

ABSTRACT

Purpose

Inadequate finance is considered a major factor limiting the growth of small-scale women-owned farm enterprises in Sub-Saharan Africa. Women empowerment programs such as table banking (TB) and women enterprise fund were initiated in an attempt to curb the credit gap affecting women in agribusiness. This paper determines the factors influencing the extent of credit access among women farm-entrepreneurs who are either members or nonmembers of TB groups in Kenya.

Design/methodology/approach

The study was conducted in Kericho County using a sample of 384 respondents. Factor analysis was used to generate three indicators of entrepreneurial orientation which were included as explanatory variables in the regressions. Double hurdle econometric model was employed to analyze the factors influencing the decisions on credit uptake and amount of borrowed loan. Separate models were estimated for members and nonmembers of TB groups since they differed in volume and source of loan accessed.

Findings

Results reveal that age of the woman and innovativeness negatively influenced credit access, whereas education level, participation in off-farm activities, number of farm enterprises, perception on interest rate, extension contacts and financial knowledge positively influenced the decision to access credit. On the other hand, participation in off-farm activities, risk-taking behavior, total land size, extension access and financial knowledge were statistically significant with positive correlation on the amount of loan borrowed. Significant factors differ between members and nonmembers of TB groups implying divergence in underlying credit access challenges once one has joined such groups.

Research limitations/implications

The study did not consider supply-side factors affecting the amount of loan accessed by women farm-entrepreneurs.

Originality/value

To the best of the authors' knowledge, this paper is one of the pioneer studies using the double hurdle model to analyze factors influencing the extent of credit access specifically among women farm-entrepreneurs and carrying out the analysis by membership in TB groups.

Keywords:

Extent of credit access, Women farm-entrepreneurs, Double hurdle model, Table banking, Kenya