INFORMAL FINANCE AS A SOURCE OF FUNDS FOR SMALL AND MICRO ENTERPRISES IN KENYA:
A CASE OF TAVETA MARKET IN TAVETA DISTRICT

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UNIVERSITY OF NAIROBI

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DECLARATION

This research proposal is my original work and has not been submitted or presented for a diploma or degree in any learning institution.

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Signature (Student)

Date...13|07|2009

This research project has been submitted to University of Nairobi with my approval as the supervisor.

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Date...14|07|2009
ABSTRACT

Small and micro enterprises (SMEs) have become important players in the Kenyan economy, but at the same time they continue to face constraints that limit their development (Atieno, 2009). Lack of access to financial services is one of the main constraints, and a number of factors have been identified to explain this problem. These include the segmented and incomplete nature of financial markets, which increase transaction cost associated with financial services.

On the supply side, most formal financial institutions consider (SMES) uncreditworthy, thus denying them access to financial resources has been seen as one of the reasons for the slow growth of firms.