reporting, 60% is rated good while any response rate over 70% is considered to be an excellent response rate. This response rate was therefore considered representative of the respondents to provide information for analysis and derive conclusions. Higher response rate is preferable as it lowers the risk of non-response bias.

4.2 Descriptive Analysis

Descriptive analysis is a method used to objectively describe the nature and magnitude of sensory characteristics.

4.2.1 Characteristics of the Women Entrepreneurs

The study sought to investigate the characteristics of women entrepreneurs. The characteristics of the entrepreneur sought for during the study was the respondents' age bracket, marital status, current level of education and experience in running an enterprise, and prior experience in operating business. Demographic information was necessary to ensure a fair distribution of the respondents, to allow equity of representation of views and further help support the validity of data generated across the sample population. The main purpose of this was to find out any trend from the respondent's profile that was directly linked to the variables of the study. Demographics are important when comparing replications of studies (George & Mallery, 2018).

4.2.1.1 Respondents Age

The study sought to investigate the age of the respondents. Findings were presented in table 4.7 below.

Table 4.7: Respondents Age

Age of Respondents		
Age Bracket	**Frequency**	**Percent**
20-25 years	24	13.9
26-35 years	36	20.8
36-45 years	59	34.1
Above 45 years	54	31.2
Total	**173**	**100.0**

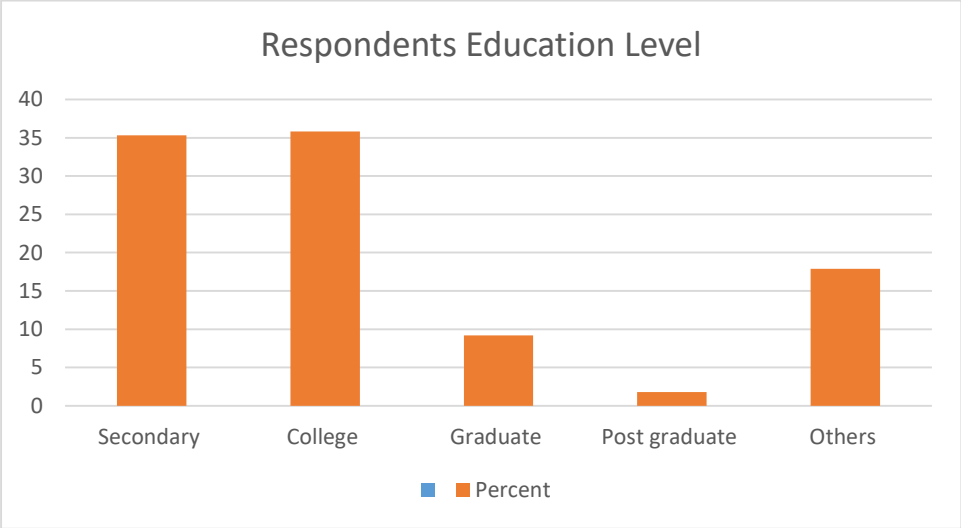
Source: Researcher (2021)

On respondents age as shown in table 4.7 above, majority of the women owners of micro enterprises (65.3%) were aged above 35 years while the rest (34.7%) were aged between 20 and 35 years. This shows that most micro enterprises owned by women are run by women who are mature, while the youths are also coming up in business ownership. The study agrees with Kuznets (1978) who opine that the size of the business vary according to the age of the respondent, which further determine the variations in business income inequalities. The study also agreed with Andrews, Stock

and Sun (2019) assertion as respondent age increases, the percentage of true score variance in survey measures tends to decline. Their age is important as it helps in demonstrating the participants' suitability for the study. For instances, the legal age for employment and business ownership in Kenya is 18 years old meaning that all the participants of the study must have attained the legal age running a micro enterprise. In addition, various scientific disciplines have shown that opinions in a number of topics differ between dissimilar age groups.

4.2.1.2 Respondents Education Level

The study sought to investigate the education level of the respondents, and findings presented in figure 4.1 below.



Source: Researcher (2021)

Figure 4.1: Respondents Education Level

On respondent's education level, findings revealed that 35.3% of the respondents had attained secondary school level of education, 35.8% had college diplomas and certificates, 9.2% were graduates while 1.7% were postgraduates. Others (17.9%) had attained primary school education. These findings showed that majority of the respondents had at least attained the basic education level hence could understand the questionnaires and respond accordingly.

This depicted that the respondents were well educated and informed and therefore furnished this study with better information which added value to the objectives of the study. The level of education was therefore very important in this respect. This study agrees with Maiyo (2015) who opine that most of the poor people exhibit a low level of education. The researcher also approves the view of the human capital theory which asserts that education creates skills which facilitate higher levels of productivity amongst those who possess them in comparison with those who do not. Education level is an important demographic item as there are usually strong variances in opinion between respondents of different educational levels.

4.2.1.3 Respondents Marital Status

The study sought to evaluate the marital status of the respondents and findings presented in figure 4.2 below:

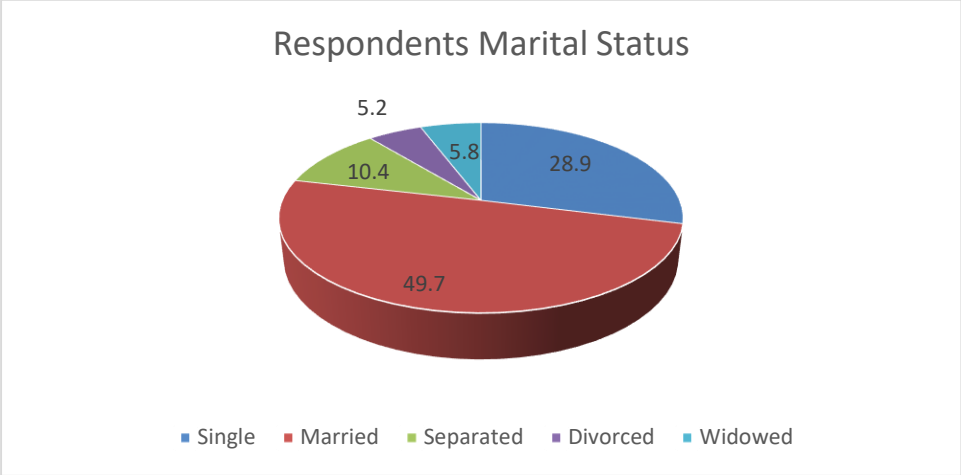


Figure 4.2: Marital Status of Respondents
Source: Researcher (2021)

The marital status of the respondents was sought because it plays a role in one's priorities and decision making. Among the women owners of micro enterprises, 28.9% reported that they were single, 49.7% were married, 10.4% were separated, 5.2% were divorced while 5.8% were widowed. This showed that irrespective of marital status, all women who took part in the study were business owners. Cooper and Schindler (2012)

posited that marital status creates specific financial, healthcare, tax, and other shared opportunities and obligations even in businesses and organizations. However, the findings showed that majority of the micro enterprise owners were married.

4.2.1.4 Respondents Business Experience

The study sought to investigate the respondent's business experience. Respondents data was presented in figure 4.3 below.

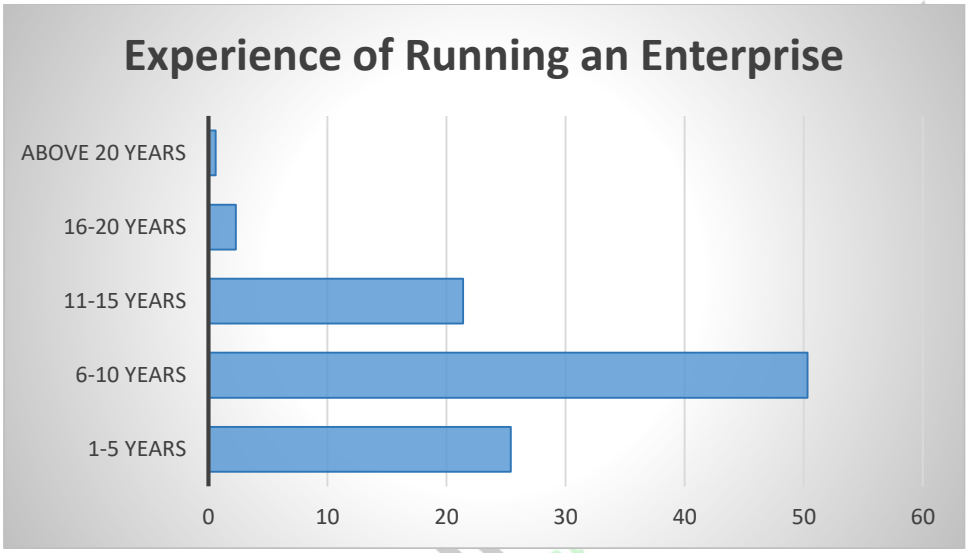


Figure 4.3: Experience in Running an Enterprise
Source: Researcher (2021)

Business experience provides many benefits; giving people skills and understanding as they work in the business over time. Figure 4.3 above indicated the length of experience in running a micro enterprise business for the respondents. According to figure 4.3, 25.4% of the respondents had 1 to 5 years of owning and running a micro enterprise business. Almost half (50.3%) had run business for 6 to 10 years, 21.4% had 11 to 15 years of experience in running business while 2.3% had run business for 16 to 20 years. Only 0.6% had above 20 years' experience in owning and running business. This showed that majority of the business owners who took part in the study were not novices in running business. This experience could lead to greater success in business. In addition, the longer they have been in business, the more they have interacted with

the county governments in their counties hence increasing the reliability of the information they avail.

4.2.1.5 Respondents Prior Experience in Operating a Business

The study also sought to investigate whether prior experience in operating a business was important for the women owned enterprises. The respondents were asked whether prior to owning this business they had any experience in operating a business and their results presented in figure 4.4 below.

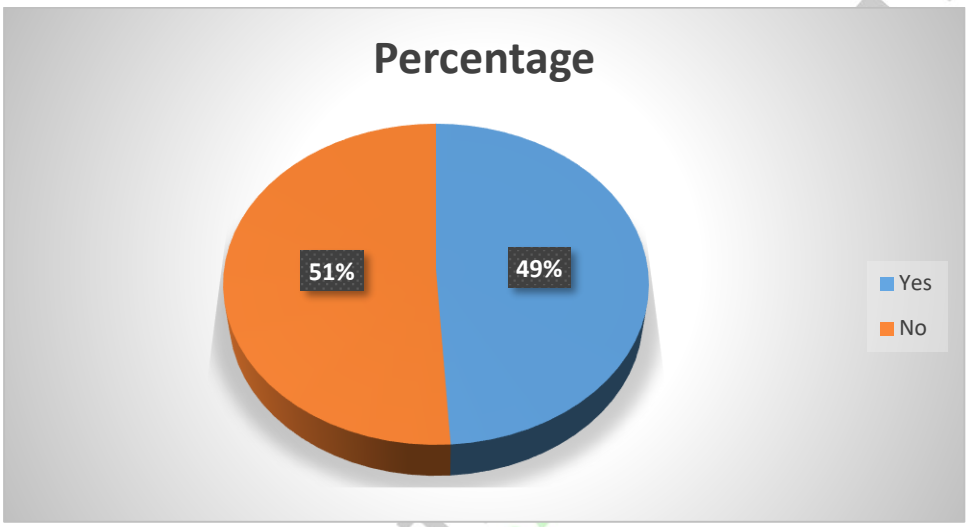


Figure 4.4: Prior Experience in Operating Business
Source: Researcher (2021)

As shown in figure 4.4 above, 49% respondent in the affirmative while the rest 51% said they had not. Prior encounter in operating a business could increase one's business skills hence performance. These findings agree with those of Onduso (2013) who opined that experience in operating and running a business enables entrepreneurs to know their sector intimately, and experienced entrepreneurs understand the changing trends and demands in their respective industries.

4.2.2 a) Characteristics of the Enterprise Surveyed

The study sought to analyse the characteristics of the enterprise that was measured with turnover range and number of employees. Preliminary findings revealed that majority of the women owned enterprises were operated and managed by the women owners

with no employees. The range in turn over for the women owned enterprises from the year 2014/15 to the year 2018/19 was analysed and the findings presented in table 4.8 below.

Table 4.8: Turnover 2014-2019

Year		50,000	75,000	100,000	Min	Max	Mean	Std. dev
2014/15	Frequency	119	37	17	50,000	100,000	75,000	0.664
	Percentage	68.8	21.4	9.8				
2015/16	Frequency	112	34	27	50,000	100,000	75,000	0.689
	Percentage	64.7	19.6	15.7				
2016/17	Frequency	105	39	29	50,000	100,000	75,000	0.712
	Percentage	60.7	22.5	16.8				
2017/18	Frequency	99	45	29	50,000	100,000	75,000	0.756
	Percentage	57.2	26.0	16.8				
2018/19	Frequency	91	47	35	50,000	100,000	75,000	0.792
	Percentage	52.6	27.2	20.2				

Source: Researcher (2021)

According to Table 4.8, 68.8% of the respondents had a turnover of less than Ksh. 50,000 in the year 2014/15, 21.4% had a turnover of Ksh. 75,000 while only 9.8% exceeded Kshs. 100,000 in turnover. The results showed that the standard deviation was below one meaning that the turnover did not change much in the one years' period. In the year 2018/19, 52.6% of the respondents had a turnover of less than 50,000 in the year, 27.2% had a turnover of Ksh. 75,000 while only 20.2% exceeded Kshs. 100,000 in turnover. The results showed the standard deviation was 0.792, which was also below one, meaning that the turnover did not change much in the five-year period. This showed that the financial performance in most women owned micro enterprises in the five years was low.

These findings are in line with those of Amalokwu and Lawrence (2008) who asserted that the challenges of most micro-enterprises in most developing countries are even greater as compared to the developed countries. In Kenya, for instance, past statistics indicated that three out of five businesses fail within the first few months of operation and those that survive continue performing dismally (Carlson, Bowen, Huang, Nuzzo

& Rogers, 2012). Inadequate credit, lack of raw materials, sluggish demand, insufficient working space and infrastructural services are among the major bottlenecks.

4.2.2 b) County Fiscal Data

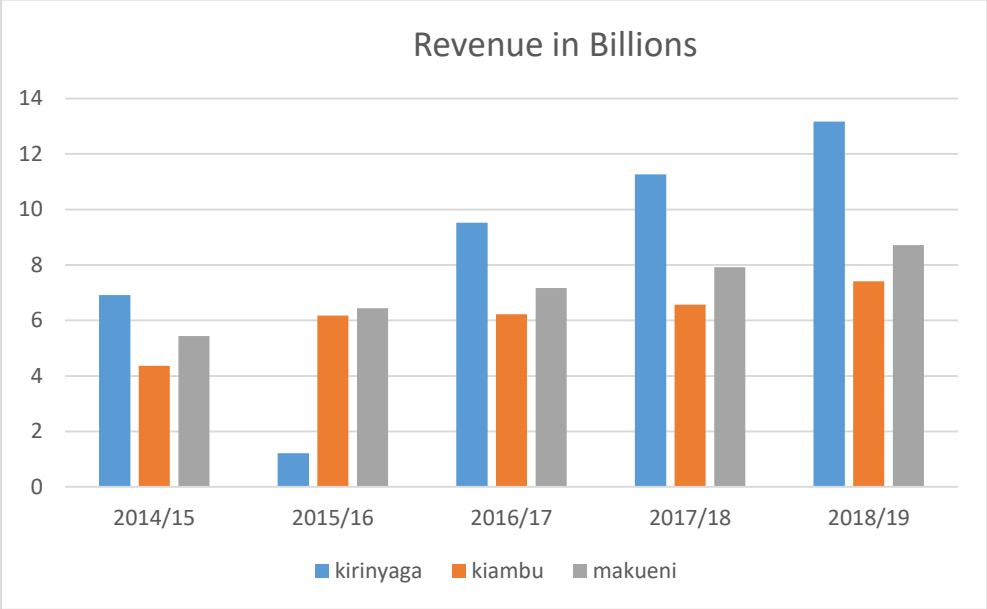


Figure 4.5: County Fiscal Data
Source: Researcher (2021)

Figure 4.1 above shows the county government fiscal characteristics for the five years' period. A review of figure 4.1 reveals that the revenues in billions for county governments for the three counties namely Kirinyaga, Kiambu and Makueni has been on the rise, meaning that counties have the resources needed to improve on service delivery. The revenues include counties share from the national government, and counties own source revenues that are meant to assist counties in-terms of improving service delivery.

However, a comparison of the county's fiscal characteristics with the performance of the women owned micro enterprises indicated that irrespective of the increase in county revenues over the five-year period, the performance of women owned micro enterprises was still low for the five-year period. This meant that majority of the women owners of

micro enterprises were not feeling the effects of the county interventions that were meant to ease business operations and improve on their performance. This could have been occasioned by counties investing in areas or projects that were not directly contributing positively to the performance of women owned micro enterprises.

4.2.3 Number of Employees

Number of employees in the women owned micro enterprises for the years 2014 to 2018 was analysed and captured in table 4.10 below.

Table 4.10: Number of Employees

Year		None	2	4	5	Std. dev
2014/15	Frequency	102	55	14	2	0.696
	Percentage	59	31.7	8.1	1.2	
2015/16	Frequency	97	66	7	3	0.718
	Percentage	56	38	4	2	
2016/17	Frequency	110	54	5	4	0.743
	Percentage	63.6	31.2	2.9	2.3	
2017/18	Frequency	121	48	2	2	0.764
	Percentage	69.9	27.7	1.2	1.2	
2018/19	Frequency	90	63	14	6	0.779
	Percentage	52	36.4	8.1	3.5	

Source: Researcher (2021)

Majority of the micro enterprises (59%) did not have any employees in 2014, while 31.8% had 1 to 2 employees, 8.1% had 3 to 4 employees and only 1.2% had 5 and above employees. This showed that most women owned small businesses are run by their owners. This could show low capacity in such micro enterprises. In the year 2018, 52% of the women owned micro enterprises did not have any employee, 36.4% had either 1 or 2 employees while 8.1% had 3 to 4 employees and 3.5% had 5 and above employees. Even with the time range, there was no big difference in the number of employed workers in the micro enterprises. The standard deviation for the 5 years' period was below one (1), meaning that most women owned micro enterprises did not increase the number of workers employed over the period under study. This was an indication of

slow growth or stagnation in performance for the women owned enterprises in the three counties under review.

4.2.5 Performance of Women Owned Micro Enterprises

Table 4.11 Descriptive Statistics for Performance of Women Owned Enterprises

Statements	SD	D	N	A	SA	Mean	Std. Dev
Am able to access finance through county government	30.6	53.2	5.2	6.4	4.6	2.01	1.017
Amount of sales turnover has increased	15.0	50.9	17.9	15.6	0.6	2.36	.939
Sales profits have since increased	16.8	39.9	30.1	12.7	0.6	2.40	.933
Amount of sales have been steady	14.5	42.8	32.4	10.4	0.0	2.39	.859
I have experienced less operating costs	19.7	51.4	20.2	8.7	0.0	2.18	.847
Number of employees have increased	17.9	43.4	26.6	10.4	1.7	2.35	.950
Number of customers have increased	13.9	28.3	44.5	11.0	2.3	2.60	.939
Amount of revenue per employee has increased	13.3	45.7	32.4	7.5	1.2	2.38	.851
Valid N (listwise)							

Source: Researcher (2021)

As shown in Table 4.30, 30.6% of the study participants strongly disagreed that they are able to access finance through county government, 53.2% disagreed, 5.2% were neutral, 6.4% agreed and 4.6% strongly agreed (Mean = 2.01; Std Dev = 1.017). These findings were in agreement with those of Hassan and Mugambi (2013) who opined that government and non-state actors provide some financial support to women groups but individual women entrepreneurs struggle on their own. The government through Constituency Women Enterprise Fund disburses interest free loans whose impact is positive and laudable.

On sales turnover, 15.0% strongly disagreed that the amount of sales turnover has increased, 50.9% disagreed, 17.9% were neutral, 15.6% agreed and 0.6% strongly agreed (Mean = 2.36, Std Dev = 0.939). Regarding sales profits, 16.8% strongly

disagreed that the sales profits have since increased, 39.9% disagreed, 30.1% were neutral, 12.7% agreed and 0.6% strongly agreed (Mean = 2.40; Std Dev = 0.933). In relation to sales, 14.5% strongly disagreed that the amount of sales has been steady, 42.8% disagreed, 32.4% were neutral and only 10.4% agreed (Mean = 2.39; Std Dev = 0.859). These findings were in agreement with Amanda (2018) who asserted that the performance of business enterprises over the last couple of years has been on a decline as sales turnover, and the profitability being realized from the sales declined due to increased cost of doing business, the reduction of the disposable income of buyers, and the challenge of women owned enterprises accessing government or county funds to expand their businesses.

Majority of the respondents disagreed that they had experienced less operating costs whereby 19.7% strongly disagreed and 51.4% disagreed, 20.2% were neutral and only 8.7% agreed (Mean = 2.18, Std Dev = 0.847). This was supported by a study by Mogere (2017) who asserted that due to the changes in the economy, the cost of doing business had been on an upward trajectory making it more expensive to run businesses. This was majorly occasioned by the increase in the running or operational costs such as electricity, water and the levies charged by the county government in order for the women owned enterprises to continue operating their businesses.

Almost half of the participants disagreed that the number of employees had increased whereby 17.9% strongly disagreed, 43.4% disagreed, 26.6% were neutral, 10.4% agreed and 1.7% strongly agreed (Mean =2.35; Std Dev = 0.950. These findings were in agreement with those of Hassan and Mugambi (2013) who was of the opinion that a majority of business enterprises had laid off some of their employees due to the inability of their business to support many employees as sales revenues and profitability had reduced with huge margins.

On customers, 13.9% strongly disagreed that the number of customers had increased, 28.3% disagreed, 44.5% were neutral while 11.0% agreed and 2.3% strongly agreed (Mean = 2.60, Std Dev = 0.939. Regarding revenue, 13.3% strongly disagreed that the amount of revenue per employee had increased, 45.7% agreed, 32.4% were neutral, 7.5% agreed and 1.2% strongly agreed (Mean = 2.38; Std Dev = 0.851). These findings aligned with those of (Danga, Chongela & Kaudunde, 2019) who reiterated that due to the challenges of reduction of the disposable income of customers and the aspect of competition in business, the number of customers per entrepreneur could reduce, and this reduction leads to a decrease in the revenues attained in a particular period by the women owned enterprises.

The results regarding the performance of women owned micro enterprises showed that the performance was mostly average and most respondents indicated that the sales turnover, sales profits, number of employees, and customers, amount of revenue per employee had not increased. The performance could be influenced by the fiscal asymmetric decentralization as in line with Njiru et al., (2020) who revealed government investment in economic infrastructure has a positive and significant effect on economic growth in Kenya.

Despite these concerted efforts by the government and complementary initiatives by stakeholders as well as women entrepreneurs themselves, the performance of women owned enterprises remains wanting, more so during and after the contagion. The ongoing pandemic threatens to wipe out all gains made in the past decades, thus exacerbating an already bad situation (World Bank, 2012). According to a World Bank and OECD research (2017), women owned enterprises globally have a 5.9 percent higher risk of closure than male-owned businesses, when controlling for region. Further, the research showed that the ability of women owned businesses in Africa to

generate revenue is disproportionately affected by the pandemic compared to their male colleagues. The contagion has triggered the first recession in Sub-Saharan Africa in 25 years, with growth projection ranging between -2.1 and -5.1, far from a modest 2.4% in 2019 (World Bank, 2012).

4.3 Influence of County Government Own Source Revenue on Performance

This study evaluated the influence of own source revenue on performance of women owned micro enterprises in Kenya in two perspectives, enterprise and County Fiscal data as depicted in the tables below.

4.3.1 Characteristics of Enterprise Participation in Creating Own Source Revenue for County Governments.

The first objective was to establish whether county own-source revenue influences performance of women-owned micro enterprises in Kenya. It was achieved through various items as shown in Table 4.12 below.

Table 4.12 a) Characteristics of Enterprise Participation in Creating Own Source Revenue for County (Fiscal Data Perspective)

	D	N	A	Mean	Std. Dev.
Number of taxies payable to government have reduced	63.0	6.9	29.9	2.59	1.210
Rate of tax payments have been reduced	65.3	5.8	28.9	2.53	1.139
There are no penalties for non-payments of taxes and fees	64.7	4.6	30.6	2.53	1.204
The method of paying tax is easy	50.8	11.6	37.6	2.83	1.138
Market fees are affordable	46.8	13.9	39.3	2.90	1.167
Women traders forgiven for failure to pay taxes and fees	61.3	5.2	33.5	2.62	1.236
Valid N (listwise)	173				

Source: Researcher (2021)

Findings on the county government own resource revenue showed that majority of the residents disagreed that the number of taxies payable to government have reduced, with 15.6% strongly disagreeing, and 47.4% disagreeing, 6.9% were neutral while 22.5%

agreed and 7.5% agreed (Mean = 2.59; Std Dev = 1.210). these findings were in agreement with those of Ntayi et al..., (2014) who opined that taxes payable to governments were biased towards SMEs due to high regulatory burden of registering and running enterprises and the cost of registering a business is high. Similarly, Kedogo (2013) on his study concluded that business regulation, taxation and registration procedures affect the business performance including other mandatory requirement to operate the business, which had increased over time.

Regarding the rate of tax payments, 15.0% strongly disagreed that the rate of tax payments has been reduced, 50.3% disagreed, 5.8% were neutral, while 24.9% agreed and 4.0% strongly agreed (Mean =2.53; Std Dev =1.139). This was supported by Blackburn et al., (2013) who argued that reducing tax costs and simplifying tax provisions may help reduce the tax burden on SMEs and improve efficiency and compliance with the tax laws. High taxation is attributed to low level of compliance and poor performance of women owned micro-enterprises.

Majority of the respondents disagreed that there are no penalties for non-payments of taxes and fees where 18.5% strongly disagreed, 46.2% disagreed, 4.6% were neutral and 25.4% agreed and 5.2% strongly agreed (Mean = 2.53; Std Dev =1.204). These findings were in agreement with those of Yissa (2013) who posited that tax levied on the business and the penalties for non-payment was a major constraint for small and micro enterprises in Mekelle town in Ethiopia. The findings were also consistent with those of Nashikawa and Ogada (2019) who asserted that affordability, poor regulation of the levies and penalties in that order had strong negative effects on the performance of fresh fruits and vegetables trade in their County.

On the issue of whether the method of paying tax was easy, 9.2% strongly disagreed, 41.6% disagreed, 11.6% were neutral while 32.4% agreed and 5.2% strongly agreed

(Mean =2.83; Std Dev = 1.138). These findings were consistent with those of Sitharam and Hoque (2016) who established the factors affecting performance of MSEs to conclude failure to comply with the rules and regulation due to the high cost and registration processes being complicated and time consuming.

On market fees being affordable or not, 9.8% strongly disagreed that they were affordable, 37.0% disagreed, 13.9% were neutral, 32.4% agreed and 6.9% strongly agreed (Mean = 2.90; Std Dev =1.167). These findings were consistent with those of Mwangi and Gachunga (2014) whose study revealed that that market fees and levies affect the performance of Small and Medium Enterprises in Kenya to a moderate extent, and the study concluded that market fees and levies, cess and rates by the county government affect the performance of Small and Medium Enterprises in Kenya.

Majority of the respondents disagreed that women traders are forgiven for failure to pay taxes and fees with 16.8% strongly disagreeing, 44.5% disagreed 5.2% were neutral while 26.6% agreed and 6.9% strongly agreed (Mean =2.62; Std Dev = 1.236). These findings were consistent with those of Fagbemi et al., (2010) has reported that stern action was taken on women who failed to comply with payment of taxes and levies, and that non-compliance of tax is prevalent in developing countries and it hinders development thereby leading to economic stagnation and other social and economic problems.

Findings on the influence of county own-source revenue on the performance of women-owned micro enterprises in Kenya showed that most of the elements tested got average scores which could mean that the county government has put in place a system for revenue collection, even though some elements like taxes do not seem to favour the women in business. Although the score was mainly average, it is positively skewed meaning that there is some negative influence. This is in line with by Blackburn et al.,

(2013) who argued that reducing tax costs and simplifying tax provisions may help reduce the tax burden on SMEs and improve efficiency and compliance with the tax laws.

The controller of budget always emphasizes the increase of local revenue to enhance the discharge of their mandate. The sustainability of County governments and devolution therefore depends on the capacity and ability of a county government to be fiscally sustainable with respect to OSR and to a large extent fiscally autonomous from Central Government. Different Counties generate different levels of revenue depending on several factors and thus exists variance in their levels of autonomy of different counties (Mwangi & Gachunga, 2014). They should therefore work towards supporting women owned enterprises with financial solutions to enhance their businesses.

4.3.2 Influence of County Government Own Source Revenue on Performance of Women Owned Micro enterprises- a Micro Enterprise Perspective

The study sought to investigate the influence of county government own source revenue micro enterprise perspective on the performance of women owned micro enterprises, and results presented below.

Table 4.12b): Regression Model for Own Source Revenue and Performance-Enterprise Perspective

	Coef.	Std. Err.	t	P>|t|
County Govt. Own Source Revenue	-0.156	0.9188	-0.211	0.012
_cons	2.799	0.1748	3.17	0.002
R squared	0.036			
Adj. R squared	0.031			
F (1, 173)	6.442			
Prob.>F	0.7178			

Source: Researcher (2021)

The study found that there was significant relationship between percentage of actual to budgeted own source revenue and performance of women owned enterprises. The R^2 value of 0.036 means that approximately 3.6% of the variation in performance of

women of performance can be explained by county government own source revenue. The R value of 0.191 meant that there was a weak positive correlation between county government own source revenue and performance of women owned micro enterprises in Kenya.

The p value of 0.012 at 5% level of significance. This implied that county expenditure does have a significant effect on performance of women owned enterprises.

The results show that own source revenue had a negative but significant effect on the performance of women owned enterprises in Kenya. These results suggest that increase in the share of own source revenues by counties would increase performance if implemented at very low levels in the county. Given the quadratic nature of own source revenues on performance, marginal analysis would imply that the effect of own source revenues depends on the extent of the transfer. This could partially explain the mixed results on the relationship between fiscal decentralization and performance outcomes from the empirical literature (Galasso & Ravallion, 2005).

The findings suggest that the share of own source revenues of the county government to the women owned enterprises is likely to contribute to decreased performance. This implies that there is a certain critical level, beyond which any further increase in the share own source revenue by county governments may actually lead to decline in performance of women owned enterprises in Kenya.

However, these results disagree with Kneller, Bleaney and Gemmell (1999) findings that productive spending affects economic growth positively, while unproductive spending does not. Recent studies however consider this constraint by controlling for the size of government, for instance, Teles and Mussolini (2014) found in a sample of developing and developed countries, that productive spending affects economic growth positively, though this impact declines as public debt increases. The current study found

no significant relationship between own source revenue and performance of women owned micro enterprises in Kenya.

As the share of own local revenue of county government in total revenue increases, performance may also increase. This is because when constituents contribute to county revenue they are more likely to demand transparency and accountability from the county government which might lead to efficient use of resources. The larger the share of county expenditure that is financed via own local revenue collections, the more accountable county governments become to their constituents, who apparently would correctly evaluate the performance of county government and either punish or reward elected officials in the voting booth. This accountability mechanism in turn serves as an incentive for local governments to make more responsible and efficient tax and spending decisions towards raising the welfare of the constituents.

Alternatively, autonomy of county governments is improved as more own local revenue is raised and therefore the county governments are more likely to meet their constituents' preferences. In Kenya county governments do have autonomy and discretion on the use of own source revenue most of which is spend on transfer programs such as bursary funds, construction of houses for elderly, youth programs among other programs which impacts positively or negatively on the performance of the women owned enterprises. The biggest challenge is that leaders implement programs and projects that are political in nature and fail to implement projects that would add value to the businesses owned by women entrepreneurs, and this contributes negatively to their businesses.

Following the above findings, the hypothesis was tested. The acceptance or rejection criteria was that, if the p value is less than the conventional p value at 5% significance level, the null hypothesis is rejected, otherwise the null hypothesis is not rejected. The

null hypothesis was that *County own source revenue has no significant influence on the performance of women-owned micro enterprises in Kenya*. Based on results in Table 4.12, the null hypothesis was rejected since the p value of 0.012, is less than 5% level of significance. This implies that there is significant relationship between county government own source revenue and performance of women owned enterprises in Kenya.

This means that county government own source revenue is an important predictor of performance. This was also in line with Kedogo (2013) findings that asserted that business regulation, taxation and registration procedures affect the business performance including other mandatory requirement to operate the business.

Bivariate model was therefore;

$Y = 2.799 - 0.156X_1$

The constant is 2.799; this represents that value of performance when county government own source revenue is 0. The 0.156 value of county government own source revenue means that a unit change in county government own source revenue would result in a -0.156 change in performance of women owned micro enterprises.

4.3.3 Influence of County Government Own Source Revenue on Performance of Women Owned Micro enterprises in Kenya- County Fiscal Data Perspective

The study sought to establish the relationship that exists between Own source revenue and performance of women own enterprises as indicated in the following table 4.13a.

Table 4.13a) County Own Source Revenue Fiscal Data as a Percentage of Total Revenue

County	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Kirinyaga	0.03	0.48	0.03	0.03	0.03
Kiambu	0.40	0.66	0.5	0.35	0.59
Makueni	0.04	0.03	0.05	0.04	0.06
Std. dev	0.6085	0.6273	0.6198	0.6097	0.6325
Skewness	1.132	1.132	1.132	1.132	1.132

Source: Researcher (2021)

It was observed that county contribution to the total revenue ranged between 3% to 66% during the period under consideration as indicated in table above. This means that fiscal expansion has been on an increasing trend in Kenya in line with the theory of fiscal federalism. The standard deviation was below one, meaning that own source revenue didn't change much in the five-year period. The Findings revealed that counties have been allocating a substantial own source revenue over the years that goes towards the improvement of service delivery.

The findings of this study agrees with those of Kedogo (2013) who argues that spending on revenue generation by county governments further increases developments in the county. This is also in line with Teles and Mussolini (2014) findings that in the developing and developed countries, productive spending by counties affects economic growth positively, though this impact declines as public debt increases. The current study found significant relationship between own source revenue and the performance of women owned micro enterprises.

Table 4.13b): Regression Model for Own Source Revenue and Performance - a

	Coef.	**Std. Err.**	**T**	**P>|t|**
Own Source Revenue	0.6735	0.1491	4.51	0.000
_cons	0.5360	0.1862	2.89	0.024
R squared	0.4238			
Adj. R squared	0.3941			
F (1, 173)	63.41	Prob.>F	0.000	

Fiscal Perspective
Source: Researcher (2021)

The study finds that there is a positive and significant relationship between county own source revenues and performance. This is indicated by the R^2 of 0.3941 which indicated

that county revenues explain 39.41% of the total variations in performance. The remaining 60.59% is explained by other factors that are not included in this study.

The beta coefficient of 0.6735 imply that for every one unit change in county own source revenue, performance would change by 0.6735 units holding all factors constant. The beta coefficient had a positive sign, which indicated that there was a direct relationship between county revenue and performance. An increase in county revenues is expected to have a positive influence on performance.

Further, the F value of 63.41 indicates that the model is a good estimate given its p value of 0.000 at 5% significance level. The results imply that county revenue is a good predictor of performance. In addition,

4.4 Influence of Access to Government Opportunities on Performance

This study evaluated the influence of access to county government procurement opportunities on performance of women owned micro enterprises in Kenya in two perspectives, enterprise and County Fiscal data as depicted in the tables below.

4.4.1 Characteristics of Access to Government Procurement Opportunities on Performance, a Micro Enterprise Perspective

The second objective was to determine if access to government opportunities in County governments on performance of women-owned micro enterprises in Kenya. It was achieved through various items.

Table 4.14a) Descriptive Characteristics for Access to Government Opportunities, a Micro Enterprise Perspective

Statements	D	N	A	Mean	Std. Dev
Payments to women are prioritized	39.9	17.9	42.2	3.09	1.158
30% of all tenders are preserved for women, Youth and people living with disabilities	17.9	20.2	61.9	3.55	0.985

Public are involved in budget preparation	43.4	14.5	42.2	2.90	1.186
County Government guarantee women for business loans	49.7	23.1	27.1	2.72	1.047
Statements	**D**	**N**	**A**	**Mean**	**Std. Dev**
Tendering procedures are simple	49.1	23.1	27.8	2.75	1.095
Government tenders are advertised	34.1	38.2	27.7	2.93	.974
Statements	**D**	**N**	**A**	**Mean**	**Std. Dev**
Gender based access government procurements	37.6	34.1	28.3	2.88	.981
Valid N (listwise)	173				

Source: Researcher (2021)

Findings on access to government opportunities showed that 5.2% of the respondents strongly disagreed that payments to women are prioritized, 34.7% disagreed, 17.9% were neutral, 30.1% agreed while 12.1% strongly agreed (Mean =3.09; Std Dev =1.158). These findings were in agreement with those of Webb et al… (2014) who asserted that women entrepreneurs constitute a vulnerable social category that is critical in sustainable development endeavours. Unequal procurement opportunities between women and men continue to hamper women's ability to fight poverty and gain more options to improve their lives. Empowerment programmes organized at the national and international level are increasingly targeting youth and women to participate in public procurement with the biggest challenge being the delay in payments for tenders already supplied. This creates a major challenge in that most of these women entrepreneurs do not have the financial muscle to continue tendering with the limited financial resources.

On tenders, findings indicated that 2.3% of the respondents strongly disagreed that 30% of all tenders are preserved for women, youth and people living with disabilities, 15.6% disagreed, 20.2% were neutral while 48.6% agreed and 13.3% strongly agreed (Mean

= 3.55; Std Dev = 0.985). these findings were consistent with those of the World Bank (2012) who posited that many governments now practice gender mainstreaming when designing national budgets (gender responsive budgeting) to make sure national economic planning pays adequate attention to the unique challenges of women's economic empowerment. The role of progressive legislation in empowering women in accessing public procurement opportunity has proven successful around the world (Neha et al, 2012). Furthermore, governments in the 21st century are under increasing pressure to use more effective and efficient social procurement practices to deliver services and achieve their goals.

On public involvement in budget preparation, 13.9% strongly disagreed that public were involved in budget preparation, 29.5% disagreed, 14.5% were neutral while 37.6% agreed and 4.6% strongly agreed (Mean = 2.90; Std Dev =1.186). These findings were consistent with those of Tekele (2019) who asserted that women entrepreneurs contribute significantly to the development of the economy and although most of them are not involved in the process of budget preparation, steps that should be taken towards incorporating gender budgeting in the policymaking process and determining other appropriate measures for strengthening women's participation in making Kenya an entrepreneurial economy should be implemented.

Of the participants of the study, 9.2% strongly disagreed that the county government guarantee women for business loans, 40.5% disagreed, 23.1% were neutral, 23.1% agreed and 4.0% strongly agreed (Mean = 2.72; Std Dev =1.047). These findings were in agreement with those of Mbuva (2014) who investigated the factors influencing financial sustainability of women owned SMEs in Kenya, where the study established that government loan accessibility influenced financial sustainability of women owned SMEs in Kenya. The study concluded that women entrepreneurs had positive attitude

towards government loan policies, procedures and repayment terms. The study also opined that the county governments did not guarantee women loans nor the amount of government loans given to women owned micro enterprises, and that most women run SME's failed due to the lack of access to government loans.

Results for tendering procedure showed that 9.8% strongly disagreed they were simple, 39.3% disagreed, 23.1% were neutral while 21.4% agreed and 6.4% strongly agreed (Mean = 2.75; Std Dev =1.095). These findings were in agreement with those of Salia (2017) who asserted that women and youth owned SMEs are often not well-acquainted with public procurement and tendering language and procedures, and most of them faced more difficulties than larger organizations when looking for relevant opportunities and drawing up tenders. In cognizant of these challenges, the government of Kenya has put in place avenues through which special groups can access information on government tendering but most of them are not even aware of such information being available to help them through the various processes.

Majority disagreed that government tenders are advertised with 5.8% strongly disagreeing, 28.3 disagreed and 38.2% were neutral while 22.5% agreed and 5.2% strongly agreed (Mean = 2.93; Std Dev = 0.974). These findings are consistent with those of Zwicker and Ringheim (2014) who opined that the primary source of information for these groups on what is to be awarded in tenders is the tender notices placed in the newspapers. But given the financial constraints faced by some of the procuring entities, these notices are generally posted only once and most women entrepreneurs are never in a position to view the tenders in good time and apply. For others, these tenders are never advertised and are issued to those with the resources without going through the tendering process (Salia, 2017).

The Participants were asked whether access to government procurements was gender based and 6.4% strongly disagreed, 31.2% disagreed, 34.1% were neutral and 24.3% agreed while 4.0% strongly agree (Mean = 2.88; Std Dev =0.981. These findings were in agreement with those of Scott (2009) who emphasized that access to government procurement depended on knowledge and resources available and not necessarily on gender. Most tenders were only made available to women entrepreneurs who were well knowledgeable with the necessary resources to enable them exploit the opportunity. Women entrepreneurs in Kenya had to put up with lack of confidence, lack of strong individual involvement and unwillingness to take risks. The Kenyan government recognizes that women entrepreneurs have not been on an equal footing when it comes to their access to opportunities and assets but it has yet to effectively address the barriers facing women in business (Salia, 2017).

The findings showed that access to government procurement opportunities followed the government regulations and as such women were considered and their payments prioritized on. This could positively affect the performance of women owned micro enterprises. These findings agree with Rankhumise and Masilo (2017) which revealed that efforts made by the government through provision of opportunities provide valuable support to small businesses.

Public Procurement serves as one window through which public sector interacts with the private sector. How such interaction is managed is very important in fostering a sense of fairness and widening the base of participation by private sector in public procurement. Small and Medium Enterprises (SMEs) are often excluded from public procurement contracts despite the advantages that accrue from their inclusion, and access to public procurement is clearly in the interest of SMEs

According to Odhiambo and Kamau (2003) in the three East African countries, there is a very strong feeling among the actors that SMEs have been marginalized in most of the public sector activities. While there are many reasons for lack of participation, the main one seems to be lack of a coherent, transparent, accountable and participatory procurement policy in the three countries. Improving procurement process through enhancement of the participation of SMEs in the public entities is one way of achieving sound procurement practices. The benefits to the public entities include better levels of service, innovative business solutions and increased competitiveness in the longer-term.

4.4.2 Regression Analysis for Access to Government Procurement Opportunities, a Micro Enterprise Perspective

Regression analysis was performed to establish the degree of relationship between access to government procurement opportunities and the performance of women owned micro enterprises in Kenya, and the findings presented in the table below;

Table 4.14b): Regression Model for Access to Government Procurement Opportunities and Performance

	Coef.	**Std. Err.**	**t**	**P>|t|**
Access to Government Procurement Opportunities	-0.201	0.051	-0.399	0.000
_cons	2.915	0.148	3.17	0.000
	Coef.	**Std. Err.**	**t**	**P>|t|**
R squared	0.084			
Adj. R squared	0.078			
F (1, 172)	15.61			
Prob.>F	0.00			

Source: Researcher (2021)

The study found that there was significant relationship between access to government procurement opportunities and performance of women owned enterprises. The R^2 value of 0.084 means that approximately 8.4% of the variation in performance of women of performance can be explained by access to government procurement opportunities. The

R value of 0.289 meant that there was a weak positive correlation between access to government procurement opportunities and performance of women owned micro enterprises in Kenya.

The p value of 0.00 at 5% level of significance meant that there was significant relationship between access to government procurement opportunities and performance of women owned enterprises. This implies that access to government procurement does have a significant effect on performance of women owned enterprises.

The Bivariate model therefore was;

$Y = 2.915 - 0.201 X_2$

The value for performance when access to government opportunities is zero is 2.915. A unit change in access to government opportunities would result in a 0.201 change in performance. These findings concurred with those of Peter, Olokundun, Peter, Amaihian and Ibidunni (2018) whose study underscored the importance of government support programs since they are viewed as important tools for enhancing the performance of SMEs.

Neha et al, (2012) posited that the role of progressive legislation in empowering women in accessing public procurement opportunity has proven successful around the world. However, poor implementation of policies has ensured that the vulnerable populations are more likely to be overlooked by government procurement, less likely to receive skills and training. As a result, disadvantaged groups particularly women are at greater risk of being unemployed and having no source of livelihood (Zairi, 2012). This implies that exclusion of women from development ultimately causes economies to stagnate.

Public Procurement serves as one window through which county government interacts with the women owned enterprises. How such interaction is managed is very important in fostering a sense of fairness and widening the base of participation by the women

owned enterprises in public procurement. Small and Medium Enterprises (SMEs) are often excluded from public procurement contracts despite the advantages that accrue from their inclusion, as access to public procurement is clearly in the interest of SMEs (Salia, 2017).

According to Odhiambo and Kamau (2013) in the three East African countries, there is a very strong feeling among the actors that SMEs have been marginalized in most of the public sector activities. While there are many reasons for lack of participation, the main one seems to be lack of a coherent, transparent, accountable and participatory procurement policies.

Whereas the procurement opportunities are made available and reserved for the women and other marginalized groups, the uptake of these opportunities by the women is limited and only a fraction of them participate in the tendering process. Even in situations where they tender, most of them are disqualified due to their inability to respond to the contract parameters effectively, competition from more experienced individuals well connected in government, and not knowing where to access information on public procurement on how to successfully apply for procurement opportunities.

Another reason could be the fact that procurement often requires relatively large capital outlay. Most of these micro enterprises do not have the financial muscle to effectively tender for the government tenders. This agrees with a research carried out by Robb and Robinson (2014) that indicated that women-owned entrepreneurs raise smaller amounts of capital to finance their firms and are more reliant on personal rather than external sources of financing. This means that women are only able to raise smaller financial capital. Consequently, women-owned businesses are only able to participate in low value contracts or are not able to participate in government procurement at all.

Majority of women do not know how or where to access information on public procurement opportunities. This agrees with Mandawa (2016) observation that, a common complaint among women-owned businesses is that they are not aware of and do not know how to access public procurement opportunities. In Kenya, public procurement opportunities are required to be advertised in at least one daily with national coverage. There are also web portals that publish Government tenders. However, these avenues are not readily available to a majority of women small and micro enterprises hence making it difficult for women to access the information on Government procurement opportunities.

Scott (2009) observed that the appropriateness of web-based solutions depends upon the level of Internet use in a given country. Women entrepreneurs in rural communities are less likely to have internet access or benefit from electronic procurement gateways. A research by Salia (2017) determined that over three quarters of SMEs believed that there are barriers to awareness of Government opportunities. This means that there is limited access to public procurement information by most women, and the effect of this is limited participation by women in Government procurement as seen from the results of the study.

Following the above findings, the hypothesis was tested. The acceptance or rejection criteria was that, if the p value is less than the conventional p value at 5% significance level, the null hypothesis is rejected, otherwise the null hypothesis is not rejected. The findings show that the p value was significant (p=0.000) at 95% confidence level. This meant that the model was significant for predicting performance in women owned micro enterprises in Kenya. With ($p < 0.05$) the null hypothesis: *Access to government procurement opportunities has no significant influence on the performance of women-owned micro enterprises in Kenya* was rejected.

4.4.3 Influence of Government Procurement Opportunities on Performance of Women Owned Micro Enterprises, In Kenya- Fiscal Data Perspective

The study sought to establish the influence of Own source revenue and performance of women own enterprises as indicated in the following table 4.16.

Table 4.15a): Access to Government Procurement Opportunities

County	2014/15 Kshs. Millions	2015/16 Kshs. Millions	2016/17 Kshs Millions	2017/18 Kshs. Millions	2018/19 Kshs. Millions
Kirinyaga	16	16	18	16	18
Kiambu	92	93	93	92	92
Makueni	25	26	25	25	25
Total	133	135	136	133	135
Mean	44	45	45	44	45

Source: Researcher (2021)

Findings revealed that the county governments have been setting aside procurement opportunities for women, and this was supported by a mean of 44 in 2014/15, 45 in 2015/16, and 2016/17, 44 in 2017/18, and lastly a mean of 45 in the year 2018/19. This has been made possible by national and county governments developing legislation that sets aside a certain fraction of procurement opportunities for women and other disadvantaged groups. Governments have long used targeted assistance strategies to encourage or promote economic participation by historically disadvantaged individuals and other marginalized groups within society. Whereas this is so, a majority of women owning micro enterprises do not participate in these tenders or procurement opportunities. This agrees with the findings of Webb et al… (2014) that, three quarters of small and micro enterprises rarely or never bid for Government contracts due to either not knowing of the opportunities or funding challenges.

Table 4.15b): Regression Model for Access to Government Opportunities on Financial Performance – a Fiscal Perspective

	Coef.	Std. Err.	t	P>|t|

Access to Govt. Opportunities	0.5701	0.1294	4.45	0.000
_cons	1.2342	0.1569	7.86	0.000
R squared	0.1936			
Adj. R squared	0.1878			
F (1, 173)	33.38	Prob.>F	0.000	

Source: Researcher (2021)

The study finds that there is a positive and significant relationship between access to government opportunities and performance. The R^2 of 0.1936 indicate that government procurement opportunities explain 19.36% of the total variations in performance. The remaining 80.64% is explained by other factors that are not included in this study.

The p value of was 0.000 at 5% significance level and meant that there was a significant relationship between access to government opportunities and performance. The beta coefficient of 0.5701 implied that for every one unit change in access to government opportunities, performance would change by 0.5701 units holding all factors constant. The beta coefficient has positive sign, which indicates that there is a direct relationship between access to government opportunities and performance. An increase in access to government procurement opportunities is expected to have a positive influence on performance.

Further, the F value of 33.38 indicated that the model is a good estimate given its p value of 0.000 at 5% significance level. The results imply that government procurement opportunities are a good predictor of performance. In addition,

4.5 Influence of County Government Physical Infrastructure Development on Performance

This study evaluated the influence of County Government Physical Infrastructure on performance of women owned micro enterprises in Kenya by using two perspectives, enterprise data and County Fiscal data as depicted in Table 4.18 and 4.19.

4.5.1 Influence of County Government Physical Infrastructure Development on Performance, a Micro Enterprise Perspective

The third objective was to evaluate the relationship between physical infrastructure development and performance of women-owned micro enterprises in Kenya, and findings were presented in table 4.16 below.

Table 4.16a) Descriptive Statistics for Physical Infrastructure Development

Statements	D	N	A	Mean	Std. Dev.
Construction of roads and bridges have improved the performance of my business	5.2	7.5	87.3	4.24	.869
Water and Sanitation Facilities are available	1.8	5.2	93.1	4.12	.589
Health facilities have been constructed near the markets	4.1	8.7	87.3	4.06	.737
Statements	**D**	**N**	**A**	**Mean**	**Std. Dev.**
Safe storage facilities have been constructed	11.0	13.3	75.7	3.82	1.049
Statements	**D**	**N**	**A**	**Mean**	**Std. Dev.**
Street lighting have been constructed	6.4	4.0	89.6	4.12	.801
County government have constructed market buildings	7.5	5.2	87.3	4.09	.884
Valid N (listwise)	173				

Source: Researcher (2021)

As shown in Table 4.16a above, 1.7% of the study participants strongly disagreed that construction of roads and bridges have improved the performance of their business, 3.5% disagreed, 7.5% were neutral while 43.4% agreed and 43.9% strongly agreed (Mean = 4.24; Std Dev = 0.869). These findings concurred with those of Palei (2015) researched on the effect of infrastructure on the growth of the economy and businesses. The results indicated that infrastructural development in terms of electricity supply, air transport, railroad transport, quality of roads had an influence that was significant on the growth of businesses. Infrastructure deficiency (road projects, water projects,

electricity) has a negative influence on the growth of small and micro enterprises due to the high cost that SMEs incur in infrastructure self-provision and in finished goods distribution.

On availability of water and sanitation, 0.6% strongly disagreed that water and sanitation were available, 1.2% disagreed, 5.2% were neutral while 72.3% agreed and 20.8% strongly agreed (Mean =4.12; Std Dev = 0.589). These findings were in agreement with those of Abdullahi et al., (2015) who restated that water governance is mostly faced with multifaceted uncertainties owing to rapid demographic changes, urbanization and climate change. Water and sanitation plays an enhancing role in business bottom lines through institutional arrangements and policy implementation. Inadequacies in water supply and water infrastructure are significant challenges affecting sustainable water utilization for SMEs and affect their performance directly.

In relation to health facilities, 1.2% strongly disagreed that health facilities have been constructed near the markets, 2.9% disagreed while 8.7% were neutral and 63.6% agreed while 23.7% strongly agreed (Mean = 4.06; Std Dev = 0.737). These findings were in agreement with those of Scott (2009) who affirmed that health was a major component of infrastructure development and was key in ensuring that small and micro enterprises owned by women were successful. A failure of the health component means that people will have to travel long distances in search for health centres and in-turn incur huge costs as they pay for services rendered. Provision of such health facilities by the county government affects the performance of women owned enterprises directly.

Only a few respondents disagreed that safe storage facilities have been constructed where 6.4% strongly disagreed, 4.6% disagreed, 13.3% were neutral and 52.0%agreed while 23.7% strongly agreed (Mean = 3.82; Std Dev =1.049). These findings were in agreement with those of Forkuoh and Li (2015) who asserted that safe storage facilities

and cold storage facilities are key infrastructural developments for sme's in their quest to ensure that their produce stay in a safe environment and that they do not go bad. The absence of such storage facilities creates a negative significant influence on small businesses growth, leading to an increase in the cost of business operation as business owners have to purchase storage space for their produce.

Regarding street lighting, 1.2% strongly disagreed that street lighting have been constructed, 5.2% disagreed, while 4.0% were neutral and majority agreed 59.5% while 30.1% strongly agreed (Mean = 4.12: Std Dev = 0.801). These findings were in agreement with those of Salia (2017) who opined that a dependable system of energy at an affordable price is essential to all economic activity and failure to provide accessible power sources is a constraint to production efficiency and competitiveness. Scott (2009) submits that infrastructural deficiencies are the frequent complaints by all businesses in many countries, domestic and foreign owned firms, alike. It is noteworthy that power failure, transport costs and other infrastructural problems among SMEs poses the greatest difficulties to continued business activity. Building physical and social infrastructures have become a cornerstone for business development.

On market buildings, 2.3% strongly disagreed that the county government have constructed market buildings, 5.2% disagreed, 5.2% were neutral and 55.5% agreed and 31.8% strongly agreed (Mean = 4.09; Std Dev = 0.884). These findings showed that majority of the owners of micro business acknowledged the efforts made by the county government to improve the infrastructure in the county. These improvements could help improve the operations of businesses by creating conveniences, lowering costs of business, saving on time hence improve the overall performance of businesses. This concurred with Nkechi et al., (2012) who found out that infrastructural facilities

aid the development of the mind, body and assist productivity in any environment and at the same time increase SMEs performance effectively and efficiently.

Infrastructure development is considered a key factor in promoting economic growth and attracting foreign investors for sustainable production and productivity. Conversely, inadequate levels of infrastructure constrain economic growth, a situation developing countries find themselves in. This requires the government to invest in infrastructure supplemented by external financing (Osei & Kurantin, 2017). Kenyan government has channeled almost 27% of its national budget over 5 years towards infrastructure. Despite this commitment, GOK (2005) reports that Kenya needs sustained expenditures of almost $4 billion per year over the next decade in order to address infrastructure deficit in the country. This illustrates the widening gap between demand for and supply of infrastructure and it raises doubts if infrastructure development is an enabler for sustainable economic growth in the Kenya. In literature, positive and significant relationship has been obtained between economic infrastructure and economic growth.

4.5.2 Regression Analysis for County Government Infrastructure Development, Micro Enterprise Perspective

Regression analysis was performed to establish the degree of relationship between county government infrastructure development and the performance of women owned micro enterprises in Kenya, and the findings presented in table 4.16b below;

Table 4.16b) Regression Model for Physical Infrastructure Development and Performance, Micro Enterprise Perspective

	Coef.	Std. Err.	t	P>|t|
Physical Infrastructure Development	0.219	0.096	2.276	0.024
_cons	1.472	0.396	3.717	0.000

R squared	0.029
Adj. R squared	0.024
F (1, 172)	5.179
Prob.>F	0.00

Source: Researcher (2021)

The study found that there was a statistically significant relationship between access to government procurement opportunities and performance of women owned enterprises. The R^2 value of 0.029 meant that approximately 2.9% of the variation in performance of women of performance can be explained by county government physical infrastructure developments. The R value of 0.171 meant that there was a weak positive correlation between county government physical infrastructure development and performance of women owned micro enterprises in Kenya.

The p value of 0.024 at 5% level of significance. This implied that county government physical infrastructure development does have a significant effect on performance of women owned enterprises. This also means that physical infrastructure development was an important predictor of performance. The beta coefficient of 0.219 implied that for every one unit change in physical infrastructure development, performance would change by 0.219 units holding all factors constant.

This corresponds with Oyeku et al. (2014) whose study revealed that the infrastructural support provision has an influence on the growth of small businesses in Ogun State. These findings were also consistent with those of Abdullahi et al., (2015) who asserted that the available infrastructural facilities such as roads, electricity, water supply telecommunication and sewerage system have a direct influence on the growth of small and micro enterprises.

The Bivariate model therefore was;

$Y = 1.472 + 0.219 X_3$

The value for performance when county government physical infrastructure development is zero is 1.472. A unit change in county government physical infrastructure development would result in a 0.396 change in performance. These findings concurred with those of Palei (2015) who found out that infrastructural development in terms of electricity supply, air transport, railroad transport, quality of roads had an influence that was significant on the growth of businesses. It is a universal belief that provision of infrastructures increases the effectiveness and efficiency of small and micro enterprises. The provision of infrastructure leads to a reduction in cost of production, increases profitability and increases level of output, especially among small and micro enterprises. The opposite is true, poor infrastructure leads to a difficulty in doing business as it leads to inefficiency and ineffectiveness of small businesses and hence their closure.

In his study, Beyene, Anglin, Sanchez and Ballou (2002) found that good infrastructure availability provides a conducive environment for women owned small and micro enterprises to growth and facilitate economic growth. It is impossible for small and micro enterprises to flourish in the absence of transportation, water supply, power supply and reliable telecommunication. Oyeku et al. (2014) also observed that infrastructure's role in the performance of SMEs cannot be overlooked since infrastructure such as road networks, reliable water supply, efficient telecommunication and power supply are considered to be flavors for SME's performance.

According to Gaal and Afrah (2017) infrastructure is all about the necessity of public establishments and buildings needed for social productions processes but unprofitable for private capital. This could be due to the fact that infrastructure provision and financing exhibit the characteristics of public goods of non-excludability in supply and non-rivalry in consumption. On the other hand, Mudida (2014) argues that free rider

problem arises when public goods are provided by private sector. Thus, these issues suggest that the government has a role to play in efficiently supplying and maintaining infrastructure, especially when it spans across geographic borders.

Following the above findings, the hypothesis was tested. The acceptance or rejection criteria was that, if the p value is less than the conventional p value at 5% significance level, the null hypothesis is rejected, otherwise the null hypothesis is not rejected. The findings show that the p value was significant (p=0.024) at 95% confidence level. This meant that the model was significant for predicting performance in women owned micro enterprises in Kenya. With the p value being ($p < 0.025$), the null hypothesis denoted as; P*hysical infrastructure development has no significant influence on the performance of women-owned micro enterprises in Kenya and* was therefore rejected.

4.5.3 County Government Physical Infrastructure Development and Performance, a County Fiscal Data Perspective

The study sought to establish the relationship that exists between county government infrastructure development and performance of women own enterprises. The fiscal data was presented in table 4.17 below.

Table 4.17a): County Government Physical Infrastructure Development

County	**000'**	**000'**	**000'**	**000'**	**000'**
Kirinyaga	6,000	6,000	6,000	6,000	6,000
Kiambu	58,000	58,000	58,000	58,000	58,000
Makueni	50,000	50,000	50,000	50,000	50,000
Mean	**38,000**	**38,000**	**38,000**	**38,000**	**38,000**

Source: Researcher (2021)

According to table 4.17a above, findings revealed that county government have been setting aside funds for infrastructure development to a mean of 38 million on a yearly basis for the three counties. These are funds meant to contribute positively to

infrastructure development that includes roads, sewerage, development of market stalls and storage facilities for business people in markets. Such development contributions make it easier to do business. Infrastructure developments such as functionally infrastructures enhance the production process by facilitating the production of services and products (Ndungu, 2017).

Salia (2017) found out that infrastructure development plays a key role in ensuring that there is economic growth in counties. This is done through the forces of supply and demand, which exist in the markets that allow buying and selling which is a function of all the small and micro enterprises. When infrastructure is aggregated with other factors, it always leads to a high level of production as a result of influencing public investment, private investments and also private capitals. Infrastructure has effects both at the macroeconomic and microeconomic levels.

Table 4.17b): Regression Model for Infrastructure Development on Financial Performance – a Fiscal Perspective

	Coef.	Std. Err.	t	P>|t|
Govt. Infrastructure Development	0.3593	0.1451	2.47	0.000
_cons	1.8127	0.1873	9.67	0.000
R squared	0.1922			
Adj. R squared	0.2264			
F (1, 173)	33.07	Prob.>F	0.000	

Source: Researcher (2021)

The study finds that there was a positive and significant relationship between county government infrastructure development and performance. The R^2 of 0.2264 indicated that county government infrastructure development explained 22.64% of the total variations in performance. The remaining 77.36% is explained by other factors that are not included in this study.

The p value was 0.000 at 5% significance level. The beta coefficient of 0.3593 implied that for every one unit change in county government infrastructure development, performance would change by 0.3593 units holding all factors constant. The beta coefficient has positive sign, which indicated that there was a direct relationship between county government infrastructure development and performance. An increase in county government infrastructure development is expected to have a positive influence on performance.

Further, the F value of 33.07 indicated that the model was a good estimate given its p value of 0.000 at 5% significance level. The results implied that county government infrastructure development was a good predictor of performance. In addition,

4.6.1 Influence of Capacity Building Financing by County Government on Performance, a Micro Enterprise Perspective

The fourth objective was to determine whether county capacity building had any influence on the performance of women-owned micro enterprises in Kenya, and findings were presented in table 4.18(a) and 4.18(b).

Table 4.18a) Descriptive Statistics for Capacity Building Financing, a Micro Enterprise Perspective

Statements	D	N	A	Mean	Std. ev.
I was trained how to improve my entrepreneurial skills	68.2	4.6	27.2	2.39	1.292
I was trained on conducting market analysis skills	77.4	5.8	16.7	2.21	1.058
I was trained on customer relations skills	76.3	9.8	13.8	2.18	.959
I have been trained on financial dealings skills	75.2	9.2	15.6	2.20	.994
I have been trained on employer-employee relation	82.1	4.6	13.3	2.09	.951
County government trained me on book keeping skills	64.1	13.9	22.0	2.42	1.095

Interpersonal skills formed part of the capacity development	74.6	14.5	11.0	2.18	.881
Valid N (listwise)					

Source: Researcher (2021)

As shown in Table 4.18a, 27.7% strongly disagreed that they were trained how to improve their entrepreneurial skills, 40.5% disagreed while 4.6% were neutral, 19.1% agreed and 8.1% strongly agreed (Mean = 2.39; Std Dev = 1.292). These findings concurred with those of Ndungu (2017) who identified effective entrepreneurship as the most important factor in enterprises growth, and noted that good entrepreneurial practices combined with information Technology (IT) could create synergistic effects that lead to sustainable growth. His findings differ slightly with previous researches who considered entrepreneurship as a mere moderating variable and not an explanatory variable (Cassia & Minola, 2012).

Regarding marketing analysis skills, 22.5% of the respondents strongly disagreed that they were trained on conducting market analysis skills, 54.9% disagreed, 5.8% were neutral, 12.7% agreed while 4.0 strongly agreed (Mean = 2.21, Std Dev= 1.058). These findings were consistent with those of Aladejebi (2018) who examined the impact of the human capacity building on Small and medium enterprises and found that regulatory constraints, accessibility to credit and low marketing skills are the top three barriers to the SMEs owner's business. The study results also showed that SME owners adopt various training approaches like formal and informal training, on-the-job training and job-specific training to acquire the skills necessary to run their business.

Results for training on customer relations skills showed that 20.8% strongly disagreed that they were trained on customer relations skills, 55.5% disagreed, 9.8% were neutral, 12.1% agreed and 1.7% strongly disagreed (Mean = 2.18; Std Dev = 0.959). These findings were consistent with those of Muthoni (2013) who concluded that majority of the women owned SMEs in Gikomba Market were run on trial-and-error basis as

majority of the owners had never received training and development on customer relations skills. These findings were also in agreement with those of Zeb and Ihsan (2020) who established a positive influence of capacity building on performance of on financial performance and growth of women owned SMES.

On financial dealings, 22.0% strongly disagreed that they had been trained on financial dealings skills, 53.2% disagreed, 9.2% were neutral, 13.9% agreed and 1.7% strongly agreed (Mean = 2.20, Std Dev = 0.994). These findings were in agreement with those of Hassan and Mugambi (2013) who investigated the key determinants of growth such as access to financial resources, entrepreneurial education on financial dealings, and training and social networks. The study revealed that financial resources, entrepreneurial skills and training on financial dealings and networking were important ingredients in growth and expansion of women micro enterprises in Kenya.

Regarding training on employer-employee relation, 24.3% strongly disagreed they had been trained on employer-employee relation, 57.8% disagreed, 4.6% were neutral, 11.6% agreed while 1.7% strongly agree (Mean = 2.09; Std Dev = 0.951). These findings were consistent with those of Baltov (2016) who asserted that employee relations training empowers businesses to proactively identify potential conflicts and resolve them before they become complex problems, and provide guidance and navigation through laws and regulations governing the handling of disciplinary, diversity, labor, performance and conduct issues.

Results for training on book keeping skills revealed that 17.9% strongly disagreed that the county government trained them on book keeping skills, 46.2% disagreed, 13.9% were neutral, 18.5% agreed and 3.5% strongly agreed (Mean = 2.42; Std Dev = 1.095). These study findings were in agreement with those of Njoroge and Gathungu (2013), who established that after the training on book keeping skills, entrepreneurs were able

to market their products within the district but not around the country. The results of the study revealed that the entrepreneurs were able to do simple daily book keeping of business transactions, and were in a position to track the daily, weekly and monthly transactions of the business.

Majority disagreed that interpersonal skills formed part of the capacity development (19.1% strongly disagreed and 55.5% disagreed) while 14.5% were neutral and 10.4% agreed while 0.6% strongly agree (Mean = 2.18; Std Dev = 0.881). These findings were in agreement with those of Mishra (2015) who established that several components of capacity building which helps women entrepreneurs to establish and run entrepreneurs successfully included a training on interpersonal skills development. These skills enable the women entrepreneurs to sharpen their interpersonal skills which enable them to explore and seize business opportunities and capacity to effectively participate in business negotiations, and on how to leverage on business opportunities through networking.

The findings showed a low level of training on entrepreneurial skills, market analysis skills, customer relations skills, financial dealings skills, employer-employee relation, book keeping skills and interpersonal skills. These could affect business performance negatively. These findings were in agreement with Shakeel, Yaokuang and Gohar (2020) which showed that managerial incompetence are more prevalent in SMEs as compared to the larger companies because SMEs (entrepreneurs) do not have the managerial capabilities and are also not prepared to hand over the management of the business to the professional managers for some reasons such as lack of trust, risk among others.

The objective of entrepreneurship capacity building is to inculcate entrepreneurial behavior in individuals. They are planned interventions aimed at the development of

the need for achievement. However, emphasis on stimulating the need for achievement in entrepreneurship development is not shared by everybody. There is however a general agreement that an entrepreneurial career can be developed through entrepreneurial training. Barrett and Rainnie (2002) posited that an entrepreneurial culture can be created through, among other things, practical oriented business courses and needs-specific training. They argue that education and training can "strengthen the need for achievement, alleviate fear of failure and enhance self-confidence". Chebii, Ogada and Achar (2009) asserts that desired entrepreneurial success factors can be learned through properly designed entrepreneurship development programmes. He also points out that there is a general agreement that having entrepreneurship education is positively associated with becoming self-employed, and stresses the importance of formal education and business education for micro and small enterprise operators.

4.6.2 Regression Analysis for County Government Capacity Building, a Micro Enterprise Perspective

Regression analysis was performed to establish the degree of relationship between county government capacity building and the performance of women owned micro enterprises in Kenya, and the findings presented in table 4.18b below;

Table 4.18b) Regression Model for Capacity Building and Performance

	Coef.	Std. Err.	t	P>|t|
County Govt. Capacity Building	0.212	0.073	2.889	0.004
_cons	1.963	0.168	11.684	0.000
R squared	0.047			
Adj. R squared	0.041			
F (1, 172)	8.345			
Prob.>F	0.00			

Source: Researcher (2021)

Regression analysis was conducted to empirically determine whether capacity building by county government was a significant determinant of performance of women owned

enterprises in Kenya. The study found that there was a statistically significant relationship between county government capacity building and performance of women owned enterprises. The R^2 value of 0.047 meant that approximately 4.7% of the variation in performance of women of performance can be explained by county government capacity building. The R value of 0.216 meant that there was a weak positive correlation between county government capacity building and performance of women owned micro enterprises in Kenya.

The p value of 0.004 at 5% level of significance implied that county government capacity building does have a significant effect on performance of women owned enterprises. This also means that county government capacity building was an important predictor of performance. The beta coefficient of 0.212 implied that for every one unit change in county government capacity building, performance would change by 0.212 units holding all factors constant.

These findings correspond with a study by Hundera (2014) that found out that there is a positive relationship between the reasons why women start business, the training they receive while conducting business, and their business outcomes or performance.

The Bivariate model therefore was:

$Y = 1.963 + 0.212 X_4$

The value for performance when county government capacity building is zero is 1.963. A unit change in county government capacity building would result in a 0.168 change in performance. These findings concurred with those of Scherrer et al, (2011) who found that the introduction of training such as business improvement programmes are influential, and relatively consistent drivers of increased performance in SMEs following each of the growth development pathways, and over time. Training is a continuous process, and entrepreneurs who participate in training will gain new skills

to implement in their businesses. After a while, there will be need for additional training to overcome new challenges that emerge in the firm.

These findings were also in agreement with those of Aladejebi (2018) who examined the impact of the human capacity building on Small and medium enterprises in Lagos, Nigeria and found out that training and capacity building, accessibility to credit and low marketing skills are the top three barriers to the SMEs owner's business. The study results also showed that SME owners adopt various training approaches like formal and informal training, on-the-job training and job-specific training. The conclusion of the study includes the need for the government to organize more training for SMEs at affordable prices, and the establishment of skills acquisition centres.

Capacity building is aimed at building and enhancing the knowledge of women entrepreneurs to assist them to solve complex issues in the environment of their operation. Most women enterprises are still at micro level which is attributed to limited skills among owners to think outside the box and make informed decisions. Most women owned enterprises require sufficient training and skills for managers and other inputs for better financial performance (Baltov, 2016).

Following the above findings, the hypothesis was tested. The acceptance or rejection criteria was that, if the p value is less than the conventional p value at 5% significance level, the null hypothesis is rejected, otherwise the null hypothesis is not rejected. The findings show that the p value was significant (p=0.004) at 95% confidence level. This meant that the model was significant for predicting performance in women owned micro enterprises in Kenya. With the p value being ($p < 0.004$), the null hypothesis denoted as; *County government capacity building has no significant influence on the performance of women-owned micro enterprises in Kenya*, was rejected.

4.6.3 Influence of County Governments Capacity Building and Performance, a County Fiscal Data Perspective

The study sought to establish the relationship that exists between county government infrastructure development and performance of women own enterprises. An analysis of data was presented in table 4.19a) below.

Table 4.19a): County Government Capacity Development

	2014/15	**2015/16**	**2016/17**	**2017/18**	**2018/19**
County	Number Trained	Number Trained	Number Trained	Number Trained	Number Trained
Kirinyaga	500	600	600	600	600
Kiambu	92	93	93	92	92
Makueni	10	10	10	10	10
Mean	**200**	**234**	**234**	**234**	**234**

Source: Researcher (2021)

According to table 4.22 above, findings revealed that county government have been empowering women on capacity building, having a mean of 200 in the year 2014/15, and 234 trained women in the year 2015/16 to the year 2018/19 for the three counties of Kirinyaga, Kiambu and Makueni. This shows that counties have been keen on investing in the empowerment of women entrepreneurs by setting aside funds for capacity building as such kind of empowerment through capacity building contributes very positively to their businesses.

Promotion of women empowerment through capacity building has been viewed by many researchers as a key to combating poverty, hunger, disease, crisis and stimulating sustainable development and motivating women for involvement in economics development (Ijaza, Mwangi & Ng'etich, 2014). Development of human capital among women is very important as women have potentials to contribute creatively with their skills and capabilities. Women skills and managerial styles often change the dynamics

of their enterprise. However, this can only be possible when adequate time is given to ensure that women are well empowered through training, development, provision of resources and capacity building (Kanapathipillai & Azam, 2019).

Table 4.19b): Regression Model for Capacity Building on Financial Performance – a Fiscal Data Perspective

	Coef.	Std. Err.	t	P>|t|
County Govt. Capacity Building	0.4658	0.1652	2.82	0.000
_cons	1.9246	0.1756	10.96	0.000
R squared	0.2658			
Adj. R squared	0.3166			
F (1, 173)	38.29	Prob.>F	0.000	

Source: Researcher (2021)

The study finds that there was a positive and significant relationship between county government capacity building and performance. The R^2 of 0.3166 indicated that county government capacity building explained 31.66% of the total variations in performance. The remaining 68.34% is explained by other factors that are not included in this study.

P value was at 0.000 at 5% level of significance and implied that there was a significant relationship between county government capacity building and performance. The beta coefficient of 0.4658 implied that for every one unit change in county government capacity building, performance would change by 0.4658 units holding all factors constant. The beta coefficient has positive sign, which indicated that there was a direct relationship between county government capacity building and performance. An increase in county government capacity building is expected to have a positive influence on performance.

Further, the F value of 38.29 indicated that the model was a good estimate given its p value of 0.000 at 5% significance level. The results implied that county government capacity building was a good predictor of performance.

4.7 Multiple Regression Analysis

In order to establish the influence of fiscal Asymmetric decentralization on performance of women owned micro enterprises, a multiple regression model was performed. Performance of women owned micro enterprises was measured in terms of sales turnover. The results were presented in Table 4.20a below.

Table 4.20a: Regression Results: Fiscal Asymmetric Decentralization, Micro Enterprise Perspective

	Coef.	Std Beta	Std. Err.	Z	P>|z|
Own Source Revenue	-0.6859	0.163	0.0395	8.79	0.032
Access to Government Opportunities	-0.0856	0.524	0.1958	0.44	0.048
Physical Infrastructure	0.02658	0.231	0.1259	9.61	0.019
Capacity Building	0.04256	0.652	0.0135	2.54	0.012
-cons	0.1268		0.1359	0.79	0.433
R squared	0.5689				
F statistic	186.20				
Prob.>F	0.000				

Source: Researcher (2021)

The results indicate that there was a positive and significant relationship between own source revenue and sales turnover. This was indicated by a beta coefficient of 0.6859 and a p value of 0.032. The results imply that for every one unit change in own source revenue, sales turnover would change by 0.6859 units holding all factors constant. The beta coefficient has a positive sign, which indicates that there is a direct relationship between own source revenue and performance. An increase in own source revenue is expected to have a positive influence on performance.

Further, the study establishes that there is a positive and significant relationship between access to government opportunities and performance. This is indicated by a

beta coefficient of 0.0856 and a p value of 0.048. The results imply that for every one unit change in access to government opportunities, performance would change by 0.0856 units holding all factors constant. The beta coefficient has a positive sign, which indicates that there is a direct relationship between access to government opportunities and performance. An increase in access to government opportunities is expected to have a positive influence on performance.

In addition, the study results indicate that there is a positive and significant relationship between physical infrastructure and performance. This was indicated by a beta coefficient of 0.0265 and a p value of 0.019. The results imply that for every one unit change in physical infrastructure, performance would change by 0.0265 units holding all factors constant. The beta coefficient has a positive sign, which indicated that there was a direct relationship between physical infrastructure and performance. An increase in physical infrastructure has a positive influence on performance.

Finally, the study results indicated that there is a positive and significant relationship between capacity building and performance. This was indicated by a beta coefficient of 0.0425 and a p value of 0.012. The results imply that for every one unit change in capacity building, performance would change by 0.0425 units holding all factors constant. The beta coefficient has a positive sign, which indicated that there was a direct relationship between capacity building and performance. An increase in capacity building has a positive influence on performance.

Further, the F value of 186.20 indicates that the model is a good estimate given its p value of 0.000 at 5% significance level. The results imply that fiscal asymmetric decentralization is a good predictor of performance.

In addition, the R^2 of 0.5689 indicate that fiscal asymmetric decentralization explains 56.89% of the total variations in performance. The remaining 43.11% is explained by other factors that are not included in this study.

According to the standardized beta results, capacity building emerged as the strongest to affect performance of the women enterprises with a beta value of 0.652, followed by access to government procurement opportunities with a beta value of 0.524, county government physical infrastructure had a beta value of 0.231, and own source revenue had the least beta with 0.163. this means that all the variables affected performance of the women owned micro enterprises positively.

Table 4.20b: Regression Results: Fiscal Asymmetric Decentralization – a Fiscal Data Perspective

Fiscal Data Perspective	Coef.	Std. Beta	Std. Err.	Z	P>|z|
Own Source Revenue	0.82117	0.541	0.072203	19.68	0.000
Access to government opportunities	0.07734	0.352	0.366479	0.21	0.033
Physical infrastructure	0.000182	0.681	1.076805	16.93	0.000
Capacity building	0.058108	0.332	0.021926	2.65	0.009
_cons	0.078884		0.292016	0.27	0.787
R squared	0.8623				
F statistic	172				
Prob.>F	0.000				

Source: Researcher (2021)

Findings from table 4.28b above indicate that according to the standard beta values, physical infrastructure is indicated as the highest influencer of performance with a beta value of 0.681, followed by own source revenue with a beta value of 0.541, access to government procurement opportunities comes in third with standard beta value of 0.352, and capacity building comes in fourth with a standard beta value of 0.332. These

findings indicate that county government is the highest placed variable to affect the performance of women owned enterprises

In general, these findings agree with those of Kangu (2015) who asserted that there has been a wide spread imbalance in inequitable distribution of resources in Kenya and notes that there has been an improvement in the distribution of financial resources following the promulgation of the Constitution of Kenya 2010. He analyzes devolution as a tool that is meant to address resource imbalance which exists in Kenya.

The core component of decentralization is fiscal decentralization by which the government transfers revenues or allows the subordinate government levels to raise their own funds. Fiscal autonomy is therefore the prerequisite for effective functioning of decentralization. Without this, there will be horizontal and vertical imbalances between the expenditure needs and the available resources of the decentralized layer of the governance, which may hinder the developmental functions at local level (Chakraborty, 2016). The Constitution of Kenya (2010) under Article 209 depicts Own Source Revenues (OSR) as revenues generated by one level of government in this case the County Governments revenues generated through property taxes, entertainment taxes, fees and charges from the services they provide.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of findings and conclusions drawn from the findings and recommendations made. The conclusions and recommendations drawn were focused on addressing the purpose and the objectives of the study.

5.2 Summary of Findings

5.2.1a) Characteristics of Own Source Revenue on Performance- Enterprise Perspective

Findings on the influence of county government own resource revenue on performance of women-owned micro enterprises in Kenya showed that majority of the residents disagreed that the number of taxies payable to government have reduced, the rate of tax payments has been reduced. Majority of the respondents disagreed that there are no penalties for non-payments of taxes and fees. Almost half of the respondents disagreed that method of paying tax was easy. Majority disagreed that market fees were affordable, Majority of the respondents disagreed that women traders were forgiven for failure to pay taxes and fees with. There was a weak positive correlation between county government own source revenue and performance of women owned micro enterprises in Kenya (R = 0.91). Approximately 3.6% of the variation in performance of women owned micro enterprises can be explained by county government own source revenue (R^2 = 0.036). Further findings showed that the F value of 6.442 was significant (p=0.012) at 95% confidence level hence the model was significant for predicting performance of women owned micro enterprises in Kenya. A unit change in county government own source revenue would result in a 0.587 change in performance of

women owned micro enterprises. Based on these findings, with ($p < 0.05$) the null hypothesis: *County own source revenue has no significant influence on the performance of women-owned micro enterprises in Kenya* was rejected.

5.2.1 b) Characteristics of Own Source Revenue on Performance – Fiscal Perspective

An analysis of the fiscal perspective revealed that there was a positive and significant relationship between county own source revenues and performance. This was indicated by a beta coefficient of 0.6735 and a p value of 0.000. The results imply that for every one unit change in county own source revenue, performance would change by 0.6735 units holding all factors constant. The beta coefficient had a positive sign, which indicated that there was a direct relationship between county revenue and performance. An increase in county own revenues is expected to have a positive influence on performance.

Further, the F value of 63.41 indicates that the model is a good estimate given its p value of 0.000 at 5% significance level. The results imply that county revenue is a good predictor of performance. In addition, the R^2 of 0.3941 indicate that county revenues explain 39.41% of the total variations in performance. The remaining 60.59% is explained by other factors that are not included in this study.

5.2.2 a) Characteristics of Access to Government Procurement Opportunities on Performance, Enterprise Perspective

The second objective was to determine if access to government opportunities in County governments influenced performance of women-owned micro enterprises in Kenya. Enterprise perspective findings revealed that majority of the respondents were neutral on prioritization of payments to women, majority agreed that one in every three of all

tenders were preserved for women, youth and people living with disabilities. Most study participants were neutral on public involvement in budget preparation, majority disagreed that county government guarantee women for business loans, majority were neutral on tendering procedure being simple and government tenders being advertised and whether access to government procurements was gender based. There was a weak positive correlation between access to government opportunities and performance of women owned micro enterprises in Kenya. More than eight percent of the variation in performance can be explained by access to government opportunities. This meant that the model was significant for predicting performance of women owned micro enterprises in Kenya. Findings showed that access to government opportunities was statistically significant at ninety-five percent confidence level. This means that access to government opportunities was an important predictor of performance of women owned micro enterprises. The null hypothesis: *Institutional and Policy Frameworks in County governments has no significant influence on the performance of women-owned micro enterprises in Kenya* was rejected.

5.2.2b) Characteristics of Access to Government Procurement Opportunities on Performance, Fiscal Perspective

An analysis of the fiscal perspective revealed that there was a positive and significant relationship between access to government opportunities and performance. The results implied that for every one unit change in access to government opportunities, performance would change by more than a half units holding all factors constant. The beta coefficient had a positive sign, which indicated that there was a direct relationship between access to government opportunities and performance. An increase in access to government procurement opportunities is expected to have a positive influence on

performance. More than eighty percent of this study were explained by other factors that are not included in this study.

5.2.3 a) Influence of County Government Physical Infrastructure Development on Performance, Enterprise Perspective

The third objective was to evaluate the relationship between physical infrastructure and performance of performance of women-owned micro enterprises in Kenya. Enterprise perspective findings revealed that majority of the respondents agreed that construction of roads and bridges have improved the performance of their business. Majority agreed that there was availability of water and sanitation, most of the study participants were in agreement that health facilities have been constructed near the markets and that safe storage facilities have been constructed and that street lighting and market buildings have been constructed. There was a weak correlation between county government physical infrastructure development and performance of women owned micro enterprises in Kenya (R = 0.171). Further findings showed that approximately 2.9% of the variation in performance can be explained by county government physical infrastructure development (R^2 = 0.029). The model was significant for predicting performance in women owned micro enterprises in Kenya (F = 5.179 at p=0.024 at 95% confidence level. Physical infrastructure development was therefore an important predictor of performance. A unit change in physical infrastructure development would result in 0.219 change in performance. Based on the findings of the study ($p < 0.05$), the null hypothesis: *Physical infrastructure in County governments has no significant influence on the performance of women-owned micro enterprises in Kenya,* was rejected.

5.2.3 b) Influence of County Government Physical Infrastructure Development on Performance, a Fiscal Perspective

The fiscal perspective found that there was a positive and significant relationship between county government infrastructure development and performance. This was indicated by a beta coefficient of three units in every ten units and a p value of zero. The results implied that for every one unit change in county government infrastructure development, performance would change by three units in ten units holding all factors constant. The beta coefficient had a positive sign, which indicated that there was a direct relationship between county government infrastructure development and performance. An increase in county government infrastructure development is expected to have a positive influence on performance.

5.2.4a) Influence of Capacity Building Financing by County Government on Performance, Enterprise Perspective

The fourth objective was to determine whether county capacity building has any influence on the performance of women-owned micro enterprises in Kenya. Enterprise perspective results revealed that majority of the study participants strongly disagreed that they had been trained on the basics skills of running a business. The findings showed a low level of training on entrepreneurial skills, market analysis skills, customer relations skills, financial dealings skills, employer-employee relation, book keeping skills and interpersonal skills. These could impact business performance negatively. The R value of 0.216 implied that there was a positive correlation between capacity building financing by county government and performance of women owned micro enterprises in Kenya. Further findings showed that approximately 4.7% of the variation in performance can be explained by capacity building financing by county government. (R^2 = 0.047). The findings showed that the F value of 8.345 was significant (p=0.004)

at 95% confidence level. This implies that the regression model can statistically significantly predict performance. A unit change in capacity building financing by the county government would result in 0.212 change in performance. With ($p < 0.05$), the null hypothesis: *County Capacity building has no significant influence on the performance of women-owned micro enterprises in Kenya*, was rejected.

5.2.4 b) Influence of Capacity Building Financing by County Government on Performance, a Fiscal Perspective

The fiscal perspective findings revealed that there was a positive and significant relationship between county government capacity building and performance. This was indicated by a beta coefficient of more than four of every ten units of study and a p value of zero. The results implied that for every one unit change in county government capacity building, performance would change holding all factors constant. The beta coefficient had a positive sign, which indicated that there was a direct relationship between county government capacity building and performance. An increase in county government capacity building is expected to have a positive influence on performance. The results implied that county government capacity building was a good predictor of performance. In addition, the R^2 of 0.3166 indicated that county government capacity building explained by more than thirty one percent of the total variations in performance. The remaining percentage was explained by other factors that are not included in this study.

Findings of the performance of women owned micro enterprises showed that majority of the participants disagreed that they are able to access finance through county government. Majority disagreed that the amount of sales turnover has increased. Majority also disagreed that the sales profits have since increased. Most study participants disagreed that the amount of sales have been steady, Majority of the

respondents disagreed that they had experienced less operating costs. Almost half of the participants disagreed that the number of employees had increased. Most disagreed that the number of customers had increased. Majority disagreed that the amount of revenue per employee had increased.

5.3 Conclusion

This section contains the conclusion of the study on the study objectives and the theories of the study as outlined below; every objective of the study as shown bel

5.3.1 Influence of Own Source Revenue on Performance of Women Owned Micro Enterprises in Kenya

Own source revenue is a source of revenue aimed at supplementing transfers from the National government. Past studies have established that county governments in Kenya have a huge potential to increase locally generated revenue. This would help county governments in meeting their objective of optimal service to the citizen and also assist the governments to realize its own goals such as vision 2030 and the global development goals such as SDG number five on gender i.e. women empowerment and Africa's vision 2063. According to the Hansard on the County Public Accounts and Investment parliamentary proceedings, many county governments in Kenya are under collecting own source revenue although they have a huge potential to collect more.

This study found out that county governments have automated revenue collection. Although automating revenue collection might seem easier as opposed to manual system of collection of revenue, this study found out that women entrepreneurs find it difficult to understand the system and therefore it is a burden to them. Majority of them had not internalized the system. This is a sign of lack of user involvement and information asymmetry. The study also established that most micro business owners were unsatisfied with the rate of taxes, method of collection and market fees. This could have a negative influence on the performance of women owned micro enterprises.

Own source revenue is an indicator of fiscal federalism given that revenue generated is decided at local level in continuum with the theory of fiscal federalism. If properly utilized, it could be used to meet the needs of the local community. This study therefore agrees with the proponents of fiscal federalism that local problems can only be understood by the local people. The study therefore concluded that the findings were aligned with the theory of Fiscal Federalism by Oates (1972) that is associated with decentralization of expenditure responsibilities and decentralization of revenue responsibilities for the purpose of achieving 'efficiency' and 'equity' in the federation, which are core to this study.

The fiscal perspective revealed that counties have their own share of own source revenues that are basically collected and utilized for development. These are the revenues generated by the county governments through property taxes, entertainment taxes, fees and charges from the services they provide. These revenues are used to better develop their counties, to fix roads, build homes, fix schools, and create a better business environment for the business owners.

An analysis of the micro and the fiscal perspectives of own source revenue revealed that the fiscal perspective was a better measure of performance given the improved beta values. This was attributed to the measures of fiscal perspective that focused on real values rather than that of the enterprise perspective that was subject to emotions. The study found that fiscal county data was more reliable.

Based on this, the study therefore concluded that own source revenue had an influence on the performance of women owned micro enterprises. County governments should communicate the opportunities available and dedicated to women entrepreneurs so that they may participate in capacity development programs to increase capacity and take advantage of the available financing opportunities in county governments.

5.3.2 Influence of Access to Government Procurement Opportunities on Performance of Women Owned Micro Enterprises in Kenya

The aim of the AGPO program was to facilitate enterprises owned by women, youth and persons with disabilities to participate in Government opportunities. This was after a realization that majority of these people lacked collaterals and other requirements to access credit from financial institutions while they were also being discriminated and denied an opportunity to compete with large businesses. As a result, the program was aimed at empowering them by giving them more opportunities to do business with Government through participation in government tenders and 30% of all government tenders was set aside for these vulnerable groups.

In an effort to determine if access to government procurement opportunities influences performance of women owned micro enterprises in Kenya, this study considered it imperative to collect data on access to county government procurement opportunities from women entrepreneurs and also triangulated it with secondary data collected from the National Treasury data on county government's list of procurements included in the County Integrated development program for the five years under study.

This means that there still remains a gap on information flow from the county governments to the women entrepreneurs on services available to them such as governments opportunities set aside to them. This therefore needs to be relooked at so that women can take over opportunities set apart for them in order to fill this gap. If not done, this may compromise the theory of fiscal federalism and also Gibb's Micro and Small Enterprise Support Theory, that outlines various policies that need to be considered while embarking on Micro and Small Enterprise Development programs, and propagates that as the needs of the Micro and Small Enterprises change, policies,

institutions and assistance packages for the development of the enterprise sector also change.

The fiscal perspective was therefore a better measure of performance and gave more reliable results. This was attributed to the fact that county governments followed the government regulations on marginalized groups, and as such procurement opportunities were made available and reserved for the women and other marginalized groups, and women were considered first and their payments prioritized.

The study therefore concluded that access to government procurement opportunities had an influence on the performance of women owned micro enterprises in Kenya. The study concluded that county governments followed the government regulations and as such women were considered and their payments prioritized on. However, majority of the respondents were neutral regarding the access to government opportunities.

5.3.3 Influence of County Infrastructure Development on Performance of Women Owned Micro Enterprises in Kenya

The fiscal perspective revealed that county government have been setting aside funds for infrastructure development on a yearly basis for the development of roads, sewerage, development of market stalls and storage facilities for business people in markets. Such development contributions make it easier for business people and for the sake of this study, women to do business.

The enterprise perspective however established from women entrepreneurs that infrastructure development did not influence their businesses. This meant that the nature of women owned micro enterprises needed to be re-examined and infrastructure development aligned to their businesses in order to make an impact on their businesses.

The fiscal perspective was a better measure of performance as it emerged that county governments set aside funds for infrastructure development on a yearly basis for the

development of roads, sewerage, development of market stalls and storage facilities for business people in markets. However, the challenge is to make the infrastructure developments relevant to the women owned businesses so that they can contribute positively to their businesses.

The study therefore concluded that county government infrastructure development had an influence on the performance of women owned micro enterprises in Kenya. Infrastructure developments such as functionally infrastructures enhance the production process by facilitating the production of services and products.

5.3.4 Influence of County Capacity Building on Performance of Women Owned Micro Enterprises in Kenya

The importance of capacity building has been supported by past studies especially on small and micro entrepreneurs. Capacity alludes to the capacity of people and organizations to make precise and concise decisions with effective implementation in a powerful, proficient, and maintainable way. Capacity building, in this way, is a strategic advance acknowledged to upgrade women's capability, indicating critical improvements in exhibitions, the advancement of advantages, and additional consolation among women entrepreneurs. County governments are therefore key since both micro entrepreneurs and county governments are domiciled at local level, hence may be able to reach each other with ease.

The enterprise perspective on the influence of capacity building in county governments and found out that there have been dismal efforts to train the women owners of micro enterprises. Without the necessary business skills, failure of such businesses is almost guaranteed. Since county data indicated that capacity building was incorporated in the county integrated development programs, failure to conduct capacity building will make county governments not achieve their development target and also fail to

contribute to the realization of vision 2030 on gender and SDG number 5 which is important for county government's realization of set targets. In relation to capacity building, this study finds it not in line with Gibb's Micro and Small Enterprise Support Theory.

The fiscal perspective revealed that counties always set aside funds on a yearly basis and capacity development was incorporated in the counties integrated development programs. The County fiscal perspective was therefore found to offer a better and more informed measure of performance than the enterprise perspective.

The study therefore concluded that county government capacity building had an influence on the performance of women owned micro enterprises in Kenya. Offering training activities to women entrepreneurs in the areas of management, financing, culture re-orientation, risk-taking, and networking through the acquisition of managerial skills, knowledge, and disposition for improving the capacities to accomplish both short and long-term goals contributed to improved businesses to the women entrepreneurs.

5.3.5 Influence of Fiscal Asymmetric Decentralization on Performance of Women Owned Micro Enterprises in Kenya

Performance of women owned micro enterprises was mostly average and most respondents indicated that the sales turnover, sales profits, number of employees, and customers, amount of revenue per employee had not increased. Although there could have been other factors contributing to the dismal performance by the women owned micro enterprises in Kenya, which may not be under the focus of this study, there was an indication that there have been policies set by county governments in support of Women entrepreneurs at local level. This supported by the theory of fiscal federalism as plans have been made in support of women owned micro enterprises in Kenya.

According to the International Finance Corporation (IFC, 2016), one in every three registered ventures are owned by women. If eighty percent of employments globally are in SMEs, and these are disproportionately owned and run by women, this is therefore a critical mass that deserves attention and deliberate efforts to improve it by all stakeholders.

The role of Women Entrepreneurs needs to be considered in the economic development of the nation for various reasons. They have been recognized during the last decade as an important untapped source of economic growth. Women Entrepreneurship has been largely neglected both in society and in the social sciences. Not only have women lower participation rates in Women Entrepreneurship than men they also generally choose to start and manage firms in different industries than men tend to do. The underlying challenges behind this market failure needs to be addressed by policy makers so that the economic potential of this group can be fully utilized, especially in line with Vision 2030, the Kenya's new economic blue print that recognizes and anchors entrepreneurship within the economic pillar. In spite of the large number of institutions serving exclusively or predominantly women while maintaining high levels of financial sustainability, institutions that place a priority on serving women also have a tendency to place social goals ahead of efficiency, leading to poorer financial performance

5.4 Recommendations

This section of this study, gives recommendations, which are based on the conclusion and the objectives of the study.

5.4.1 Influence of Own Source Revenue on Performance of Women Owned Micro Enterprises in Kenya

The county governments need to create more awareness regarding their taxes, method of collection, the rates of taxes. Given that women owners of micro enterprises have

different levels of education; this awareness should be created through different channels. This would make taxes payments easier and this would change the perspective of micro business owners seeing the county government as a threat to their business, instead of a support system. County governments also require to come up with user friendly revenue collection systems when automating their revenue collection systems.

5.4.2 Influence of Access to County Government Procurement Opportunities on Performance of Women Owned Micro Enterprises in Kenya

County governments should take a more proactive role in the form of incentives such as tax inducement, to ensure more support is dispensed to micro enterprises. In addition, there should be better channels of streaming information from the county government to the owners of micro enterprises so that they can benefit from the opportunities availed by the government to boost their businesses such as information on AGPO. The Information should be written and communicated in a language that can be understood by the locals.

5.4.3 Influence of County Infrastructure Development on Performance of Women Owned Micro Enterprises in Kenya

A check at the Hansard point to an evidence of money revolted to the county revenue fund at the end of each financial year, this includes expenditure on infrastructure that would have been procured through the government tendering system which has set aside 30% to women. Youth and disabled. This would have contributed to the performance of women owned micro enterprises in Kenya to a great level.

5.4.4 Influence of County Capacity Building on Performance of Women Owned Micro Enterprises in Kenya

The county governments need to put more effort and allocate more resources in training women owners of micro enterprises. Even with funding, if these women have little business skills, they would hardly grow and their businesses may not realize their full potential. As such, the county government can partner with the private sector organizations like the Kenya National Chamber of Commerce and Industry which supports the interests of the business people. This would help the women owners of micro enterprises to go the next level in their businesses

5.4.5 Influence of Fiscal Asymmetric Decentralization on Performance of Women Owned Micro Enterprises in Kenya

The study concluded that county fiscal data was a better predictor of the performance of women micro enterprises than that of enterprise data that was basically subjective in nature. This was based on the contributions that county fiscal data indicates of what has been done by the counties such as numerous infrastructure funding, capacity building, and own source revenues geared towards creating an atmosphere good for business for the micro enterprises to improve on performance.

The study also revealed that a high number of women entrepreneurs were still making low sales five years into devolution, indicating a dismal performance despite the government efforts to empower women entrepreneurs in line with vision 2030 and the strategic development goals. This study therefore recommends further studies to be carried out on the correlation between fiscal decentralization and the dismal performance of women enterprises in Kenya.

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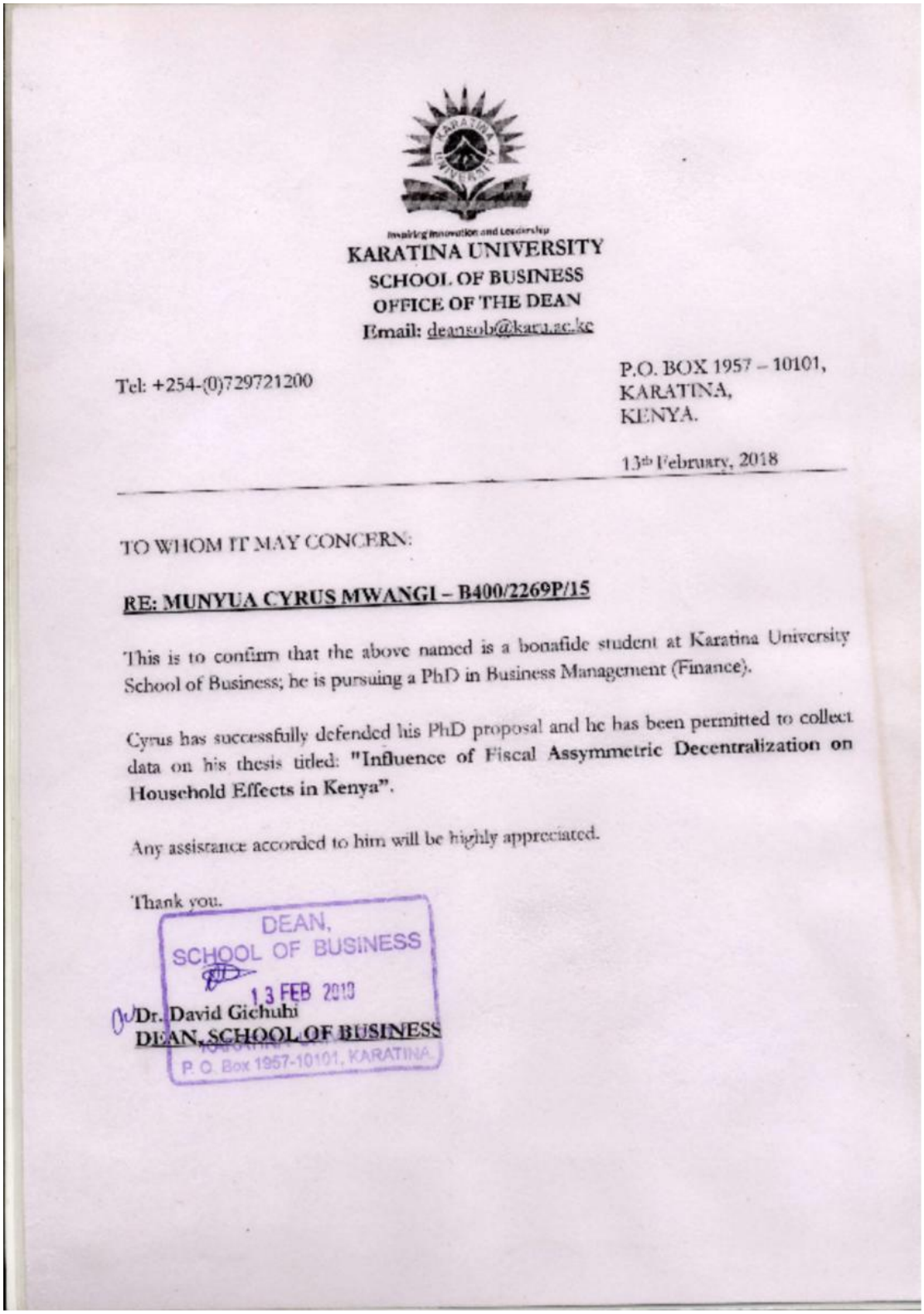
APPENDICES

Appendix I:

AUTHORITY TO COLLECT DATA FROM KARATINA UNIVERSITY



Inspiring Innovation and Leadership

KARATINA UNIVERSITY
SCHOOL OF BUSINESS
OFFICE OF THE DEAN
Email: deansob@karu.ac.ke

Tel: +254-(0)729721200

P.O. BOX 1957 – 10101,
KARATINA,
KENYA.

13th February, 2018

TO WHOM IT MAY CONCERN:

RE: MUNYUA CYRUS MWANGI – B400/2269P/15

This is to confirm that the above named is a bonafide student at Karatina University School of Business; he is pursuing a PhD in Business Management (Finance).

Cyrus has successfully defended his PhD proposal and he has been permitted to collect data on his thesis titled: **"Influence of Fiscal Assymmetric Decentralization on Household Effects in Kenya".**

Any assistance accorded to him will be highly appreciated.

Thank you.

DEAN,
SCHOOL OF BUSINESS
13 FEB 2018
P. O. Box 1957-10101, KARATINA

Dr. David Gichuhi
DEAN, SCHOOL OF BUSINESS

Appendix II:

Questionnaire Informed Consent Letter

DATE……
TO…….
Dear Sir/Madam
RE: LETTER OF SELF INTRODUCTION

My Name is Cyrus Mwangi Munyua. I am a Phd student in Business Management Student specializing in Finance at Karatina University. As part of the requirements for the award of the degree of Phd in Business Management, am carrying out a study on the influence of fiscal asymmetric decentralization on the performance of women-owned micro enterprises in Kenya''.

This is therefore to kindly request you to take part in this survey that aid in the completion of my thesis. Participation in this study will require that you provide answers to some questions using a questionnaire that has been designed and was used to gather relevant information to address the research objectives of the study.

The questionnaires will be administered in a private setting. Your name will not be recorded on the questionnaire to ensure confidentiality. The questionnaire will only be used for academic purposes only and everything will be kept private.

……

Cyrus Mwangi Munyua Ph.D Candidate

Appendix III

AUTHORITY TO COLLECT DATA FROM NACOSTI

THIS IS TO CERTIFY THAT:
MR. CYRUS MWANGI MUNYUA
of KARATINA UNIVERSITY, 959-10300
KERUGOYA, has been permitted to
conduct research in *All Counties*

on the topic: *INFLUENCE OF FISCAL ASYMMETRIC DECENTRALIZATION ON HOUSEHOLD EFFECTS*

for the period ending:
8th June,2019

Permit No : NACOSTI/P/18/98620/22832
Date Of Issue : 11th June,2018
Fee Recieved :Ksh 2000

Applicant's Signature

Director General
National Commission for Science, Technology & Innovation

Appendix IV:

Research Questionnaire

Kindly answer the following questions as honestly and accurately as possible by ticking ∨ where appropriate. The information given will be treated with a lot of confidentiality. Please do not write your name anywhere on this questionnaire.

Section A: Enterprise Characteristics

1. Please indicate your age bracket

   20-25 years [ ] 26-35 years [ ] 36- 45years [ ] above 45 years [ ]

2. What is your current level of education? Secondary [ ] College [ ] Graduate [ ] Post Graduate [ ]

3. What is your marital status?

   Single [ ] Married [ ] Separate [ ] Divorced [ ] Widowed [ ]

4. Number of years of owning and running a micro enterprise business

   1-5 years [ ] 6-10 years [ ] 11-15 years [ ] 16-20 years [ ]

   Above 20 yrs [ ]

5. Prior to owning this micro-enterprise, did you have any experience operating a business?

   Yes [ ] No [ ]

6. What was the range of your turnover in 2014?

(a) Less than Kshs.50,000.00

(b) Between Kshs. 50,000.00 -99,000.00

(c) Above Kshs.100,000.00

7. How many employees did you have in 2014?

8. How many employees did you have in 2019?

Section B: County Government own source revenue

9. Generally, locally generated revenue may influence performance of local businesses. Using a scale of 1-5, please indicate the extent to which County Government own source revenue influenced your micro-enterprise performance for the past 5 years (2014/15-2018/19) by ticking ∨ in the appropriate box . Where 5=Very Great Extent, 4- Great Extent, 3= Neutral, 2= Low Extent and 1=Very Low Extent

County Government Own Source Revenue	**1**	**2**	**3**	**4**	**5**
Number of taxies payable to government					
Rate of tax payments					
Penalties for non-payments					
Ease of payment of taxies					
Market fees					
Forgiven taxies e.g penalties					

Section C: Access to County Government Opportunities

10. Business opportunities offered to women owned micro enterprises by county governments may influences performance of their businesses. Using a scale of 1-5, please indicate to what extent access to County government opportunities influenced your micro-enterprise performance for the past 5 years (2014/15-2018/19) by ticking ∨ in the appropriate box. Micro-enterprise performance is

denoted by the following attributes. Where 5=Very Great Extent, 4- Great Extent, 3= Neutral, 2= Low Extent and 1=Very Low Extent

Access to government Opportunities	**1**	**2**	**3**	**4**	**5**
Payments to women are prioritized					
30% of all tenders are preserved for women, Youth and people living with disabilities					
Public involvement in budgeting					
County Government guarantee on business loans					
Tendering procedures are simple					
Government tenders are advertised					
Gender based access government procurements					

Section D: County Government Physical Infrastructure

Infrastructure development is a core business of county governments as stipulated in the fourth schedule of the Constitution of Kenya 2010. Using a scale of 1-5, please indicate the extent to which physical infrastructure financed by the County Government influenced your micro-enterprise performance for the past 5 fiscal years (2014/15-2018/19) by ticking ∨ in the appropriate box. Micro-enterprise performance is denoted by the following attributes. Where 5=Very Great Extent, 4- Great Extent, 3= Neutral, 2= Low Extent and 1=Very Low Extent

County Government Physical Infrastructure Development	**1**	**2**	**3**	**4**	**5**

construction of roads and bridges					
Water and Sanitation Facilities					
Health Facilities					
Construction of storage facilities					
Construction of street lightings					
Construction of Market buildings					

Section E: Capacity Building Financing by County Government

11. Capacity building is a core function of County governments in Kenya. Using a scale of 1-5, please indicate the extent to which capacity building financed by the County Government may influence your micro-enterprise performance for the past 5 years (2014/15-2018/19) by ticking ∨ in the appropriate box. Micro-enterprise performance is denoted by the following attributes. Where 5=Very Great Extent, 4- Great Extent, 3= Neutral, 2= Low Extent and 1=Very Low Extent

Capacity Building Financing by County Government	**1**	**2**	**3**	**4**	**5**
Improved entrepreneurial skills					

Market analysis skills					
Customer relation skills					
Financial dealings Skills					
Employer-Employee relation					
Book keeping skills					
Inter personal skills					
Problem solving skills					

Section F: Performance of Women Owned Micro-Enterprises

12. In your opinion has fiscal asymmetric decentralization affected the performance of your enterprise?

Yes [ ] No [ ]

17 Devolution of the financial function from the national government to county governments has affected business performance in one way or another. Using a scale of 1-5, please indicate the extent to which your micro-enterprise Performance has changed for the past 5 years (2014/15-2018/19) by ticking ∨ in the appropriate box. Micro-enterprise Performance is denoted by the following attributes. Where 5=Very Great Extent, 4- Great Extent, 3= Neutral, 2= Low Extent and 1=Very Low Extent

Performance	**1**	**2**	**3**	**4**	**5**
Access to finance					
Amount of Sales turnover					
Increased profits					

Average Sales Cycle					
Less operating costs					
Number of employees					
Number of customers					
Amount of revenue per employee					

Thank You for Your Cooperation

Appendix v

Secondary Data Collection Template

Fiscal Year	**County Government Gender Budgeting**				**County Government Expenditure Management**				**County Government Own Source Revenue**			**County Government Treasury Management**		
	EIA	HO	BE	PMFW	RDRE	EAR	ABD	ASD	DSCPR	RCRNGT	RIGRB	APD	ADF	AIPDP
2018/2019														
2017/2018														
2016/2017														
2015/2016														
2014/2015														

EIA- Expenditure Incidence Analysis

RCRNGT- Ratio of county revenue to national government transfer

HO- Health Outcome

RIGRB- Ratio of internally generated revenue to budget

BE- Basic Education

APD- Amount of pending debts

PMFW- Proportion of male to female wages

ADF- Amount of deficit financing

RDRE- Ratio of development to recurrent expenditure

AIPDP- Amount of interest on public debt payments

EAR- Exchequer Absorption rate

ABD- Amount budget deficit