Contribution of Credit on Performance of Women Owned Small Enterprises: Evidence from Opportunity International in Moshi Municipality, Tanzania

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Abstract
Women owned small enterprises contribute greatly to job creation and growth of economies of different countries. However, they face several constraints including lack of credit. Despite of the large volume of literature on women owned small enterprises; little consideration has been addressed in assessing contribution of credit on their performance. The objective of this study therefore was to assess contribution of credit on performance of women owned small enterprises with special emphasis on Opportunity International (OI). The study was carried out in Moshi Municipality where a case study design was selected purposively. Fifty (50) main respondents were selected randomly from the group of women who had received credit from OI while 10 key informants were selected purposively. Data for the study were collected using questionnaires, interviews and documentary reviews. Performance of women owned small enterprises was measured using effectiveness, efficient, productivity and profitability. It was concluded that all the five types of women owned small enterprises were effective but only food business was efficient. Rates of productivity for women owned small enterprises with the exception of mobile banking were high. In terms of profitability, only food businesses, retail shops, and selling second hand clothes were profitable. Performance of women owned small enterprises was influenced by: level of education possessed by women entrepreneurs; use of credit from OI; size of households; and number of children in the households.

Keywords: Women owned small enterprise, performances, Opportunity International, Moshi Municipality

Introduction
Small enterprises are recognised as an integral component of economic development and a crucial element in the effort of lifting countries out of poverty (Wolfenson, 2001). Small enterprises are the driving force for economic growth, job creation, and poverty alleviation both in developed and developing countries. In addition, they are the means through which
accelerated economic growth and rapid industrialisation have been achieved in different countries (Harris et al., 2006; Sauser, 2005). Furthermore, small enterprises have been recognised as feeder service to large-scale industries (Fabayo, 2009). In India for example, small enterprises helps in industrialisation of rural and backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth (Veena et al., 2012).

While contributions of small enterprises to development are highly appreciated, entrepreneurs in that sector face many obstacles that limit their long-term survival and development. Other previous studies (Akabuenze, 2002; Zacharakis et al., 1999) have shown that starting small enterprises is a risky venture because their chances of surviving for more than five years are very small. Some studies (Marlow et al., 2009; Anderson and Dubkelborg, 1990) on small enterprises development have also shown that their rate of failures in developing countries is higher than in developed countries. Akabueze (2002) associated failures of small enterprises with a number of obstacles which include: lack of financial resources; lack of management experience; poor location; unfriendly laws and regulations; general economic conditions as well as critical factors such as poor infrastructure; corruption; low demand for products and services; shortage of raw materials; handicap in obtaining finance; and inadequate competent personnel.

Despite the inherent problems associated with growth of small enterprises, women owned small enterprises have been increasing in the recent years (Ljunggren and Kolvereid, 1996; Cromie and Birley, 1992). This increase has been associated with the fact that entry into small enterprises is easy; there is limited access to other types of enterprises; and that there is lack of employment opportunities in the formal sector of the economy. In India for example, it was estimated that women entrepreneurs in 2012 comprised about 10% of the total number of entrepreneurs in the country and that five years from that time, women were expected to comprise about 20% of the entrepreneurial force (Sharanappa and Sangeeta, 2012). In almost all developed countries in the world, women are working at par with men in the field of business. Statistics confirm that women’s economic activities play a crucial role in the growth of economies in many parts of the world (Minniti et al., 2005).

According to the International Finance Corporation (IFC) and Organisation for Economic Cooperation and Development (OECD), in most of the developed countries women were found to start small enterprises at a faster rate compared with men and they were also making significant contributions to job creation and economic growth (IFC, 2011; IFC, 2010; OECD, 2003). In the USA for example, Centre for Women Business Research (CWBR) found that women owned small enterprises were growing at more than double compared with growth rate of other firms. That is, 23% compared with 9% for other firms and they had managed to maintain this rate for the past three decades (CWBR, 2009). They were also found to contribute nearly 3 trillion to the economy of the country and were responsible for creation of 23 million jobs (CWBR, 2009). Data projection for the USA shows that future jobs creation in the country will mainly be from women-owned small enterprises (Lesonsky, 2010). The study also found that by the year 2018, women-owned entrepreneurs in the country will be creating between 5 million and 5.5 million new jobs.

In the case of Canada, women were found to own about 47% of all small business enterprises in 2005 which accounted for 70% of all new start-ups (Statistics Canada, 2005). It is estimated that there were about 8 to 10 million formal small business enterprises with at least
one woman owner in developing countries (IFC, 2011). These businesses were contributing to economic growth and poverty reduction. For example, a survey of 1,228 women businesses owners in the Middle East and North Africa (MENA) region found that women were managing well-established small business enterprises that were generating over $100,000 revenue per year.

In East Asia, women owned small enterprises have shown a consistent growth trajectory and some contributions were growing at a faster rate compared with men owned enterprises. That is, 8.1% for women compared with – 0.27% for men in Indonesia in 2007; 9.7% for women compared with 7.43% for men in Malaysia in 2008; 2.3% for women compared with 0.31% for men in Thailand in 2008; and 42.5% for women compared with 40.93% for men in Vietnam in 2004 (Mastercard, 2010). A survey of 1,228 women carried out by Centre of Arab Women for Training and Research (CAWTAR) in Bahrain, Jordan, Lebanon, Tunisia, and United Arab Emirates (UAE) found that women were making significant contributions to their economies through revenue generations, job creation, and were running and managing established businesses (IFC and CAWTAR, 2007).

However, while both men and women owned small businesses struggle in highly competitive markets, on average, men have much greater access to capital, training and mentorship, which are vital factors for growing and sustainability of businesses (CWBR, 2012). Previous other studies (Hafizullah et al., 2012; Rao et al., 2011; Roomi and Parrot, 2008; Malika, 2001) in similar area show that women who owned enterprises faced greater challenges compared with their male counterpart. For example, Hurley (1991) found that women had greater difficulties in acquiring venture capital; they lacked financial resources and skills; they had fewer informal support systems and networks; and had less direct relevant experience than men. Other obstacles that faced women entrepreneurs include being accepted as a woman in business, lack of a role model, lack of professional interaction, difficulties in getting confidence of their clients and suppliers, lack of adequate training, husbands not being supportive for their wives’ businesses and lack of related experience (Belcourt, et al., 1991; Collerette and Aubry, 1990).

Despite of the large volume of literature in the area of women owned small enterprises, little consideration have been addressed in establishing contribution of credit on performance of their small enterprises. Most of the other previous studies on women owned small enterprises (Veena et al., 2012; Sabarwal et al., 2009; Hundley, 2001) concentrated on challenges while others studies (OECD, 2010; Statistics Canada, 2005) dealt mainly with importance of their enterprises. The main objective of this study therefore was to fill this knowledge gap by assessing contribution of credit from Opportunity International (OI) on performance of small enterprises owned by women in Moshi Municipality. Specifically, the study sought to determine performance of women owned small enterprises that received credit from OI; to establish contribution of credit from OI on performance of women owned small enterprises; and to establish factors that influenced performance of their small enterprises.

**Theoretical framework: Liberal feminist theory**

The arguments in this study are anchored on the liberal feminist theory which is rooted in liberal political philosophy that encompasses basic beliefs in equality of all human beings as essentially rational and self-interest seeking agents (Kutanis and Bayraktaroglu, 2003). In terms of liberal feminist theory, women are considered to be disadvantaged relative to men.
due to overt discrimination that deprive them of vital resources like business education, power and structural positions in the society (Beasley, 1999). Previous other studies (IFC and McKinsey, 2011; Hundley, 2001) that investigated whether or not lenders discriminate against women found that actually women had less relevant education and experience are consistent with the liberal feminist perspective. According to this theory, once equal access to resources is ensured, gender differences in performance seemingly disappear (Carter et al., 1997).

The liberal feminist tradition goes back to feminism’s earliest days and argues for the necessity of social reform in order to give women the same status and opportunities as men. The treatment of liberal feminism is conventional in terms of established feminist theory, evoking the idea that women’s and men’s ways of knowing and coping with the world are essentially the same, so that the main task of feminist research and policies is to allow women’s estate to reach a state of similarity with men’s via the removal of overt or systemic forms of discrimination against women. Drawing on the feminist theory and research on the contribution of credit on performance of women owned small enterprises; this paper used the following conceptual framework (Fig.1) to guide analysis of performance of small enterprises owned by women who received credit from OI.

**Fig.1 Conceptual framework**

Small business enterprises owned by women (shown in box A) who have conducive predictor variables (shown in box B) are expected to achieve high level of performance as shown in box C1. On the other hand, if predictor variables presented in box B are not conducive, then the small enterprises will achieve low level of performance as shown in box C2

**Methodology**

Moshi Municipality was selected to be the study area because of its high number of small enterprises owned by women. The study employed case study design where OI Micro Financial Institution (MFI) was selected for the study. The design was adopted because of its appropriateness in studying one or more cases in depth which is not possible for other research designs. The design seeks to achieve a deep understanding of the issues involved and description of individual cases (Fox, 1989).

Sampling technique involved both purposive and simple random sampling techniques whereby OI was selected purposively while women owners of small enterprises who had received credit from OI were selected using simple random sampling. On the other hand, key informants were selected
purposively because of their positions. In total there were 60 respondents who were divided into main respondents (50 women entrepreneurs who had received credit from OI) and 10 key informants [(five loan officers from OI; two District Development Officers (DDO); and three ward executive secretaries)] respondents. Data were collected using: questionnaires; interviews; and documentary reviews. Analyses of data were carried using both qualitative as well as quantitative techniques. While qualitative technique was applied in analysing non-numerical data, on the other hand quantitative technique was applied in analysing numerical data. Performance of small enterprises owned by women was determined using five indicators which are: effectiveness of the businesses; efficiency of the businesses; productivity of the businesses; and gross profit margin of the businesses.

Results and Discussions
Performance of women owned small enterprises which were receiving credit from OI was measured by using four indicators which were: effectiveness, efficiency, productivity, and marginal profit. In order to compute performance, income and expenditures for each enterprise was computed by using specific formula for each as shown below.

**Effectiveness of women owned small enterprises that received credit from OI**

Effectiveness of the enterprises was determined by using the formula below.

\[
\text{Effectiveness} = \frac{\text{Actual output} \times 100}{\text{Expected output}}
\]

Whereby:

- Actual output = monthly earnings from small enterprises
- Expected output = expected profit after using credit from OI

Results from Table 1 shows that women owned small enterprises in the study area were effective as their rates of effectiveness were all above 100% which imply that the amount of actual output was equal or larger than the amount of expected output (actual output ≥ expected output) in each of the five enterprises that were considered for the study. Following were the results from Table 1: rate of effectiveness for mobile banking was 225.9%; rate of effectiveness for food businesses was 117.4%; rate of effectiveness for hair dressing salons was 100%; rate of effectiveness for second-hand cloth shops was 122.8%; and rate of effectiveness for retail shops was 181.5%.

<table>
<thead>
<tr>
<th>Types of enterprises</th>
<th>$\sum$AO</th>
<th>$\sum$EO</th>
<th>Effectiveness (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile Banking</td>
<td>152,500</td>
<td>67,500</td>
<td>225.9</td>
</tr>
<tr>
<td>Food businesses</td>
<td>1,430,000</td>
<td>1,218,000</td>
<td>117.4</td>
</tr>
<tr>
<td>Retail shops</td>
<td>1,630,000</td>
<td>898,000</td>
<td>181.5</td>
</tr>
<tr>
<td>Hair dressing salons</td>
<td>545,000</td>
<td>545,000</td>
<td>100.0</td>
</tr>
<tr>
<td>Second hand clothes</td>
<td>7,220,000</td>
<td>5,880,000</td>
<td>122.8</td>
</tr>
</tbody>
</table>

Key:
- AO = Actual Output
- EO = Expected Output

In terms of effectiveness, mobile banking business had the highest rate of performance while hair dressing salons had the lowest rate of performance. However, all the five small businesses that were receiving credit from OI achieved high performance in terms of
effectiveness. The reason for having highest rate of effectiveness in mobile banking could be due to the fact that the business does not need much investment. What is needed is just to register the small business as agent of any of the mobile companies operating in the area such as Vodacom; Airtel company etc. It does not need one to have big and expensive building in order to conduct the business. While some of the operators had their tables placed in verandas of shops in the business areas, others were using just umbrellas for shelter in open spaces and small cardboards for keeping money and office documents during the day hours. Furthermore, most Tanzanians and particularly young own mobile phones which are used for making calls and even for transferring money which increase income in the mobile banking business.

In addition, users of these services as reported by Aker and Mbiti (2010), were more likely to be young, wealthier, better educated, employed in non-farm sectors, own cell phones, and reside in urban areas, which accounts for the effectiveness of the business. On the other hand, hair dressing salons recorded the lowest rate of effectiveness because the business need high investment relatively and they were also subjected to more taxes compared with the rest of the small businesses which were receiving credit from OI which consequently reduced their actual outputs. Apart from renting modern rooms and having modern equipment, one need to employ workers and particularly skilled young girls to do the actual hair dressing which in turn reduces the output from the business. One way of increasing the rate of effectiveness for this type of business could be through reduction of some taxes that were imposed on the business by the government.

Efficiency of women owned small enterprises which received credit from OI

Efficiency of the small enterprises owned by women who received credit from OI was measured by using the formula below.

\[
\text{Efficiency} = \frac{\text{Resources actually used}}{\text{Resources planned to be used}} \times 100
\]

Whereby:

Resources actually used = the amount of credit spent on the enterprise  
Resources planned to be used = the amount of credit received from OI

It was found that performance of food business (55.5%) in terms of efficient was the highest out of the five small businesses that were receiving credit from the OI. This implies that small amount of resources which were invested in food businesses were able to produce high outputs (Table 3). Other businesses had the following rates of efficiencies: 293.1% for mobile banking enterprises; 138.6% for retail shops; 100% for hair dressing salons; and 929.9% for second hand clothes. From these results, it shows that selling second hand clothes was the most inefficient business out of the five that were receiving credit from OI because it used a lot of resources in producing its output.

<table>
<thead>
<tr>
<th>Type of an enterprise</th>
<th>( \Sigma RU )</th>
<th>( \Sigma RPU )</th>
<th>Efficiency in (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile Banking</td>
<td>4,690,000</td>
<td>1,600,000</td>
<td>293.1</td>
</tr>
<tr>
<td>Food business</td>
<td>2,774,000</td>
<td>5,000,000</td>
<td>55.5</td>
</tr>
<tr>
<td>Retail shops</td>
<td>3,187,000</td>
<td>2,300,000</td>
<td>138.6</td>
</tr>
<tr>
<td>Hair Salon</td>
<td>950,000</td>
<td>950,000</td>
<td>100.0</td>
</tr>
</tbody>
</table>
The possible reasons that made food businesses to achieve the highest performance in terms of efficiency might be due to the fact that materials that were used for constructing premises for conducting food businesses were simple and of low costs as they were meant to be temporary structures. Most of the premises that were used for selling food especially those which were in the periphery of the municipal centre were constructed using simple wooden posts which were roofed using polythene papers or old corrugated iron sheets taken from old houses. Seats for customers were made of simple wooden timbers whereby each one accommodated a number of customers sitting together. Furthermore, owners of food businesses were buying their products direct from farmers for low prices compared with big hotels and restaurants which were buying their products from middlemen in the markets. Most of the customers for these food businesses were students from Universities and Colleges, car repairers and labourers from construction sites in the municipality. Therefore this business had enough customers for their products.

In short, apart from food business, the rest of the small businesses owned by women who were receiving credit from OI were not efficient because the amount of actual resources used were equal or greater than expected resources (actual resources \( \geq \) expected resources). This implies that the amount of resources invested in the businesses were not able to produce large outputs.

### Productivity of women owned small enterprises which received credit from OI

Productivity of women owned small enterprises was determined using the formula below.

\[
\text{Productivity} = \frac{\text{Outputs}}{\text{Inputs}} \times 100
\]

Whereby:
- Outputs = Monthly gross profit
- Inputs = Amount of last credit from OI microfinance

Results from Table 4 summarises performance in terms of productivity for each of the five small enterprises which were receiving credit from OI as follows: 790% for retail shops; 760% for food businesses; 220% for second hand cloth shops; 100% for hair dressing salons; and 12% for mobile banking. This shows that retail shops were the most productive business among the five small enterprises that were receiving credit from OI. This is due to the fact that most of these shops were located in the owners’ residences and consequently most of the costs required for running them were covered by the owners of the houses who in most cases were the heads of the families. For instance, most of these businesses used family labour, water and electricity which were part of the family costs and therefore they were covered by the heads of the families. Since they operated from the family residences, they did not pay rent nor incurred transport costs.

### Table 4: Productivity of women owned small enterprises in the study area

<table>
<thead>
<tr>
<th>Types of enterprises</th>
<th>(\Sigma) Output</th>
<th>(\Sigma) Input</th>
<th>Productivity (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile banking</td>
<td>147,000</td>
<td>1,203,000</td>
<td>12</td>
</tr>
</tbody>
</table>

www.jeper.org
The second highest productive business out of the five women owned small enterprises which were receiving credit from OI was food business. As explained in the above section, food business in the study area had many customers who could not afford high prices that were charged by the modern restaurants in the centre of the municipality. In addition, costs of operating food businesses were low because they were buying their products direct from the farmers and that their business premises were constructed using cheap materials which cost low amount of money. This in turn, increased output and consequently performance in terms of productivity. Generally, all women owned small enterprises that were receiving credit from OI with the exception of mobile banking had high productivity. However, retail shops and food businesses were highly productive as their rates of productivity were more than 750%. This result is contrary to the findings of Reynold et al. (2005) which found that on average; most of the small businesses in the UK had low rates of productivity.

Productivity of mobile banking was the lowest out of the five women owned small business enterprises that were receiving credit from OI. It is likely that productivity of hair dressing salons could be higher but the business required high inputs in terms of investment and consequently this reduced the amount of their outputs. Most of the hair dressing salons in Moshi Municipality were located in rented modern rooms and used high quality and expensive equipment. In addition, respondents in this business said that they were subjected to pay a number of government taxes. Furthermore, while it was very common to use family labour in retail shops and food businesses which reduced costs of running their businesses, on the other hand it was not common to use family labour in hair dressing salons because of the skills and knowledge required in the business.

Profitability of women owned small enterprises which received credit from OI

Gross profit margin analysis was used to assess profitability of women owned small enterprises that were receiving credit from OI. Gross profit margin ratio is the ratio of gross profit of a business to its revenue (Aburajab-Tamimi and AlQouqa, 2009) which is calculated as follows:

\[
\text{Gross profit margin ratio} = \frac{\text{Gross profit}}{\text{Revenue}} \times 100
\]

Gross profit is normally calculated as Total Average Annual Earnings (TAAE) from sales of each product minus Total Average Cost (TAC) in Tshs spent in producing a particular product (such as rent, electricity bills, water bills, wages, costs of inputs, transport, security, levy and loan repayment costs). Therefore, the formula used to calculate gross profit margin ratio for various women owned small enterprises is as shown below:

\[
\text{Gross profit margin ratio} = \frac{\text{TAAE} - \text{TAC}}{\text{TAAE}} \times 100
\]

Whereby:

\[
\text{TAAE} = \text{Total Average Annual Earnings from Sales of each small enterprise in Tshs.}
\]

\[
\text{TAC} = \text{Total Average Cost in Tshs.}
\]
In this study however, TAAE-TAC = Actual Amount of profit made in a month. Therefore, monthly profit was taken as a proxy for the “Annual Average Profit” as required in the Gross profit margin ratio formula.

Gross profit margin = \[
\frac{\text{Actual Amount of profit made in a month} - \text{Total monthly costs}}{\text{Actual Amount of profit made in a month}} \times 100
\]

Analysis of profitability is summarised in Table 5 which shows that: retail shops had profitability of 88.8%; food businesses had profitability of 88.4%; second hand clothes had profitability of 68.9%; and mobile banking sector had profitability of 10.9%. From these results it shows that retail shops business was ranked the first in terms of profitability, followed by food business, while mobile banking was ranked the third. The remaining two enterprises had insignificant rates of profitability. The reasons which made retail shops to have the highest gross profit margin may be due to reasons given in the productivity section above that most of the owners of the retail shops were not paying some of the costs which were included: electricity, water, rent, security, and transport as they operated their business from their family residences. This in turn, reduced the costs of running their business, thus making them to appear more profitable. However, according to the key informants it was proper for these costs to be part of family costs payable by the heads of the families because large part of profits that were generated from women owned small enterprises in the study area were also used for family matters. It was however, noted that most women could not start retail shops because of high initial costs that were involved, for example constructing or renting a strong house for security of the goods. Results from this section shows that only three types of small businesses were making reasonable profits to owners which are: retail shops; food businesses; and selling used clothes. Hair dressing salons and mobile banking were not good for women as they were not generating enough profits.

Factors that Affected Performance of Women Owned Small Enterprises;

Highest levels of education possessed by women who owned small enterprises

Results from the pie chart (Fig.2) show that 2% of the respondents did not possessed any kind of formal education; 58% of the respondents possessed primary school education; 32% of the respondents possessed secondary school education; while 8% of the respondents possessed tertiary level of education. From these results, it shows that majority (58%) of the respondents possessed primary school education which is low level of education for managing businesses successfully. Despite of the fact that Kilimanjaro Region is among the few regions in Tanzania whose residents are more educated compared with the rest, most of
the respondents (60%) in the study area, possessed low levels of education (education of up to primary school) which implies that most of the educated people in the region were men and not women. The possible reason for this could be due to cultural aspect of giving more priorities and opportunities to boys than girls which is pervasive in most of the developing countries including Tanzania.

Figure 2: Highest level of education possessed by the respondents

The low levels of education possessed by women who owned small enterprises which were receiving credit from OI might have affected performance of their enterprises negatively whereby most of them were found to be inefficient and others were not profitable. This is consistent with the findings of other previous study (Barringer et al., 2005) which found that entrepreneurs with higher levels of education had better chances of managing their businesses successfully. Education also enhances entrepreneurs’ self-confidence and capability required to perceive and exploit new entrepreneurial opportunities (Verheul et al., 2005). Empirical evidence (Biggs and Shah, 2006) on the impact of level of education on business growth in Africa shows that entrepreneurs with secondary level of education or university degree were found to run enterprises that grow 6% faster on average compared with enterprises which were run by managers who had no formal education or those who had education of up to primary level.
Uses of Credit from OI among women who owned small enterprises
The study found that only 44% of the women who owned small enterprises invested all the money taken as loan from OI into their enterprises. On the other hand, 56% of the women who owned small enterprises used credit from OI for other activities (Fig. 3). Despite the fact that credit from OI were requested solely for development of their enterprises, they were however diverted into several other activities. Out of those who diverted the credit to other activities: 46% reported to spend it for taking care of their personal needs; 20% used it as security for loan repayment; 16% spent it paying school fees of their children; 6% spent it on farming; 4% spent it for paying medical services of their families; 4% spent it for repaying credit from other MFIs; and 4% spent it to take care of their other personal needs.

The findings show that more than half of the credit received by women entrepreneurs from OI for development of their small enterprises were used to service other non-business activities. This as one can observe, must have contributed in reducing performance of their enterprises because while most (56%) of the women entrepreneurs did not invest the credit in their businesses, on the other hand, they were prompted to take profits from the same businesses for repaying the loans, something which is likely to retard or even kill their businesses. A statistical test was conducted to establish correlation between use of credit and performance of women owned small enterprises and the result show that at 95% confidence interval $t = 4.940$ and $p = 0.0005$ which was highly significant. This confirms that performance of women owned small enterprises which were receiving credit from OI was highly correlated to the way credit from OI was spent.

Figure 3: Uses of credit from OI among women entrepreneurs
Observation from the key informants shows that most of the respondents were not managing other sources of income which could give them money for attending other family needs instead of diverting credit from OI.

Sizes of households for women who owned small enterprises in the study area
The study findings show that out of the 50 main respondents who were interviewed, 8% had two members in their households, 14% had three members, 52% had five members, 14% had six members and 12% had seven members. Therefore, majority (52%) of the households in
the study area had five members. It was also found that the average number of children per household in the study area was five which is higher than the national average of four children per household.

This suggests that women who were operating small enterprises in the study area were also taking care of large household members and large number of children which imply that they needed close attention of their families. The effect of household size on performance of women owned small enterprises was tested statistically and the result was $t = 2.304$ and $p = 0.026$ which was significant. This confirms that at 95% confidence interval, sizes of household had impact on performance of women owned small enterprises in the study area. In short, the impact of large households and large number of children per household in the study area had negative effect on performance of women owned small enterprises as most of their time might have been used for rearing children and that large amount of money generated from the businesses might have been used to take care of their families instead of being re-invested in the businesses. Similar findings were found by other previous study (ILO, 2005) that was conducted in Dar es Salaam whereby average size of the household was 5.3 members.

Conclusions
All the five women owned small enterprises that were receiving credit from OI, were found to be effective. However, mobile banking was the most effective enterprise while hair dressing salons was the least effective. In addition, only food business was efficient among the five enterprises. Furthermore, all women owned small enterprises with the exception of mobile banking had high rates of productivity. In terms of profitability, only three types of women owned small enterprises were reasonably profitable. These are: food businesses; retail shops; and selling second hand clothes. Performance of women owned small enterprises which were receiving credit from OI was influenced by the following factors: low levels of education that they possessed; diverting credit from OI to other activities instead of investing the whole amounts in their enterprises; large sizes of their households; and large number of children in their households.

References


