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**HIV/AIDS AND THE DEVELOPMENT OF THE MICRO AND SMALL
ENTERPRISE SECTOR IN NAIROBI**

By
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**Project Paper Submitted in Partial Fulfilment of the Requirements for the Award of the
Degree of Master of Arts (MA), in Development Studies.**

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DECLARATION

This Project Research Paper is my original work and has not been submitted for examination in any other University.




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11/11/04

Date

This Project Research Paper has been submitted for examination with our approval as University of Nairobi Supervisors.



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DEDICATION

I dedicate this work to the memory of my parents,
Harrison Muchene and Alice Nyamathwe –
'though gone - forever proud'.



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Finally, I wish to say that I remain wholly responsible for any errors that may still remain in this paper.

ABSTRACT

Over 25 million workers worldwide are infected with HIV, and millions more are affected by the epidemic. The epidemic cuts the supply of labour, with a resulting loss of skills, training and experience. At the same time, labour costs are rising due to sickness and absenteeism. As a result, enterprises are losing productivity, public and private investment is being cut, and employment opportunities are contracting, with an increase in precarious/informal activities and growing poverty.

This project paper examined the effects of HIV/AIDS on the development of the Micro and Small Enterprise sector. The paper looks at the effects of HIV/AIDS on output and inputs of a business as well as the effects on management practices. The objectives of the study were to examine the effects of HIV/AIDS, to determine how the pandemic influences the inputs, outputs and firm production, and to outline interventions necessary. The hypotheses for the study stated that HIV/AIDS affects negatively all the above, ie inputs, outputs and firm production.

The analysis indicates that the HIV/AIDS scourge has seriously affected the outputs and inputs of firms. Markets are also affected because the purchasing power of the population has declined, as the epidemic ravages on. In declining health, the entrepreneurs may also not be in a position to carry out extensive marketing of their products. HIV/AIDS affects firms' production practices. HIV/AIDS affects management issues. This is especially seen when time is diverted to care for sick family members. It has emerged that absenteeism costs businesses a lot. Time management is non-existent and many man-hours are diverted because of HIV/AIDS.

The paper has made various recommendations to deal with the aggravating effects of HIV/AIDS. Among them include educating these entrepreneurs on safe sex issues, and providing an appropriate health care and social support system. The government should also make provisions for the care and for the future survival of families that have been affected by the pandemic. Lastly, those entrepreneurs that are taking care of orphans and

other dependants made so by AIDS should be given all the necessary help so that they do not unnecessarily eat into their enterprises, running them down.

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ACRONYMS

CBS	-	Central Bureau of Statistics
GOK	-	Government of Kenya
HIV/AIDS	-	Human Immuno Deficiency Virus/ Acquired Immune Deficiency Syndrome
ILO	-	International Labour Organisation
K-REP	-	Kenya Rural Enterprise Programme
MSE	-	Micro and Small Enterprises
ROSCA	-	Rotating Saving and Credit Association
UNAIDS	-	The Joint United Nations Programme on HIV/AIDS
UNIDO	-	United Nations Industrial Development Organisation
USAID	-	United States Agency for International Development
WOFAK	-	Women Fighting AIDS in Kenya

CHAPTER ONE

INTRODUCTION

1.1 Background

The HIV/AIDS pandemic has continued to wreak havoc on nations. In the year 2001, 40 million people worldwide were living with HIV/AIDS. In that year alone, 16,000 people became infected each day and 5 million people in total were infected. More than 13 million people had already died of HIV/AIDS in 2001. Africa's HIV/AIDS infection rate represented 70% of the global total (World Bank, 2001).

Over 25 million workers worldwide are infected with HIV/AIDS, and millions more are affected by the epidemic. The ILO has calculated that by 2020 the size of the labour force in high-prevalence countries will be between 10% and 30% smaller than it would have been without HIV/AIDS (ILO, 2002). The epidemic cuts the supply of labour, with a resulting loss of skills, training and experience. At the same time, labour costs are rising due to sickness and absenteeism. As a result, enterprises are losing productivity, public and private investment is being cut, and employment opportunities are contracting, with an increase in precarious/informal activities and growing poverty. Moreover, the workforce of the future is weakened by the fact that children are being taken out of school early to help care for sick relatives, to raise income for the family, or because they have lost one or both parents to HIV/AIDS.

Among economic sectors, Micro & Small Enterprises (MSEs), also referred to as the informal sector are affected by HIV/AIDS. This sector is important for the Kenyan economy because with about 1.3 million enterprises, it is a source of livelihood for about 2.4 million people (CBS, 1999). This study examines the effects of HIV/AIDS on the Micro and Small Enterprise sector in Kenya.

1.2 Problem Statement

In Kenya, there is currently a major focus on MSEs in the development strategy. The MSE sector is seen as a key entry point for development initiatives (Alila and Pedersen, 2001). This has seen increased concern by policy makers and practitioners on the issue and the ensuing benefits to the economy of the Micro and Small enterprise sector. It is therefore necessary that any hindrance to the development of the MSE sector be taken seriously as it is a threat to a major socio-economic aspect of this country.

The onslaught of HIV/AIDS brings about a situation where firms' key activities are hindered. For instance, inputs available for the enterprise, such as labour and capital inputs are greatly affected. Labour loss occurs due to mortality and morbidity. The HIV/AIDS entails a diversion of enterprises' earnings and time away from the enterprise. To aggravate this problem, the extensive use of family labour in MSEs and the issue of over-dependence on the enterprises arises. The sickness or death of an enterprise owner or key workers may be catastrophic, meaning that the enterprise will most likely collapse (Sørensen, 2001; ILO, 2000). MSE owners may also be encumbered with the task of taking care of relatives' children or family once such a relatives' sole provider passes on because of HIV/AIDS.

HIV/AIDS also affects firms' production activities. Time management becomes a great problem and revenues may decrease because of absenteeism due to illness or attendance of funerals (ILO, 2000). In the year 2000, 52% of increased labour costs attributable to HIV/AIDS in Kenya were due to absenteeism alone (ibid).

The outputs/products of a firm are also affected significantly by the HIV/AIDS epidemic. Markets are equally affected as the purchasing power of the population declines due to the epidemic (ILO, 2000). In the face of declining health, the entrepreneur may also not be in a position to carry out extensive marketing of their goods and services. These goods and services will also be compromised in terms of quality and quantity as the enterprise battles health problems.

1.3 Research Questions

This study explores the effects of HIV/AIDS on the Micro and Small Enterprise sector.

The study sets out to answer the following questions:

- i. What are the main effects of HIV/AIDS on the development of the sector?
- ii. How does HIV/AIDS influence the inputs, firm production and the outputs of an enterprise?
- iii. In what areas are interventions necessary?

1.4 Objectives of the Study

The study aims at throwing some light on the effects of HIV/AIDS on the small enterprises sector. The specific objectives underlying the study are :-

- To examine the main effects of HIV/AIDS on the small enterprise sector.
- To determine how HIV/AIDS influences the inputs, firm production and the outputs of an enterprise.
- To outline the interventions necessary in addressing the situation.

1.5 Hypotheses

In outlining the hypotheses, this study had in the background two key issues: -the social cohesion and its degree in the entity under study, and the level of wealth of these entrepreneurs. This is motivated by a study conducted by the World Bank in 72 countries, in which, it was shown that high rates of HIV/AIDS infection among urban adults were strongly associated with low and unequal distribution of national income (World Bank, 1997). This study therefore assumes that the precarious nature of informal employment, the lack of social protection and limited access to health services and the higher vulnerability, worsen the impact of the epidemic for individual workers and owners. The study set out to test the following hypotheses:

1. HIV/AIDS reduces the inputs available for the enterprise;
2. HIV/AIDS negatively affects enterprise's good management practice;
3. HIV/AIDS impacts negatively on the outputs of an enterprise.

1.6 Justification of the Study

Given the very high percentage of employment found in the informal sector in Kenya and also world wide, there is a justifiable need to acquire knowledge of the situation regarding HIV/AIDS and the future development in these enterprises. In Kenya, there is a dearth of literature and work done on the effects of HIV/AIDS on the Micro and Small Enterprise sector. This deficiency is inexcusable considering that about 26% of the total households in Kenya are involved in entrepreneurial activities (CBS, *et al.* 1999). Overall, the sector contributes about 18% of the total country's Gross Domestic Product (GDP). Given the magnitude of the socio-economic benefits, there is currently a major focus on MSEs in the development strategy, where MSEs are seen as key in development initiatives. A study of this kind sheds light on the strategies to employ in checking the situation, as well as the measures needed to address the HIV/AIDS problem. The study also identifies best practices and innovative approaches and tools to prevent HIV/AIDS spread in the informal sector (ILO, 2002). This study contributes to the existing literature of the very central issue of HIV/AIDS in Kenya.

The complexity and diversity of the effects of HIV/AIDS on small enterprises may not be obvious, but the catastrophic effects of the pandemic have become evident and it raises the question of devising an appropriate strategic response. There is a dearth in the existing research work on the effect that HIV/AIDS has on MSE sector in Kenya. Therefore, this study is designed to fill this gap.

CHAPTER TWO THEORETICAL AND EMPIRICAL LITERATURE

2.1 EMPIRICAL LITERATURE

2.1.1 HIV/AIDS: a Global Perspective

HIV/AIDS has a unique concentration on the productive population between the ages of 16 and 49 years. This poses a development crisis, one that has been in the making for at least 10 years (World Bank, 2001). Since HIV/AIDS hits people hardest in their most productive years, it disrupts the economic and social bases of families. Moreover, assets are dispensed to cater for the health care of these individuals and eventually funerals. It is visible that orphaned children are on the rise as a result of the deaths of parents. By the year 2000, there were 7.8 million HIV/AIDS orphaned children in the African region (Donahue, *et al*, 2001; World Bank, 2001).

The capacity of the social safety nets gets threatened in such a situation; the extended family sometimes cannot properly care for the orphans. The latter on their part are more likely to be under nourished, drop out from school, be in need of constant health care and end up in the streets.

HIV/AIDS leads to a reduction of national income. This is because national productivity and earnings drop as a result of the deaths of the productive labour force. This indicates a loss in the high investments on education added to these; resources used for investments are diverted towards health care, orphan care and funerals.

2.1.2 HIV/AIDS and Development

The HIV/AIDS epidemic has already reversed many of the development gains made in Central, Eastern and Southern Africa over the past three decades (Barnet and Whiteside 1999). For a long time, development has been impeded by a number of infectious diseases, which include malaria, tuberculosis, measles, respiratory tract infections among others. However, HIV/AIDS is currently among the biggest burdens of disease and deaths in developing countries. The long incubation period of HIV/AIDS means that it will continue to have a major impact on societies for decades to come (Dixon, *et al*, 2001).

There are long-term impacts of the epidemic on the social-economic development of African countries. The disease undermines three components: longevity, education and the standard of living. These are the primary measures of development (UNDP, 2000). Furthermore, the infection is concentrated on people in their prime years, with mobility and disposable incomes who are thus in a position to engage in risky sexual behaviour. Early morbidity and mortality tend to undermine the contributions of the educated in society (Garnet, *et al*, 2001). The subsequent loss of educated and trained staff leads to reduced skills' level and loss of institutional memory (*ibid.*).

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At the family/household level, a loss of income and labour is evident as the HIV/AIDS exacerbates existing gender inequalities. For instance, when the main breadwinner (man) succumbs to the epidemic, the woman's burden of taking care of the family increases. Sooner or later the woman may also become sickly, thereby depriving the family of their means of livelihoods. Eventually, when the two parents die, the children are left as orphans (Smith, 2002). In the year 2000, it was estimated that there were 13.2 million orphans in sub-Saharan Africa including those who had lost their mothers alone (UNAIDS, 2000). These orphans face many problems among them, the loss of educational opportunities and source of livelihoods. They are sometimes forced to quit school in order to take care of their sick family members or younger siblings; this is aggravated by the fact that in some cases they can no longer obtain school fees.

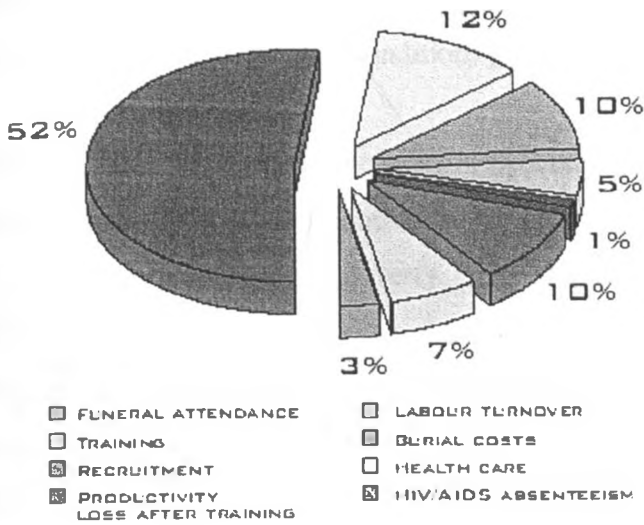
2.1.3 HIV/AIDS in Kenya

Currently over 2.1 million people are living with HIV/AIDS in Kenya. In Africa, Kenya is rated third after South Africa and Ethiopia in prevalence of HIV/AIDS. This position is shared by India among developing countries (UNAIDS, 2000). The National AIDS Control Council points to a prevalence rate of 14%, this translates to 4.2 million people, with 700 people dying from AIDS related ailments every day (Kenya, 2001). All these indicate why the HIV/AIDS issue is currently one of the most critical development issues in Kenya and Sub-Saharan Africa. The pandemic has meant a big cost to the country as resources are diverted from other vital sectors to health care. In most cases, the care of dependants, whose breadwinners have been decimated by the pandemic. The demographic structure has been distorted by the pandemic with the very young and elderly constituting the largest proportion of the population, not withstanding the increased social burden to the state (Donahue, et al, 2001).

In Kenya, firms are suffering from increased costs associated with HIV/AIDS. These costs include: - funeral attendance, training, recruitment, productivity loss after training, labour turnover, burial costs, health care, and absenteeism. According to a study carried out by ILO (2000), it was found that firms incur extra expenses due HIV/AIDS as illustrated in Figure 2.1.3.1. The percentages included in this figure relate to labour costs in the formal and informal enterprises as a result of HIV/AIDS related ailments and deaths. In totality, firms have a 52% absenteeism loss. This includes retraining and loss of manpower. Healthcare accounts for 12%, while productivity losses after training represents 10% with another 10% spent on recruitment. The rest is distributed between burial costs (7%) and labour turnover of 5% (ILO, 2000).

Figure 2.1.3.1

DISTRIBUTION OF INCREASED LABOUR COSTS DUE TO HIV/AIDS IN KENYA¹⁴



Source ILO, 2000

2.1.4 Micro and Small Enterprises

While there is no universal definition of micro and small enterprises, there is some agreement as to their general characteristics in developing countries. They have very small scale of operation, low level of technology, low access to credit and lack of managerial capacity. Further, description of these enterprises is related to their considerably low level of productivity and income, as well as to their strong tendency to operate in the informal sector (Kenya, 1999; ILO, 2002; Charmes 1998). For instance, micro enterprises are defined as those informal sector units that employ salaried employees on a continuous basis and which are below a given size, be they home based, street based or established in permanent premises (Charmes, 1998).

The size of an enterprise may be defined according to various criteria, including: the number of workers, the volume of output or sales, the value of assets, the use of energy, and so on. The criterion of the number of workers is the most widely used, because of its apparent simplicity and because data on the other criteria are generally lacking. For

operational purposes, it is often agreed that micro-enterprises include self-employed persons and enterprises with up to 10 workers (including apprentices and paid and unpaid family workers); small enterprises have between 10 and 50 workers. These definitions have to be adapted to specific conditions prevailing in various countries.

MSEs provide new quality employment opportunities and create additional incomes and opportunities. This in turn contributes to improved social and economic wellbeing, as well as to the alleviation of poverty. The Micro and Small Enterprise sector has been playing a great role in providing employment to a large number of entrepreneurs and subsequently in the industrial development of the country. This is an economy that has been growing rapidly in most countries. The majority of new jobs created in recent years especially in the developing countries have been in the MSEs sector. Currently, in Africa this informal economy contributes 60% of urban employment and 80% of non-agricultural employment (ILO, 2002).

The Micro and Small Enterprises, encompass individuals working as street vendors, paid domestic workers and the self employed operating micro-enterprises. Generally, they encompass individuals with varying socio-economic difference from the ages, genders, educational levels, vocational training and work experience. They also engage in very diverse types of activities with different production strategies operating in differing physical, social and political environments. They are informal because most times they are not recognised or protected by the government. Around the world, MSEs are increasingly seen as the creators of new jobs. Due to their flexibility and dynamism MSEs have become more competitive as well as adaptable to changing economic environment.

2.1.5 Micro and Small Enterprises in Kenya

Of the micro and small enterprises in Kenya, 70% are one-person enterprise units. Men's enterprises are 51% while 49% are women's (CBS, *et al.*, 1999). Table 2.1.5.1, below, shows that women dominate in trade, bars/hotels/ restaurants sectors, while men dominate in service, construction and manufacturing sector. The average income is Kshs

7,627 for men, while women earn Ksh. 4,344 per month on average. Most of the entrepreneurs (83%) are in the 16-45 years age brackets. The age of the entrepreneur has a bearing on the dynamism of the enterprise in view of the fact that age has a bearing on experience, health, and drive of the concerned entrepreneur (ibid).

Table 2.1.5.1: Sectoral distribution of MSEs by sex of owner

Sector	Men (%)	Women (%)
Manufacturing	16.9	9.7
Trade	55.2	74.7
Bars/Hotels/Restaurants	5.4	6.3
Services	19.5	9.0
Construction	3.0	0.3
Total	100	100

Source: MSE Base Line Survey (1999).

2.1.6 Firm Production

Enterprises require the factors of production – land, labour, capital and entrepreneurship in order to run. Enterprises in Kenya face a number of constraints to their success. Some of these constraints include inadequate infrastructure, capital and expertise (CBS, et al 1999). It is argued that good infrastructure lowers the cost of doing business. Premises in which to carry out the business is also a major problem among MSEs in Kenya. It is generally more difficult for women to obtain premises than men (Kinyanjui and Munguti, 1998). Street vendors have for long been at war with the Nairobi City Council over places to locate their enterprises.

Labour in Micro and Small Enterprises is either skilled, semi skilled or unskilled. According to Kinyanjui (2001), the sector attracts a relatively young labour force. In

Nairobi, for instance, over half of the workers (58%) reported having secondary education (ibid). This is an indication that the labour force in these enterprises is composed of relatively educated individuals. According to the population census of 1999, Nairobi is estimated to have a population of about 3 million people. Of this population, 60% of those aged 18 years and above had attained secondary education. The Nairobi's secondary schools' enrollment figures in 1999, 2000, and 2001 stood at 4.16%, 4.63%, and 3.07% respectively (CBS, 2002:214). Although these figures are low compared to Central Province with the highest enrollment rates of 21.09%, 21.00% and 21.33% respectively, this may point to the fact that educated people migrate to Nairobi in search of employment. With shrinking formal employment in Nairobi most of the educated people end up in the informal sector increasing and thereby providing educated labour force to the MSEs. Since Kenya is a labour intensive country, then adequacy of labour force is not a problem to the MSE sector.

Capital provision (both working and fixed capital) has been identified as a major problem facing the micro and small enterprises. There is general consensus that financial credit can make an important contribution to MSEs development (CBS et al, 1999). MSEs have had problems especially accessing credit from formal financial institutions (Wabwire, 1996). Savings mobilisation is also not possible as their business returns are low and their incomes must stretch to cover a lot of basic necessities (Kinyanjui and Munguti, 1998). For women, the problem of credit provision from formal institutions is aggravated by the lack of collateral and inhibitive loans awarding procedures. The situation is being reconfigured in favour of women especially by micro finance institutions (ibid).

The internal and external dynamics of enterprises are not the only factors affecting growth of MSEs. The businesses operate under the invisible hands of institutions – social, political and economic, that help or hinder their potentials. In view of this, businesses adapt variety of devices designed to maximize their flexibility and thus ensure success. Their use of family labor simple rudimentary tools and equipment and their occupancy of rent-free quarters represent some of the mechanisms that MSEs adapt easily to changes in market conditions, political environment or family circumstances (McCormick, 1988:2).

Among the Nairobi's enterprises 'Greater than average flexibility and smaller than average size are associated with success' (McCormick, 1988). Risk aversion is a prudent measure that involves staying small and flexible among these enterprises. It has been shown that despite the flexibility, the smaller the enterprise the greater the incidence of closure (CBS et al, 1999). According to the CBS, 1999, almost 71.7% of MSEs that closed were one-person units. The two most important reasons given for the closures of these enterprises were lack of operating funds (37.2% of respondents) and personal reasons (28.6%). Personal reasons were "related to family responsibilities and sickness" (ibid).

2.1.7 Types of Micro and Small Enterprises in Kenya

The informal sector can be divided into the following broad categories with some (this categorization is not conclusive but has formed the basis of this research).

<u>Sub Sector</u>	<u>Examples</u>
Retail – Food	Street hawkers (fruits, vegetables etc)
Retail - Non Food	Street hawkers (cigarettes, electrical equipment etc)
Wholesale Trade	general commodities, Agro vet goods etc.
Service sector	Hairdressing, shoe repair, motor vehicle repair, transport, auditing, etc
Manufacturing Heavy	Metal-welding, construction, motor vehicle repairs
Manufacturing Soft	Knitting garments, sewing etc

Micro and small enterprises undergo harassment and prosecution by local authorities; historically they have been seen as a nuisance rather than a legitimate means of livelihood. They rely on cash transactions, informal credit markets and operate within an intensely competitive environment. This fact is due to the ease of entry into some of the activities undertaken by these enterprises. For example street hawking requires entry capital that is small; there is also supplier credit where suppliers give out their goods

before hand getting paid after the sale. Enterprises either cluster together or operate singly. Most are likely to be clustered together; this is due to the advantages inherent in clusters regardless of the competition they most likely face (McCormick and Pedersen 1996). The street hawkers are crowded within the same streets, selling similar goods. In the Kamukunji area of Nairobi, metal workers are clustered around the same area. An individual operates informal enterprises alone or with family members. Sometimes one or more 'outside' individuals are employed. A number of the MSE owners (32.7%) pointed out that they had started business because they had no alternatives, thus Kenyans are starting MSEs for lack of better alternatives as the economy continues on a downward plunge (ibid).

Operators in the informal economy (both owners and workers) are particularly vulnerable to the HIV/AIDS epidemic, both in terms of susceptibility and impact of the epidemic. One of the reasons is that Micro and Small Enterprises attract mostly the relatively young segment of the labour force (Ng'ethe and Wahome, 1987). Owners and workers in most of the MSEs have low access to good health care causing a health problem (ILO, 2002). Therefore, in case of HIV/AIDS infection MSEs workers and owners are unable to cope.

2.1.8 Socio-Economic Characteristics of the MSEs

2.1.8.1 Gender Dimensions

This part of literature reflects on both the issues of gender and the MSEs and gender and HIV/AIDS. Table 2.1.8.1 below shows that, the male-headed firms grow more quickly, averaging 11 per cent per year compared with only 7 per cent per year for female-headed enterprises. Men-owned businesses employ more workers, averaging 2.6, while women-run enterprises employ only 1.6 workers on average. At the same time, women's firms generate less income than men's.

Table 2.1.8.1 Differences in performance of male and female owned firms

Ownership	Mean workers	Annual growth rate	Annual net profit
Male	2.6	11%	Ksh 63,335
Female	1.6	7%	Ksh15, 552

Source: McCormick (2001)

Some reasons as to why we have differences in the performance of men and women businesses include: Time spent in businesses activities whereby women spend less because of house hold chores; location of enterprise, where men are hardy and can tolerate harsh environment while women are pushed to road sides, homes, or trading centres; investing differently, where woman invest less than men into their business; different networks and linkages; and different lines of business between men and women. McCormick (2001).

Female entrepreneurs tend to be located in "home based" type of activities such as sale of beer, cooking food stalls, clothing sector and manufacturing of mats and fibre products. They are highly concentrated in the retail enterprises and the service sector. Women's low participation in manufacturing and their concentration in textile work is due in part to the educational system (McCormick 1988). Previously, many women were not given opportunities for education and skill training hence they were much less likely to be literate and also less likely to have received skill training than men (Otunga, et al 2001, McCormick, 1988). Partly because of this, fewer women's firms are profitable. Further evidence reveals that socio-economic changes have altered the traditional patterns. For example the urban family structure shows a more pronounced incidence of single parent families, these women in their bid to support their families enter the micro enterprise sector. In recent times, women have also become more educated, making them able to penetrate into modern wage employment and to participate in business enterprises (Ngau and Keino, 1996). On the other hand, more women than men in the urban areas are not able to penetrate into wage employment; they are therefore pushed into the informal sector where they start their own micro enterprises.

Women who are involved in the micro enterprise sector, are able to increase their income, which in turn means an improvement in bargaining power within the household. There is also greater participation in social and economic matters outside the home. Overall, women are more able to gain control of their lives and can challenge individuals and institutions that inhibit their interest (Karanja, 1996). Despite this potential, studies have revealed that women's enterprises perform much lower than men's, they are less profitable, expand less often and they are smaller (Rono, 2001; Ngau and Keino, 1996).

It is widely recognised that the greater the gender discrimination in societies, and the lower the position of women, the more negatively they are affected by HIV/AIDS (UNAIDS, 2000). Women are more vulnerable to HIV/AIDS because of social, cultural, economic and biological factors (Kenya, 2001). The sexual and economic subordination of women means that they rarely have the power to negotiate for safe sex or refuse unsafe sex. In general, women's lower levels of income, limited access to and control over resources make them economically dependent on men. In addition, the power imbalance between men and women at the workplace and at home exposes them to the threat of sexual violence and harassment. This increases the vulnerability of women to HIV/AIDS infection and subsequently the vulnerability MSEs owned by women.

Women normally have less access to education and training than men, they are also less able to compete in the formal labour market even when they are educated and this prompts them to establish informal enterprises. In addition single and divorced women with children and women with husbands who are not working or are working far away engage in activities as families survival strategies to support themselves and their dependants. In Kenya's rural population women form the majority of the population because most men have moved to the urban areas in search of work in the formal and informal sectors (Kenya, 1989).

In Kenya as in many developing countries severely affected by the HIV/AIDS epidemic, social protection resources to mitigate the wide-ranging effects of HIV/AIDS are limited. Public expenditures on social security and health have often been cut as a result of

economic trends for example Structural Adjustment Programmes. Consequently, the costs of care are downloaded to communities where families and kinships provide the financial and human resources needed to care for people who fall sick and eventually die. Regardless of continent and culture, women are the ones who have the primary responsibility for domestic chores and provision of care to family and relatives, and the extra burdens of care related to HIV/AIDS generally rest on their shoulders. Women are much more likely to be forced to leave formal sector jobs and enter the informal labour market as a result of their care-taking responsibilities or due to their own HIV-related illness. The implications of care-giving required to address HIV/AIDS in the household and community are also important for businesses and for economic development generally. The amount of time taken out of workplace activities because of the need to care for the sick at home, preparation for funerals, and so on, results in high levels of absenteeism, lowered productivity, and the loss of skilled and experienced workers.

Women's roles as mothers and caregivers mean that their ability to access and retain work in all types of employment is more easily disrupted by HIV/AIDS. As a result of absences from work, women lose jobs, trading or other production opportunities and it is often difficult to re-enter the formal or informal labour market. The implications of care-giving required to address HIV/AIDS in the household and community are enormous for businesses and the authorities; they are also a gender issue because women generally bear a greater share of the burden of care. The vulnerability of women to HIV/AIDS infections exacerbates the sectors vulnerability to the pandemic indeed; it is likely that the HIV/AIDS epidemic has been fuelled by gender inequalities (Smith, 2002).

2.1.8.2 Poverty and MSEs

The informal sector in Kenya is characterized by high levels of income poverty. It is common to find that some operators (more often true of employees, petty traders and

service providers) in the MSEs sector survive on less than US\$1 per day. This is manifested in the operators, their families and their employees. Indeed, increasing poverty is one of the underlying reasons for the growth of the informal economy (ILO, 2002). Average incomes on the informal economy are much lower than in the formal economy (CBS, 1999). Added to this, individuals with no luck in finding formal jobs end up in the informal economy. The MSEs are characterized by a high degree of vulnerability, the fact that they get very little government recognition is aggravated by their inability to organize for effective representation. They are denied infrastructure support and are usually under exploitative institutional arrangements. Informal enterprises do not have access to adequate health services or adequate communication channels with concerned authorities; they are exposed to work related diseases that are rarely addressed by policy makers. This all makes it likely that a higher percentage of those working in the informal economy are poor (CBS, 1999).

Literature on public health and clinical practice demonstrates that persons having nutritional deficiencies, general ill health, little access to health services and who are economically disadvantaged have greater susceptibility to infectious diseases, (Stillwaggon, 2002). The HIV/AIDS epidemic is a predictable outcome of an environment laden with poverty, poor nutrition and limited access to medical care (Ibid).

2.1.8.3 Education characteristics

The generally agreed characteristics of the individuals in the sector are daunting enough. Individuals in the MSEs tend to be poorly educated, relevant skill level and education level tends to be especially low in the retail and services sector, its also lowest in other areas where operators face fewer technological and financial barriers to entry (ILO, 2002). The low levels of education and training associated with poverty mean that they are more likely to be ignorant such that they engage in risky sexual behavior. Female members of such families are also more likely to resort to risky sexual survival strategies in order to supplement household income. All this also implies that there will be an earlier onset of AIDS related illness in HIV positive individuals and subsequently earlier deaths from the development of full-blown HIV/AIDS.

The MSE entrepreneur today exhibits a higher level of education than former years. In a study conducted in 1999, 54.4% of entrepreneurs had achieved primary education, 33.1 secondary education and 1.8 higher education (CBS, 1999). This has an impact on the performance of MSEs, the entrepreneurs with the highest levels of revenue were those with high education (Ibid). Higher HIV/AIDS prevalence rates are witnessed in countries with lower adult literacy (Gregson, et al 2001). Other studies seemingly suggest otherwise- that those countries achieving higher levels of adult literacy are the ones that present a higher HIV/AIDS prevalence rate (ibid). All in all, HIV/AIDS prevention efforts have been less successful in poorer and less educated communities (UNAIDS, 1998).

More educated people reveal characteristics that make them more vulnerable to HIV/AIDS infection. Firstly, they have higher rates of sexual partner change as they have greater personal autonomy and spatial mobility. Educated women have sex later but experience greater partner change as they get married later (Chandiwana, *et al*, 2001). Educated people do use contraceptives however the use of condom is still low. Lastly, educated men form partnerships with equally or less educated women, and this increases the men's susceptibility (ibid).

Despite this, at later stages of the epidemic, as it progress, it is expected that more educated people are better placed to adopt safer lifestyles quickly (Chandiwana, *et al* 2001). This was shown in a study carried out in rural Zimbabwe where it was found that young people with secondary education practiced safe sexual behaviour. Formal education is significant in development and provides a strong combative element in the war against the HIV/AIDS epidemic. This is through the skills imparted, opportunities provided for school based interventions and knowledge on sexual and reproductive health (Chandiwana, *et al* 2001). Therefore, data on the education level of operators in the MSE sector are important in tying up their vulnerability and susceptibility view of the interplay of HIV/AIDS and education.

2.1.8.4 Associations and Support Networks

Micro and small enterprises generally operate within an environment that is insecure, aggravated by the lack of safety nets against misfortunes and accidents. Sørensen (2001), classifies these as structural and personal, structural insecurity includes climatic and environmental instability, political and economic turmoil and market and legislative conditions. Personal insecurity on the other hand encompasses sickness, cheating, theft and family problems. An example is given where an elderly Musoga trader, in 1985 delivered coffee on credit to a coffee ginnery. The subsequent coup d'etat (Tito Okello's) occurred and the ginnery was closed. This in effect led to the trader going out of business (Sørensen, 2001).

Associational life has inherent benefits; people working in the informal economy have their own group rules, arrangements, institutions and structures for mutual help and trust. They are involved in soft loan provision, enforcing obligations and basic welfare help. Associations are instrumental to members' welfare; they are responsible for lobbying for the members with the government, keeping the members informed on new developments in the technological world, policy matters and providing general advisory services (USAID, 1996). They also assist in solving disputes. Whenever such arise, they lend money to members and assist in welfare interests, for example they are quite instrumental in helping members during funerals and with medical needs. The benefits however, tend to be limited and seldom include ongoing support of surviving relatives. In Kenya there are a number of prominent associations, for example the *Jua Kali* association. These are in existence because of mobilisation of the artisans by the Ministry of Research Technical Training and Technology (no longer in existence) to form associations. This was on the realisation that a more united stand would be quite beneficial to members; there was also anticipation that there would be funding from international agencies such as UNIDO, ILO and World Bank (McCormick, *et al*, 2001). Sectoral associations for small enterprises are an effective way of providing information, training and investment advisory services to members. They also provide collective and cost effective material sourcing channels and marketing outlets for products (Kenya, 1992).

Support can be characterized as being social, economic, psychological, or health education and information. Rejection and withdrawal are indications that there is a need for social support. Support groups are common, especially among women in developing countries. It has been reported that members of these support groups are better able to handle their status than the isolated ones (USAID, 1996). The support is either at the social level or at production level. Financial support is usually the greatest to handle, not only are immediate family members in need of economic support but also extended members who depended on the primary caretakers of the family who are ill or deceased or whose business has gone down for some reason (Ngau, and Keino, 1996).

Psychological kind of support can be pre-test or post- test support. Families with a HIV/AIDS infected member need psychological support in order to cope. This is hampered by family's outright denial of their situation or the fear in discussing their status. The ability of families to provide a loving and supportive environment to their sick members could be enhanced by providing counseling and support.

While these associational and support networks are important, the onset of AIDS-related illnesses minimizes participation in such networks by the sick individuals and this diminishes their effectiveness. Financial institutions which are instrumental in providing financial support to the enterprise operators together with the Rotating Savings and Credit Associations (ROSCAs) will also suffer the demise of an informal enterprise due to AIDS-related illness and death, subsequently repayment of outstanding loans is curtailed. There is also the evident loss of future contributions to the particular institution/association, this reduces their assets and hence their ability to finance the needs of other families in future.

Despite evidence of associational life and support groups, many of the individuals in the informal economy have no social protection system. It is noted that most of the MSEs operators do not contribute to the National Hospital Insurance Fund, therefore when they fall ill, they are not in a situation to afford good quality healthcare, neither their dependants. The likely result is that their health deteriorates fast and the onset of death is

quicker. Their dependants also do not get any income substitute such as pension from the National Social Security Fund, as their breadwinners were not members of such a social protection system (USAID 1996). The informal social protection mechanisms such as the extended families or local communities are being stretched beyond their limit due to the large number of claimants whose sole/main breadwinner has died (ILO 2002).

2.1.8.5 The Family Structure of Micro and Small Enterprises

The ILO in 1973 noted the extensive use of family labour as a characteristic of micro enterprises. This is reflected in the network theories, which emphasize the use of family, kin, friends, professional clubs and ethnic organizations in business development (Kinyanjui, 2001; Rasmussen 1992).

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Some scholars go as far as defining small-scale enterprises as ‘...family businesses with very few employees...’ (Child and Kempe, 1973, as quoted in McCormick, 1988). Moreover, a number of researchers have observed that family participation is a positive force in small businesses. Weidenbaum (1996) describes the Chinese family business enterprise with their long-term personal relationships within and across ethnic Chinese companies. The Chinese business family is ‘... a force that western companies dare not ignore...’ (Weidenbaum, 1996:23). The primary advantage of the family mode of production has often been seen as its fungibility. Moreover, in order to survive against growing instability in the external environment, micro and small enterprises rely on family networks. Thus, despite a given extent of exploitation from these networks, they do offer a guarantee of survival (Pedersen, 1996).

Nonetheless, a study conducted by Sørensen, on trust among maize traders in Iganga in Uganda, revealed that traders consciously avoided basing trade patterns on familial lines. Their networking avoided family and kin, indeed the most pronounced avoidance of any criteria for selecting traders concerned relatives. They often gave the reasons for such actions as jealousy and too many expectations from the business so that saving was hindered. Relatives were also accused of taking the business for granted, with discipline

administration rendered impossible (Sørensen, 2001). Similar sentiments were documented in a study conducted in Kenya (Marris and Somerset, 1971) in which the study pointed out that 'jealous consciousness' in the relative and kin makes them resent authority. All in all, the Iganga traders recognized the importance of family structures during the lean times. Dependence on kinship was therefore not altogether avoided, the traders for instance had to devise ways of dealing with relatives such that the latter's demands during the 'good' times were reduced while at the same time not violating the security provided during the 'bad' times (Sørensen, 2001). Because most MSEs operation are closely intertwined with the household, any crisis in the household becomes a challenge to the survival of the enterprise and vice versa (CBS *et al*, 1999).

2.2 THEORETICAL FRAMEWORK

2.2.1 Scandinavian Network Theories and MSEs

This study looks at the linkages between the enterprise and the external environment, this is because of the fact that many people depend upon the enterprise and it also depends upon both individuals and associations. The study also looks at the development of the sector in the face of health problems. These health problems affect production and hence a look at production theories. Lastly a look at firm dynamics helps put the firm in a much clearer study point as we reflect on how the firm changes in the face of prevailing hindrances.

In the Scandinavian network theories the sector is seen as operating in specialized product markets where economic and personal networks are both important (Alila, and Pedersen, 2001, McCormick and Pedersen 1996). The small enterprises are seen as functioning ultimately guided by the social relations as much as the economic factors. These are the tenets that are necessary for the sector's competitiveness. In this approach the enterprises relate to each other and most of all to the local environment; they are rooted in an economic and socio-cultural environment of more or less stable relations to other actors. It is basically through the interaction with these other actors that enterprise

success; growth or failure should be understood (Rasmussen, 1992). In the network theory the linkages are the subjects of concern.

The entrepreneur's ideological/affective linkages to the local community are as important as the business linkages. These denote the family relations, friends, and so on. Their success as mentioned rests on the interconnectivity of these factors. The Asian business network in East Africa is a case in point. Here a large network of Asian entrepreneurs combine personal relationships with the business economy i.e. solidarity along ethnic lines, conducting relatively successful businesses. This approach of inter-linkages provides a basis for the inclusion of the health aspect of the entrepreneur. The prevailing health aspects of the persons responsible for these micro and small enterprises should be a part of any study that aims at being inclusive. Indeed, for their growth, these enterprises require that the driving forces behind the ideas be of sound mind and healthy body.

2.2.2 Sustainable Development

The Brundtland Commission's definition of sustainable development is: development that meets the needs of the present without compromising the ability of the future generations to meet their own needs (Allen, 2000). For enterprises this entails simply the ability to be self-sustaining, to be able to make use of income – the amount that can be consumed in a given period without compromising the stature of the enterprise and especially its capital.

For the Brundtland Commission, environmental management at a global level was key in sustainable development. Likewise, in enterprises, quality management underlies sustainability. This involves time management, management of the production processes and the overall inputs and outputs. In order for enterprises to become self-sustaining they must be managed and run in such a way that they can fulfill the needs of the entrepreneur and at the same time carry on. But, if the entrepreneur cannot be able to run/ manage the enterprise because of various reasons, then the enterprise will not be able to be sustainable.

2.2.3 Production Theory

Production is defined as the creation of wealth, which adds to society's welfare. (Hardwick *et al*, 1994). There are many inputs into most production processes, the factors of production are classified into four different units: Land, Labour, Capital and Enterprise. Land includes all the natural resources that are to be used, labour includes all the human attributes – physical and mental resources that are used in production. Capital represents goods which are not for current consumption, but which will eventually facilitate production process (*ibid*). Enterprise or entrepreneurship entails the organisation of the other factors of production. In this regard, an entrepreneur is the person who bears risk by investing in a venture and also enjoys the profits. Entrepreneurs are also perceivers of opportunity and profit (Kirzner, 1979). They organise labour; labour refers to all human efforts that are used in any production process. This is divided into various categories. These include skilled, semi-skilled and unskilled labour.

The transformation of resources into final goods and services pinpoints a relationship between input and output. A production function therefore represents a technical relationship between input and output. Therefore an increase in the level of input results in an increase in output level. In any given enterprise therefore output is determined by the level of inputs at the disposal of an entrepreneur. Any change in the level of any input affects the level of output. For example, reduction in capital and/or labour results in a decline in output. In this study, I hypothesize that as a result of poor health and lack of access to health services the output level in MSEs declines. This problem is exacerbated by the providence of the myriad effects of HIV/AIDS. Entrepreneurs are hypothesized to be withdrawing money from the business in order to take care of their sick family members thereby lowering the level of output. Capital that should be ploughed back into the enterprise is not, but is diverted elsewhere. The result is a decline in production and eventual diminishing of returns.

2.2.4 Theory of firm dynamics

The proponents of the theory of dynamics see enterprises as operating at risk of collapse as business activities are risky and because entrepreneurs are unsure of their management abilities (Jovanovic, 1982 as quoted in Rono, 2001; Bowen, 2001). The entrepreneur assesses how well he/she performs by observing and learning more about their managerial abilities. Business attitudes and practices also change over time according to lessons drawn from the exogenous world (ibid). Businesses have also changed over time. The 1999 national baseline survey documents that there were changes in the number of regular workers. There was substantial growth although there were indications that the larger the size of the enterprise the greater the risk of its dropping in size over the years. For women enterprises the risk of decreasing and the probability for increasing were respectively aggravated or lessened (CBS *et al*, 1999). There were a number of closures mainly in the manufacturing and service sectors. For manufacturing it could be because of the requirements (eg. capital) for its sustainability, whereas the service industry could be experiencing a lot of competition within itself forcing the less strong ones to close down. Together, these accounted for over 80% of the total closures and this is despite being only 13.4% manufacturing and 14.8% for the service sector (Ibid).

For sustainability and in order to ensure that they continue surviving, enterprises must revise their management abilities. Those that revise their management abilities upward will tend to expand while those that downgrade their estimate will tend to contract or close down (Rono, 2001). Businesses that aim to survive should change according to the requirements of onslaughts such as HIV/AIDS and market competition with efficiency and proper management as the determinants. Dynamism in this study will be treated as a key component of sustainability of enterprises.

2.3 CONCEPTUAL FRAMEWORK

2.3.1 Definition of concepts

Development

Development in its broad sense means an all-encompassing change. It is a process, intentional or unintentional that activates resources with the aim of improving the living standards of a people while at the same time achieving their socio-economic and political goals. (Allen, 2000; Cowen and Shenton 1996).

Micro and Small Enterprises

This is a term that describes enterprises or businesses that have workers whether paid or not, and including the owners (s) numbering up to 10 (ILO, 2002).

Informal Sector

This is an economic sector that is characterized by ease of entry, small scale of operation, self employment, familial structures, little capital and equipment, low productivity and low income. The sector is regarded as a group of production units included in the System of National Accounts (SNA) of the household sector as unincorporated enterprises owned by households (CBS, 1999)

HIV/AIDS

The Human Immune Deficiency Virus, a virus that leads to a weakening of the immune system and a manifestation of the HIV/AIDS disease.

Susceptibility

Implies the factors that determine the rate at which a disease is propagated. In this study, it is used in connection to the HIV/AIDS epidemic. In a risk environment, individual, group and general social predisposition to virus transmission is increased (Barnett and Whiteside 1999). In this study, this term is sometimes used synonymously with vulnerability.

Vulnerability

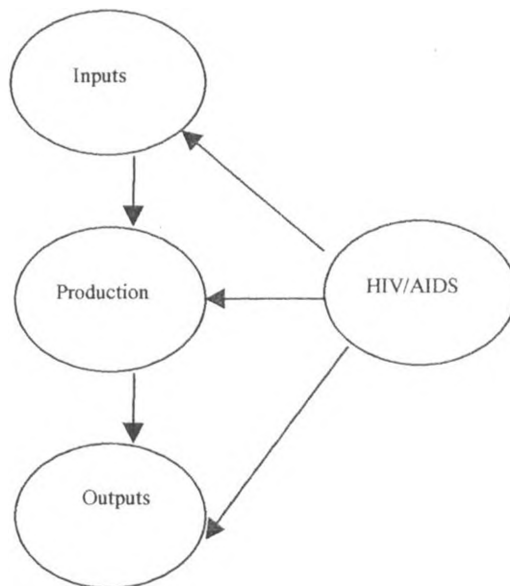
Those features of a social or economic entity that make it more or less likely that excess morbidity and mortality associated diseases (HIV/AIDS) will have disastrous impacts upon the entity (Barnet and Whiteside 1999).

Inputs, Production and Outputs

In this study, inputs refer to the factors of production divided into broad categories such as land labour, capital and entrepreneurship (Varian, 2000). Production in this study will refer to the process itself, defined as the creation of wealth, which adds to society's welfare (Hardwick *et al*, 1994). Outputs refer to the ends and outcomes of the production process (Varian, 2000).

2.3.2 Operationalisation of variables

Figure 2.3.2.1: The Enterprise



The variables inputs, management and outputs are dependent variables. Inputs will be manpower (with formal education with no formal education), fixed and working capital. In firm production, management will be looked at through the issue of time management. The outputs will be both goods and services coupled with issues that deal with marketing.

The variable HIV/AIDS is the independent variable in this study. From the empirical literature the relationship between the dependent and the independent variable is causal in nature with the independent variable influencing the dependent variable. There is also a relationship among the variables, the level of inputs available will affect firm production and this will in turn affect the outputs and vice versa.

Enterprises in this study will include; *Jua kali* (metal work) enterprises, tailoring businesses (textile), and hair salons/barbershops.

CHAPTER THREE

RESEARCH METHODOLOGY

This study mainly utilised data from primary sources, and to some extent secondary data. The field survey was undertaken between July and September 2003. This chapter details the research methodology under six sections: selection, data collection methods, sampling procedure, data analysis and field related problems.

3.1 Selection

Participants in the study were drawn from the Micro and Small Enterprises sector, based in some key sites in the city of Nairobi. These sites included, Kamukunji, Gikomba market, Wakulima market and Kibera slums. There are reasons as to why these sites were chosen; for one, Kamukunji, Gikomba and Wakulima markets are areas with clusters of entrepreneurs engaged in similar activities. Kamukunji has the metal workers' clusters involved in metal welding, small-scale manufacturing and a variety of other metal related enterprises. Gikomba market has a vast differentiated enterprise base with the sale of second hand goods ranging from clothes to beddings. Wakulima market is a general market mainly dealing in farm produce. Lastly in Kibera there are a variety of enterprises which include street vending and a number of barbershops and hair salons. Kibera was also a very good site for this particular study because of the HIV/AIDS dynamics in the area.

The study used business enterprise as the unit of analysis, stratified according to number of workers (to keep to the definition of micro and small enterprises). This study also gathered information from organizations involved in HIV/AIDS issues. Key informant interviews were also conducted the following:

- i. Associations
- ii. Micro finance institutions
- iii. Business training institutions

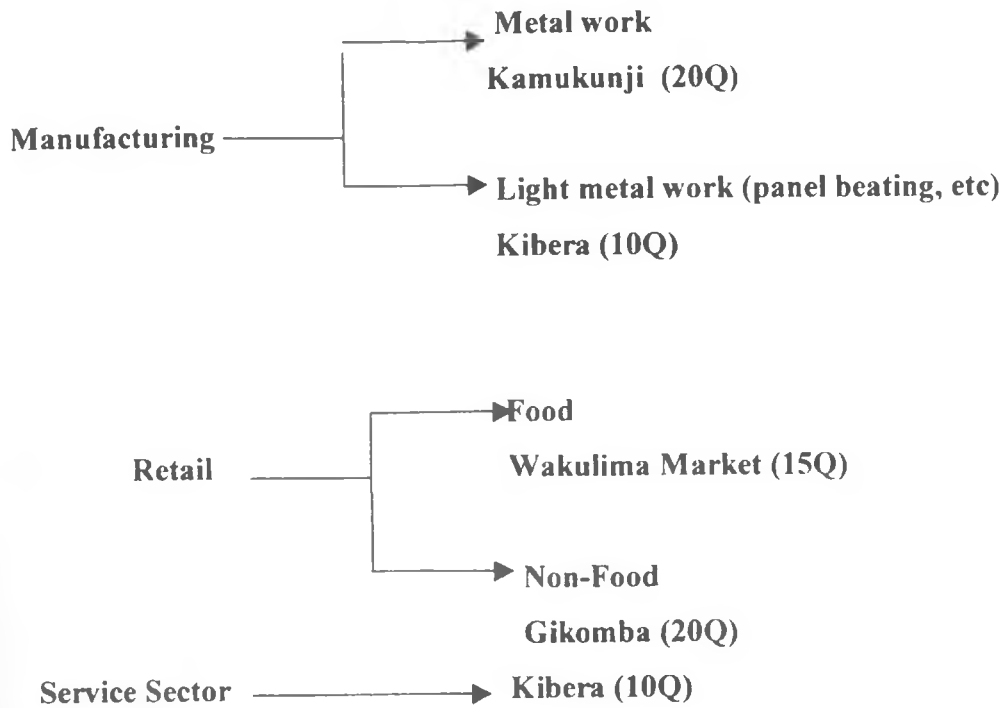
3.2 Data Collection Methods

The study involved two main data collection methods, namely library research and a sample survey that used preset questionnaires. To add to the information from the prepared questionnaires, six in-depth interviews were conducted, that is, two from manufacturing, retail, and service micro enterprises. In addition, there were 10 key informants interviews carried out. Qualitative data for both in-depth interviews and for the key informant interviews were collected using prepared interview guides. The sample survey gathered enterprise information, entrepreneur's personal information including health and mortality issues. The in-depth interviews were expected to gather more information regarding all of the above while the key-informant interviews concentrated on general issues regarding the enterprises in relation to credit provision and associational benefits in the face of HIV/AIDS.

3.3 Sampling Procedure

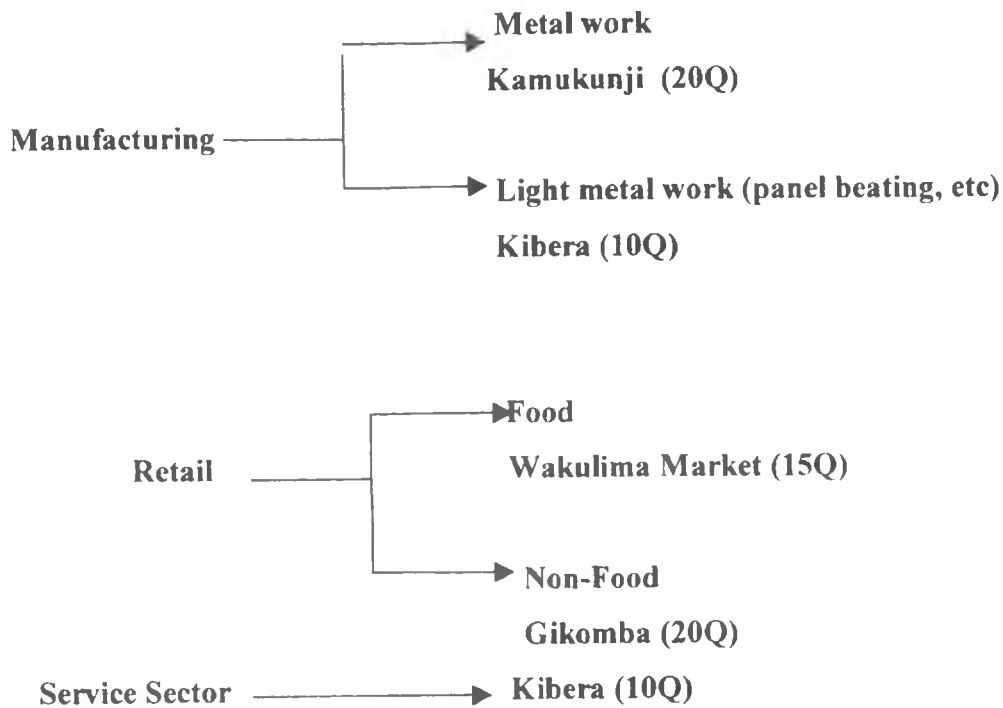
Purposive cluster samples were used. The clusters fell under the following groups: manufacturing, retail and service micro enterprises (see figure3.1). There was a set quota of between 10 and 20 interviews in each of the clusters. In total, 75 questionnaires were administered. Because of the diversity in location of the different clusters, a variety of methods were used to determine the quota samples. In both Wakulima and Gikomba systematic random sampling was used. This is because the traders operated in stalls or stands, which had assigned numbers. In Kamukunji, an estimate of the locational situation was made through a visit to the site, enabling systematic sampling to be carried out. This was also the case in Kibera.

Figure 3.3.1: Sectors and clusters used in the study



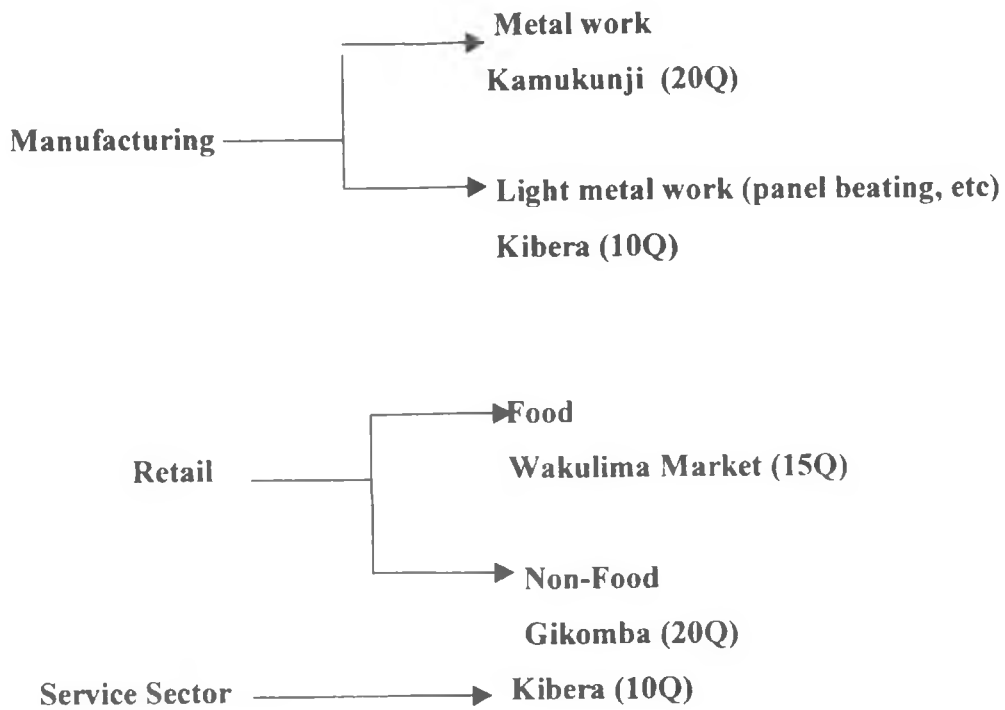
For the 6 in-depth interviews, cases were selected through purposive sampling. Here emphasis was placed on identifying those affected/infected by HIV/AIDS. For the key informant interviews, purposive sampling was used. The criterion was organisations, which deal with the MSEs and concerned individuals, were drawn from these.

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Figure 3.3.2: Sampling Guide

Study unit	Numbers from each unit	Sampling Procedure	Data Collection Method	Number of Interviews	Selection Criteria
Kamukunji Metal workers.	preset quota	Systematic random	preset questionnaire	20	Cluster of Heavy Manufacturing
Wakulima Market (Food)	preset quota	Systematic random	preset questionnaire	15	Cluster of retail
Gikomba	preset quota	Systematic random	preset questionnaire	20	Cluster of various entrepreneurs
Kibera	preset quota	Systematic random	preset questionnaire	20	Study Potential
manufacturing	2	Purposive Sampling	Interview Guide	6 In-depth	Affected/ Infected
Retail	2				
Service	2				
Associations	4	Purposive Sampling	Interview Guide	10 Key Informants	Interaction with concerned MSEs
Micro-finance institutions	4				
Business training institutions	2				

Figure 2.3 provides the sampling guide adopted in undertaking this study. In the first column the study unit is given. The second column shows the numbers from each study unit; most were a preset quota. The third column shows the sampling procedure either systematic random sampling or purposive sampling. The data collection method is shown in column 4 while columns 5 and 6 show the number of interviews and the selection criteria.

3.4 Data Analysis

The study utilised both quantitative and qualitative data analysis methods. Data collected through sample survey was coded and entered into the SPSS program for analysis. Descriptive statistics were employed and so also were inferential statistics to examine relationships among various variables. In this regard, percentages and frequencies of various responses were calculated and correlated. Mean analysis of various responses were prepared, for example, the mean age of respondents, number of employees, start-up capital among others. The study also used cross tabulations in which Chi-Square tests and significance tests were computed in line with other similar studies. For qualitative data, a substantial amount of detailed information was gathered and from these, recurring patterns, trends and relationships were established and content analysis done.

3.5 Field Related Problems

Overall, the actual data collection was successful; however a number of problems were encountered. Firstly, there was the issue of work interruption whereby some respondents did not take kindly to an activity that was disrupting their work activities. Consequently, I felt that some questions were answered in a hurry and therefore failed to reflect the true picture. One such hurriedly answered question was the one of how much is invested in the business. In order to get the true picture as regards this question I had to go back to the question again at the end of the interview so as to cross check. In addition most entrepreneurs did not keep proper records and this compounded the problem. In essence most of them were giving me only estimates of income and outputs. This obviously

reduces the reliability of this data and hence this research should be looked at with this in mind.

Another problem I faced was a fear by some respondents to reveal their profits and sales. This stemmed from the fear that the Kenya Revenue Authority would start taxing them. In actual fact I had to assure them that such an eventuality would not result from this research. A third problem was a consistent predicament of research fatigue and I had to use a lot of persuasion to get some respondents to participate enthusiastically. All in all the research process went on smoothly and the key informants were particularly helpful.

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CHAPTER FOUR

FIRM CHARACTERISTICS AND ENTREPRENEUR CHARACTERISTICS

Introduction

In this section an introductory description of the enterprises and their owners is going to be undertaken. This is with the main aim of giving the reader a general overview and idea about the enterprises and their owners.

4.1 Types of Enterprise

In the data collected, an overwhelming majority of the entrepreneurs were involved in trade (69.3%), followed by 20% in manufacturing and 10% in the service industry (table 4.1.1). This was in view of the fact that those who were in manufacturing were also in trade, which was also the case for those in the service industry. Those in manufacturing were mainly in one site – Kamukunji – *Jua kali* whereas traders could be found in all the sites including Kamukunji.

Table 4.1.1 Type of business

Sector	Frequency	Percent	Valid Percent	Cumulative Percent
trade	52	69.3	69.3	69.3
manufacturing	15	20.0	20.0	89.3
service	8	10.7	10.7	100.0
Total	75	100.0	100.0	

Source: Survey Data

4.2 Socio-Economic Background of the Respondents

In this study it emerged that there were more male entrepreneurs than females. Male entrepreneurs were 64% while female entrepreneurs were 36%, as illustrated in table 4.2.1 below. This is slightly different from the findings of the National Baseline Survey (C.B.S., 1995), which indicate that in Kenya 51% of MSEs are owned by men whereas women own 49%. The differences could be because many more men are being forced

into setting up MSEs as retrenchment and layoffs abound. Of the respondents 73.3% were married whereas 20% were single.

Table 4.2.1: Sex of the respondents

Sex	Frequency	Percent	Valid Percent
Male	48	64.0	64.0
female	27	36.0	36.0
Total	75	100.0	100.0

Source: Survey Data

4.3 Education

Evidence from the information collected shows that a majority of the entrepreneurs had some basic education. 45.3% had completed secondary education while 7% had attained university education with only 3% having no education and 30.7% having primary education, (see table 4.3.1). Contrary to previous beliefs to the effect that the informal sector comprises individuals with little or no education, these findings show that a substantial majority of the respondents had formal education. This is also in line with findings by Otunga *et al* (2001) and McCormick *et al* (2001).

These findings also support the prevailing trends. As more and more of the population continue to acquire formal education, more jobs are required. These are however not available and this has prompted a rethink of the white-collar job preference. Young people who join the labour market are realising the importance of the informal sector as a source of livelihood. Parents and the young are fast changing the opinion that education should lead to a job in the public and the formal sector (Pedersen, 2001).

Education is vital in prevention and care in the fight against HIV/AIDS. Not only are people with a little bit of formal education better informed about the disease, they are also able to manage the disease once they acquire it. Individuals with a bit of formal education are also able to manage their businesses better. Education provides the much-needed

skills in numeracy, reading and writing essential in the day- to - day running of businesses.

Table 4.3.1: Level of education

	Frequency	Percent	Valid Percent	Cumulative Percent
None	3	4.0	4.1	4.1
Primary	23	30.7	31.1	35.1
Secondary	34	45.3	45.9	81.1
Technical	2	2.7	2.7	83.8
College	5	6.7	6.8	90.5
University	7	9.3	9.5	100.0
Total	74	98.7	100.0	
missingSystem	1	1.3		
	75	100.0		

Source: Survey Data.

4.4 Age of the enterprise owners

A majority of the respondents were in the 18 - 45 age category, with the mean age being 37 (Table 4.4.1). This is a seemingly young group and the findings seem to reflect that the MSEs sector is dominated by young individuals. In a previous study it was found that the owners of firms were older than the workers, for the latter the mean age was 24 while for the former the mean age was 29 (Kinyanjui, 2001). There are various reasons given for the young work force in these enterprises. For one, workers could be moving to self-employment once they have gained a little experience. The nature of work where rudimentary technology is used could also act as a stopgap against older individuals. For example in the *jua kali* sector, a younger population would be more productive. Similarly in a study on women entrepreneurs in Eldoret town it was shown that 77% of the women were aged 20 to 44 years, only 17 % were above 45 years (Otunga et al 2001), finally in another study in Nakuru town the average age of 'Mitumba' traders was found to be 31.1 years (Rono, 2001).

The national mean age for enterprises is 35 years as given in the National Base line Survey (C.B.S. 1995). The age of the entrepreneur is consequential as age has a bearing

on the health of the entrepreneur. It is a fact in Kenya that HIV /AIDS affects mostly the young and vibrant age groups, those in their productive years.

4.5 The Size of the Enterprise

Evidence deduced from the data collected suggests that MSEs have the potential to create employment/jobs. Nonetheless, 34% of the enterprises had no employees; the other enterprises had employees ranging from 1 to 9 with the majority 19% having only one employee (Table 4.5.1). From other data in this study, it emerged that these enterprises could not sustain employees because of the declining economy. Where enterprises had had more than one employee, circumstances had forced these businesses to scale down and lay off all or some of these.

There was a variation in employment with a number of enterprises preferring part time employees. This could be because of 'lean' times, when decreasing demand for products and services lessened labour demands. However this was not so common as part time employees were only 8% as opposed to 52% full time employees (Table 4.5.2 and 4.5.3).

Table 4.5.1: Number of employees

	Frequency	Percent	Valid Percent	Cumulative Percent
none	34	45.3	45.3	45.3
1.00	19	25.3	25.3	70.7
2.00	6	8.0	8.0	78.7
3.00	8	10.7	10.7	89.3
4.00	3	4.0	4.0	93.3
5.00	1	1.3	1.3	94.7
6.00	1	1.3	1.3	96.0
8.00	2	2.7	2.7	98.7
9.00	1	1.3	1.3	100.0
Total	75	100.0	100.0	

Source: Survey Data.

Table 4.5.2: Full time employees

	Frequency	Percent	Valid Percent	Cumulative Percent
1.00	18	24.0	46.2	46.2
2.00	7	9.3	17.9	64.1
3.00	7	9.3	17.9	82.1
4.00	3	4.0	7.7	89.7
6.00	1	1.3	2.6	92.3
7.00	1	1.3	2.6	94.9
8.00	1	1.3	2.6	97.4
9.00	1	1.3	2.6	100.0
Total	39	52.0	100.0	
N/A	36	48.0		
Total	75	100.0		

Source: Survey Data.

Table 4.5.3: Number of part time employees

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	5	6.7	83.3	83.3
	2.00	1	1.3	16.7	100.0
	Total	6	8.0	100.0	
Missing	System	69	92.0		
Total		75	100.0		

Source: Survey Data.

4.6 Enterprise Premises

There were more open-air *kiosks* in the survey than stalls or sheds. These were 37.3%, city market stalls were 22.7%, stalls in shopping centers were 13.3%, while *jua kali* sheds

were 16%. This is illustrated in Table 4.6.1. These statistics point to the fact that small enterprises still face major problems that have become stumbling blocks in the development of the sector. Failure for concerned authorities to provide appropriate premises (in terms of cost and suitability) has become a major policy issue. Nonetheless the *jua kali* sheds are a commendable option and these have managed to accommodate a large number of enterprises.

Table 4.6.1: Business premises

	Frequency	Percent	Valid Percent
Stall in City Council market	17	22.7	22.7
Open air	28	37.3	37.3
Kiosk	8	10.7	10.7
Shop – stall in shopping center	10	13.3	13.3
Jua Kali shed	12	16.0	16.0
Total	75	100.0	100.0

Source: Survey Data.

4.7 The Enterprise Age.

It emerged that most of the businesses were started in the early 1990s with a lot of them having been started in 1994. The actual ranges were from 1978 to 2003. In general the trends indicate that in the nineties many businesses were established. This could imply that most of the businesses were started by individuals who had been retrenched from the formal and public sector. Retrenchment was at its peak between 1995 and 1997, which coincides with the time when most of the businesses in the study were established. The mean business age was 8.9 years. This is also supported by the fact most of the entrepreneurs used their savings to start the business.

Because of gradual fall in real wages, many middle income earners have also resorted to supplement their incomes by joining the MSEs sector and hence this could also explain the gradual increase in the number of businesses started in the 1990s, 2000, 2001 and 2003. In total, 58 businesses had been established in the period 1990 to 2003, a range of 13 years, whereas only 17 businesses had been established or had survived from 1978 to

1989. This could also point to a high non-survival rate for the enterprises, which were started during this time.

4.8 Source of Startup Capital

Formal financial institutions are generally reluctant to lend to informal enterprises, due to the low collateral of operators and the high transaction costs involved. Formal and informal commercial micro-lending is increasingly prevalent in some economies, but the major sources of capital investment and working capital for informal enterprises are the savings of the operator and loans from family members, and credit allocations from Rotating Savings and Credit Associations (ROSCAs) in the local community.

As illustrated in table 4.8.1 the majority of respondents (70.7%) used their own savings to start their businesses, these are 70.7%, 21% used money acquired from relatives, 2.7% got loans from micro finance institutions while 1.3% got bank loans, 1.3% from savings from other businesses and 1.3% got loans from co-operative societies. One respondent refused to divulge this information.

The fact that a majority of the entrepreneurs used personal savings indicates that there is very little motivation for formal loans from lending institutions. This is either because they charge a high interest with a demand for collateral or respondents did not have information regarding such loans. There were stories abounding that those who had previously taken loans had been driven to poverty after the banks started chasing them for their money. Those who could not pay had their collateral sold and those who could pay ended up with a dismal performance by their businesses as money was used to service loans instead of to build the business.

Another explanation as to why most businesses were started with personal savings is that many of these businesses were started by people who had been retrenched from the formal employment. Subsequently, they were given 'golden handshake' or their retrenchment benefits, which was used to start the business.

Table 4.8.1: Source of capital

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Personal savings	53	70.7	71.6	71.6
	Relatives	16	21.3	21.6	93.2
	Loan from micro-finance institution	2	2.7	2.7	95.9
	Bank loan	1	1.3	1.4	97.3
	Saving from other business	1	1.3	1.4	98.6
	loan from co-op society	1	1.3	1.4	100.0

Source: Survey Data.

4.9 Business Ownership

Sole proprietors (85.3 %) owned most of the firms; only 8% of those firms interviewed were owned in partnerships, while 5.3% were family businesses (Table 4.12).

Table 4.9.1 Ownership of business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Family	4	5.3	5.4	5.4
	Own-personal	64	85.3	86.5	91.9
	Partnership	6	8.0	8.1	100.0
	Total	74	98.7	100.0	
Missing	not applicable	1	1.3		
Total		75	100.0		

Source: Survey Data.

4.10 Motivation for Starting Business

People are motivated to start and maintain informal enterprises for a variety of reasons. Kenya is prone to high levels of unemployment, which forces many people, particularly those with minimal education and skills, to engage in those types of informal sector enterprise that are accessible to them. Women typically have less access to education and training than men, and are less able to compete in the formal labour market or to establish informal enterprises requiring higher skill levels. In addition, low household income, perhaps exacerbated by long separations from husbands engaged in migrant labour,

prompts women to engage in family-livelihood or "survivalist" activity in informal sub-sectors with the lowest technological and financial barriers to entry, in order to support themselves and their dependants (ILO, 2000).

Other people, especially those with a more advanced level of education, formal sector work experience and/or some vocational training, have the skills necessary to compete in sectors such as manufacturing. They establish their own enterprises not only because of difficulty in finding or keeping formal sector employment, but because they like the independence and growth potential offered by self-employment.

Most of the respondents (56%), started their businesses in order to earn a living. A number (12%) started their businesses because of lack of formal employment. Other reasons for starting businesses included; meeting the family needs 9.3% and retrenchment 4%. Market opportunities comprise only 2.7%. It is clear that most of the reasons for starting the business stem from survival and not profit maximization. This agrees with the views held by scholars such as Marris and Somerset (1971) and Hyden (1986) who are of the opinion that enterprises in Africa are started with a survival motive and not a profit motive.

The aspect of market opportunities which could lead to profit maximization and growth comprise the least percentage. In actual fact the MSE sector is increasingly becoming the only source of livelihood for many a families and the strain on these businesses to sustain a growing population is an impediment to their growth.

4.11 Family Members Working in Business

Whereas most studies point towards the MSE sector favouring family participation, this study revealed otherwise. Only 29.3% of the respondents had family members working for them, 69.3% did not have family members working for them (Table 4.13). This supports studies conducted by Abuoalha & McCormick (2000) and Sorensen (2001). Sorensen (2001) for example, found out that maize traders in Iganga, Uganda avoided

family dealings. Some of the reasons for avoiding family members involvement in their business included jealousy and discipline problems. In this study, we found that those who had family members in their businesses opted to bring their sons and daughters working for them. This shows that whereas they would gladly work with their children, the extended family is not included in the business.

Table 4.11.1 Family members working in business

		Frcquency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	22	29.3	29.7	29.7
	No	52	69.3	70.3	100.0
	Total	74	98.7	100.0	
Missing	System	1	1.3		
Total		75	100.0		

Source: Survey Data.

CHAPTER FIVE

IMPEDIMENTS TO MSE GROWTH AND DEVELOPMENT

5.1 Dependants under Enterprise Owners' Care

The role played by the extended family as a safety net is by far the most effective community response to the AIDS crisis (Barnet and Whiteside 1999). Affected households in need of food send their children to live with relatives. Relatives are then responsible for meeting the children's food and other requirements.

As might have been expected, the entrepreneurs did have a number of dependants. In actual fact, even those who did not cite dependants other than their nuclear family had relatives they were helping out now and then. The scope of dependency is widened further by the African culture, so called the 'economy of affection', where resources must be redistributed to family and friends. In this study the mean number of dependants was 5.3, 14% of the respondents had 5 dependants; another 14% had 3 dependants. 1.5% of the respondent had no dependants.

The strain on the MSEs is clearly evident. In all the instances money for the upkeep of these individuals was taken from the business. 97.7% of the married men had one wife while only 2.3% had two wives. Of the respondents 11(14.7 %) had grand children . about 32% of the respondents had nieces and nephews they were taking care of. 38.6% had brothers and sisters to care for, 28% were taking care of their parents.

Most of the dependants were not under any employment; of the children the oldest was 30 years with the youngest being 3 months. The grandchildren ranged from 20 years to 3 months, while for the nieces and nephews, the youngest was 2 months with the oldest being 22 years. The parents were elderly with the youngest being 40 years while the oldest was 90 years. For the brothers and sisters the oldest was 35 and the youngest 1 year.

The dependants under the enterprise owner's care had various economic activities. 57.5% of the wives were housewives, solely dependent on the husband with 30% having gone into business. 88.9% of the parents were into peasant farming with only 5.6% employed in the formal sector. Of the sons, 74.3% were students with 55% of the daughters also being students the rest of the sons and daughters were either in business (24% of the daughters), and casual labourers (16.7% of the sons). A majority of the grandchildren were students. Of the sisters and brothers, 20% were students, 20% were unemployed and 60% were in business. Most of the nieces – numbering 9 were students, this applies also to the nephews numbering 8. Of the nephews 12.5% were into business and 12.5% into farming.

Among the respondents 54.7% were caring for a sister's or brother's child while 45.3 were not, this is illustrated in table 5.1.2. They gave a number of reasons why they were caring for these children. 36% of the respondents said that the reason was because the parents of the said children were deceased, 28% said that the parent/s of the children they were taking care of were/was jobless, 17% were caring for the children because the parent/s was/ were not married. The rest included such reasons as the mother was in college, the mother was working outside Nairobi, the mother disappeared etc.

Table 5.1.1: Respondents caring for any grandchild, sister's or brother's child

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	41	54.7	54.7	54.7
No	34	45.3	45.3	100.0
Total	75	100.0	100.0	

Source: Survey Data

In response to the question of whether there were any children out of school due to school fees, a surprising majority – 93.3% said no. Only 6.7% said yes as illustrated in Table 5.1.2. Nonetheless, they were all bemoaning the fact that they were increasingly finding it difficult to cope with the extra burden of care.

Table 5.1.2: Children out of school due to fees?

	Frequency	Percent
Yes	5	6.7
No	70	93.3
Total	75	100.0

Source: Survey Data

5.2 Mortality Trends and Causes

In response to the question of whether a relative had passed away in the last 10 years, 74.7% said 'Yes' with only 25.3% saying 'No'. This is illustrated in table 5.2.1. Of those who died 22% of the respondents said it was a brother, with 14% saying it was a sister who had died. The rest mentioned mothers, 10%; fathers 14%; and husbands 4%.

Table 5.2.1: Relative/s passed away in the last 10 years?

	Frequency	Percent
Yes	56	74.7
No	19	25.3
Total	75	100.0

Source: Survey Data

The mean age at death, which is 33, indicates that the dying population is at its prime productive years. The deceased, in most cases left a number of dependants, frequently young children who were still in school. In 50% of the cases it was the respondents who were assigned the responsibility of taking care of the dependants left behind by the deceased.

Of the deceased, 28.8% were in farming while 26.9% were in business. The rest were in various other economic activities. Most of them had been involved in their respective economic activity for more than 2 years.

The main causes of death were cited as sicknesses. The respondents went as far as classifying the diseases that had afflicted the deceased. As illustrated in table 5.2.2, 21%

mentioned HIV/AIDS as the cause of death, 10% said it was TB while 33% said the person was just sick. The rest mentioned a variety of other causes. The results show that HIV/AIDS does indeed affect the respondents.

Majority of the dead had been ill for more than one year. The least being one month and the highest being 10 years. Because of this, a lot of expenses were/had been incurred in the care of these sick individuals. This had in essence depleted the household resources plunging them into further poverty.

Table 5.2.2 What did the person die of?

	Frequency	Percent
Sickness	25	33
HIV/Aids	16	21
TB	8	10
Malaria	6	6.7
Accident	4	5.3
Old age	3	4.0
Diabetes	1	1.3
Asthma	1	1.3
Food poisoning	1	1.3
illicit brew	1	1.3
ulcers	1	1.3
liver disease	1	1.3
typhoid	1	1.3
swollen neck	1	1.3
pneumonia	1	1.3
Killed	1	1.3
Waist dislocation	1	1.3
typhoid	1	1.3
cancer	1	1.3
Total	75	100.0

Source: Survey Data

5.3 Illnesses and their Effect on Businesses

As the above results show, illnesses and deaths affect the enterprise owners and their relatives. In actual fact illnesses are the major causes of death and their effect must have a bearing on the enterprises. 42.7% of the respondents mentioned that there was a person in their family who was currently sick and experiencing ill health. Whereas 17% of the respondents said they were sick, 10% said it was their wife who was sick while 20% said it was their mother who was sick; another 10% said it was a sister. None of the respondents mentioned AIDS as the disease suffered, however, 12.9% said it was TB while another 12.9 said it was high blood pressure. Among other diseases mentioned

were cancer and diabetes. Most of the problems started in the year 2002, but some respondents said their problems started as early as 1999.

In more than 70% of the time it was the respondent who took care of the ailing. Moreover, money to meet the cost of treatment comes from the business in 89.2% of the cases. This is illustrated in table 5.3.1

Table 5.3.1 When family member is sick how the cost of treatment is met

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Money from business	66	88.0	89.2	89.2
Money from other relatives	4	5.3	5.4	94.6
Savings	4	5.3	5.4	100.0
Total	74	98.7	100.0	
Missing System	1	1.3		
Total	75	100.0		

Source: Survey Data

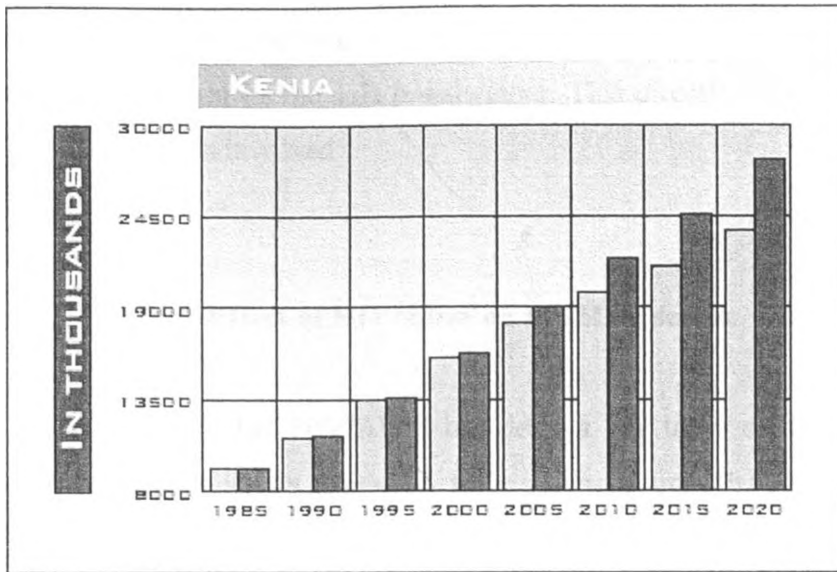
The respondents said that illnesses had affected their businesses in a number of ways. Firstly, 58.3% of the respondents said that a lot of money from the business is used to meet the cost of treatment. This is money that should have been used in other activities and money that could have been injected back into the business for its growth. 15% said that a lot of time was wasted in the care of the sick. This time wastage effectively meant that business activities were curtailed or reduced.

5.4 Deaths and Their Effect on Businesses

As illustrated in fig 5.4.1 below, the labour force in Kenya in the year 2020 is expected to be smaller than it would have been if there had been no HIV/AIDS. The labour force is still expected to continue growing. But because of the increased mortality, there will be fewer persons in the labour force in high prevalence countries; among them is Kenya (ILO, 2000).

Figure 5.4.1 Projected Labour Force in the Year 2020

WITH AIDS WITHOUT AIDS



Source: ILO POPILO population and labour force projection module.

The above scenario is also true of the MSEs sector, businesses have closed down because of AIDS related deaths (field observation). In addition, respondents were adamant that deaths had a negative effect on their businesses. A number of them (53%) said that a lot of resources were used during such times. Money from the business is diverted to cater for funeral expenses; such is used in the transportation of bodies to their rural homes and catering for the large number of mourners. 22% said that a lot of business time is wasted in the whole process of sending off the departed. Business has to be closed down for some days as the entrepreneurs go off to bury their relatives and friends. Even if entrepreneurs are not infected with HIV/AIDS, attending the HIV/AIDS-related funerals of other family members and friends will impose a burden on operations.

Informal enterprises are dependent on local markets and in areas of high HIV prevalence they will be vulnerable to falling consumer spending. As customers become ill and can no longer work they must divert the households remaining income into care of the sick, care of orphans, and in funeral expenses.

The effect on the family entails a loss of income and increased expenditure on medical care and funeral costs. As a result, savings are used, assets are sold and money may be borrowed. In many cases, the health costs associated with HIV/AIDS eat up all the savings of a family and business, leaving no reserves to cope with the eventual loss of the person who might be the sole breadwinner. This directly affects the survival capacity of the other persons involved.

5.5 Positive Effect of HIV/AIDS on the MSE sector

Despite the fact that HIV/AIDS has dealt a big blow on the MSE sector, there are instances where it has produced some form of growth. As reported by the Women Fighting HIV/AIDS in Kenya (WOFAK) interviewee, most of the individuals (women) who have been dismissed from their formal workplaces resort to the MSE sector to eke out a living for their families. With grants from organisations like WOFAK and Kenya Network of Women with AIDS (KENWA) they have set up small businesses in different localities.

K-Rep and Faulu-Kenya further supported this argument. One respondent from Faulu Kenya, said that the phenomenon was inevitable since laws against discrimination and dismissal in our workplaces are non-existent. Considering that the life span of people living with HIV/AIDS is 5 to 15 or more years (with special care), individuals living with HIV/AIDS must get some means of support upon dismissal from their formal employment. The MSE sector with its ease of entry is the most common resort.

5.6 Loan Repayment Trends in the Face of HIV/AIDS

Previous research has found that the impact of financing is positive (Kibas, P. 2001). The provision of financial services spurs growth and development in the sector. Not only does it increase net income, productivity and employment but it also increases the liquidity of household assets as well as improving the efficiency of resource allocation in the

economy (Kibas, 2001). Indeed, inadequate working capital has been one of the greatest impediments to the growth of the MSE sector (McCormick, 1988).

Where not long ago the loan repayment rates in the MSE sector were almost 100% in most micro finance institutions, the micro finance institutions that were interviewed were all in agreement that loan repayment trends have been greatly affected by the HIV/AIDS situation. Because of the increased burden of disease and death, the capacity of MSEs to service loans has been greatly hampered. In addition, the loss of future contributions to the particular credit association/ finance institution from which the operator may have obtained capital will reduce its assets and hence its ability to finance the needs of other families.

5.7 Business Closures

There was a general feeling among the respondents that HIV/AIDS would be and is a major problem. 70.7% said that the disease would be a major problem for businesses in future (table 5.7.1). Their main worries were that businesses would be forced to close down because of a multitude of expenses incurred due to AIDS. Their businesses were stagnating as every week there 'has to be a contribution' (respondent), as the number of deaths increased, so also did their contributions.

Due to the declining purchasing power of the population, there will be fewer profits, further aggravating the situation. Already the respondents could report a number of business closures in their neighbourhoods as people succumbed to diseases. Although some could only speculate as to the real causes of the deaths, a few were sure that AIDS was the real cause.

Table 5.7.1: Do you foresee HIV-AIDS becoming a problem to your business in future?

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	53	70.7	77.9	77.9
No	15	20.0	22.1	100.0
Total	68	90.7	100.0	
Missing System	7	9.3		
Total	75	100.0		

Source: Survey Data

5.8 Membership to NHIF

In a country with a developed health care system, the burden of HIV/AIDS is lessened for the affected families. In Africa and Kenya in particular, such a system is non-existent. Where there is a semblance of this system, the very poor, who desperately need it cannot get access to it.

Only 5.4% of the respondents were members of the National Hospital Insurance Fund, 94.6 were not as shown in Table 5.8.1 The reason usually given was that NHIF is for individuals in the formal sector, nevertheless respondents felt they are given a raw deal in being denied the chance to join this national health care body. Of late the informal sector has been up in arms at being denied membership in NHIF. Despite this, 39% claimed they had never heard about the health care body.

Table 5.8.1: Contributory member of NHIF?

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	4	5.3	5.4	5.4
No	70	93.3	94.6	100.0
Total	74	98.7	100.0	
Missing System	1	1.3		

Source: Survey Data

Be it as it may, informal enterprises generally said that they did not have access to occupational health services or adequate communication channels with the authorities through which to advocate improvement of their working environment.

5.9 Association Membership

Informal sector social protection schemes have been organised by NGOs, operators and workers in a few localities. However, benefits tend to be limited to hospital and funeral costs and seldom include ongoing support of surviving relatives. Consequently, disruption of enterprise operations is likely to impoverish the families of enterprise operators and workers, catapulting them into a downward spiral of poverty.

As illustrated in table 5.9.1, the respondents reported a number of benefits accrued from associations. 33% said that they contributed money for merry go-rounds, which was beneficial as it gave them bulk money that they could use to invest or to buy things they would not normally be able to buy. It was a form of savings as it did encourage saving. 55.6% said they got financial help in cases of illness and death in the family. Associations acted as buffers in times of distress. One respondent said that the association borrowed money from micro finance institutions; this was later redistributed to the members. Four other respondents said they borrowed money from the association and this was a boost when they wanted to invest or expand.

Table 5.9.1: Business benefit from associations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Contribute money – merry go round	18	24.0	33.3	33.3
	Financial help in case of illness-death	30	40.0	55.6	88.9
	Association borrow money from micro-finance companies	1	1.3	1.9	90.7
	No help nowadays from the association	1	1.3	1.9	92.6
	Borrow money for business expansion	4	5.3	7.4	100.0
	Total	54	72.0	100.0	
Missing	not applicable	21	28.0		
Total		75	100.0		

Source: Survey Data

These associations and networks are critically important to many informal enterprises because they help them secure financial capital and other resources such as premises, materials, tools and equipment they also aid in the access to markets. The onset of AIDS-related illness will naturally disrupt participation in such networks and diminish their

effectiveness. This will reduce the productivity and profitability of the particular enterprise concerned.

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CHAPTER 6
MSEs PERFORMANCE, CROSS TABULATION AND HYPOTHESIS
TESTING

6.1 Relationship Between the Inputs Available for the Enterprise and HIV/AIDS

In this study, the first hypotheses stated that HIV/AIDS reduces the inputs available for the enterprise. Inputs are the dependent variable. They were measured using labour – skilled and unskilled, fixed and working capital, saving and investments. An analysis of the results was done.

A number of the respondents (55%) were of the opinion that in the face of HIV/AIDS, inputs would reduce. This was in contrast to 19% who said that things would not change. Further prompting, revealed that a majority of the respondents did feel that labour loss was a major issue. One respondent had lost two workers, with one of them said to have had AIDS.

Because of the expenses involved in the care of AIDS patients, 15% of the respondents indicated that a decrease in the inputs (capital to expand and effectively ran businesses) was to occur. Savings and investment were affected in these instances, as illustrated in table 6.1.1, 52% felt that money from the business would be used to cater for the sick and in funerals hence no savings would be made. A further 31% felt that as capital declined there would be less from the business hence less to save and invest.

Table 6.1.1: Saving and investment

	Frequency	Percent	Valid Percent	Cumulative Percent
Money from business is used to cater for the sick - very lit	27	36.0	52.9	52.9
No effect	8	10.7	15.7	68.6
Capital is declining -no money to save no expansion	16	21.3	31.4	100.0
Total	51	68.0	100.0	
Missing System	24	32.0		
	75	100.0		

Source: Survey Data

Because of the limitations of time and expenses facing this study, some aspects that would have shed more light and strongly supported these hypotheses were not tested.

6.2 Relationship between Management Issues and HIV/AIDS

Management, a dependant variable, was measured using time. The issue of absenteeism kept cropping up in the study. Respondents felt that a lot of time was spent either in taking care of sick relatives and friends and in attending funerals. Respondents felt that a lot of man - hours are spent in the care of any ailing relatives. This was also the case when death occurs, some businesses had to remain closed as funerals were attended.

Absenteeism means a substantial loss of income. This is because in the industry every day counts, and it is characterised by labour intensive production with only the owner and one or two workers. As already seen most of them do not even employ any help because their capital bases are small. All this is aggravated by the intense competition that exists. Closing a business leads to a loss of customers who resort to other enterprises around.

6.3 Relationship Between Outputs of an Enterprise and HIV/AIDS

The survey data revealed that there were less outputs in the face of HIV/AIDS. This was reported by 25% of the respondents who said that because of decreasing inputs, a corresponding decrease in outputs would be seen. 39.6% of the respondents felt that there

would be fewer customers; hence they would be forced to produce less to cater for the decreasing market (see table 6.3.1). Another 5% said that there would be less purchasing power. As the disease ravaged, because of a diversion of resources, people would have less money to spend.

A further 21% said that the quality of the goods would be compromised. In the manufacturing sector for example in Kamukunji, ailing individuals would not be able to come up with up-to-standard goods. The metal workers require a substantial amount of strength, coupled with expertise, which is hampered by sickness. Business output is illustrated in table 6.3.1.

As has already been mentioned, the fieldwork upon which this analysis is based was constrained by a number of factors. These constraints limited the ability to undertake a thorough analysis. To begin with, the entire fieldwork was undertaken within a short period of time. It was therefore not possible to make detailed case studies. Secondly, owing to the magnitude of this project, the survey did not allow us to collect substantial quantitative data that would enable a thorough analysis. It is therefore recommended that subsequent studies need to be undertaken to assess the HIV/AIDS situation more elaborately.

Table 6.3.1 Business output

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Less customers	21	28.0	39.6	39.6
Go high	2	2.7	3.8	43.4
Purchasing power will go down	3	4.0	5.7	49.1
Low quality	11	14.7	20.8	69.8
No effect	3	4.0	5.7	75.5
Less output due to low input	13	17.3	24.5	100.0
Total	53	70.7	100.0	
Missing System	22	29.3		
	75	100.0		

Source: Survey Data

6.4 Number of Dependants and Firm Growth

In the carrying out of this research project, it was assumed that the number of dependants that a particular entrepreneur has, has an effect on the growth of the firm. Because this was seen to be an important issue, correlation between the number of dependants and the growth of firm was tested. According to my expectation, there would have been a negative relationship between the number of dependants and the firm growth (measured by returns). This was based on the assumption that as the number of dependants increased, more would be dispensed in their upkeep, eating into the business' returns. Contrary to this, the Pearson Correlation Analysis yielded a coefficient of 0.015, which was not significant.

6.5 Income Distribution

In looking at the income distribution, this study set out to find how much each household allocates to the different activities. This was to try and support the idea that entrepreneurs might be dispensing a proportion of their income into expenses that affect their firms. This would have been quite significant for example, if it would emerge that entrepreneurs divert most of their earnings into health related aspects.

Nevertheless, this study found out that the largest amount of income goes to food, with 41% of the respondents saying that more than 50% of their income goes into food. 70% of the respondents said that more than 10% of their income goes into health, 44% said they spent more than 20% of their income on school fees.

With the introduction of free primary education, less money is being spent on school fees. Although there was some money spent on health, respondents felt that it did not take as big a share as food. This could be because food was bought every day and hence might seem to take a bigger share, whereas health aspects were not an everyday occurrence.

6.6 Business Constraints

This study set to understand glaring constraints that businesses face. It was expected that knowledge of these constraints would buffer up this study by revealing other intervening factors that deter the development of this sector.

It emerged that enterprises face a number of constraints in their productive activities. The lack of enough capital was cited as one of the greatest constraint. Businesses could not be expanded and a lot of activities could not be performed because of a capital problem. About 38% of the respondents cited this as one of their major problems. Their desire for growth was made impossible by the prevailing capital problem. Capital included day to day operating capital for overheads and inputs it also included the lack of loan facilities from financial institutions.

The second problem cited was the lack of customers. Some respondents complained that there was a decline on the purchasing power of the population, hence people could not spend as much as they used to. This problem was also compounded by a high competition rate, as more and more people entered the MSEs sector. Duplication was also rampant; a lot of the entrepreneurs were dealing with the same products.

Other problems included the lack of enough staff, insecurity, prices of inputs, power failure and lack of good quality goods. Overall, lack of enough capital could have been aggravated by a higher number of dependants, higher living costs and even poor turnover. These constraints are summarized in Table 6.6.1

Table 6.6.1 Business Constraints

	Business Constraints	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Few customers	16	21.3	21.6	21.6
	Lack of enough capital to expand-low returns	28	37.3	37.8	59.5
	High competition	15	20.0	20.3	79.7
	Lack of enough staff	1	1.3	1.4	81.1
	Insecurity	1	1.3	1.4	82.4
	Power failure	1	1.3	1.4	83.8
	Lack of quality goods	1	1.3	1.4	85.1
	Prices of inputs goods has gone up	3	4.0	4.1	89.2
	High taxes on goods	2	2.7	2.7	91.9
	Unavailability of goods	3	4.0	4.1	95.9
	Poor weather condition	1	1.3	1.4	97.3
	Harassment by city council askaris	1	1.3	1.4	98.6
	Second hand goods	1	1.3	1.4	100.0
	Total	74	98.7	100.0	
Missing	System	1	1.3		
Total		75	100.0		

Source: Survey Data

6.7 The Role of the Government in Dealing with the HIV/AIDS situation

Because of the daunting social and economic implications of HIV/AIDS-related deaths, it is evident that governments have a vital role to play in bringing about awareness and prevention programmes and in determining the policy framework for coordinated measures to combat the pandemic (ILO 2000). This study subsequently sought to find out what the respondents felt about the government's role in the fight against the pandemic.

Data collected indicate that respondents feel that the government has not done enough to bring about change in the situation. Not only has the government neglected its role as the custodian of people's rights, it has also stood back as the disease ravaged, eating into people's livelihoods.

Respondents recommended that the governments should approach the situation by first offering support and secondly promoting partnerships for prevention of infection. This would include public agencies for example National AIDS Control Council (NACC), the private sector, workers' representatives for instance the *Jua Kali* Association and

community bodies, including civil society, with a view to responding to HIV/AIDS ethically and effectively.

The government should also improve coordination between the public services and authorities responsible for responding to the pandemic and reforms legislation and support services focusing on anti-discrimination, public health protection, privacy and criminal laws. All this should go hand in hand with improving the status of women, children and marginalized groups.

CHAPTER SEVEN

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

7.1 Summary

The micro and small enterprises sector consists of small-scale enterprises operating in the informal sector economy. The sector encompasses very diverse and dissimilar activities, organisational forms and institutional environments and is not a homogeneous sector. There are significant differences among enterprises by workers, size and potential for expansion, predominant gender of operators and the likelihood to form business networks.

The enterprises under study were from various sectors. There were metal workers from the Kamukunji area of Nairobi, traders from the Wakulima and Gikomba markets and a mixture of different-sector workers from Kibera. In Kibera there were tailors, hotels and some metal workers. The respondents were of varying ages with a majority being under 50 years. This is the productive age and an age where dependants (in this case children) are still at a young age. Most of the enterprise owners were men and a majority of them were married.

The education level of the entrepreneurs has been examined. This is vital in the fight against ignorance and in equipping the entrepreneurs with skills to care for the infected. The study has established that, in line with previous studies, entrepreneurs have some level of formal education. Despite this, a lot of the entrepreneurs have attained only a minimum level of education. Poor education associated with poverty means that MSEs operators and workers are more likely to engage in risky sexual behaviour.

Many of the enterprise owners were members of networks and associations. These were beneficial to them in their businesses and their family life. AIDS-related illness disrupt business networks and diminish their effectiveness, reducing the productivity and profitability of other enterprises relying on the business networks in question. In addition,

the loss of contributions to rotating savings and credit associations will reduce the funding available to finance other informal enterprises.

In support of the first hypotheses, inputs available for the enterprise are affected by HIV/AIDS. The entrepreneurs had a 5.2 average number of dependants. Because of these many dependants, (among other reasons) the enterprises were experiencing a lot of problems. Among these problems was the lack of capital for expansion. They mentioned being affected by the increasing costs due to health care, funeral costs, training and re-training. For small firms in both the formal and informal sectors, the loss of employees has major implications. (As mentioned above) indeed, there will be a reduction of growth if rapid measures are not taken to prevent the impact of HIV/AIDS.

The enterprises had a limited number of employees. This was probably because returns could not sustain these employees. HIV/AIDS is a particularly serious threat to these informal enterprises because of their dependence on a small labour base. Many informal enterprises consist of the owner plus one or two other workers; in addition there are members of the owner's family. Consequently, when the operator or other family member falls ill and dies, the enterprise will face collapse.

In support of the second hypotheses, the survey data revealed that HIV/AIDS would affect the outputs from their businesses in a number of ways. Firstly, their customers would be affected, in essence affecting their market base. Informal enterprises are generally dependent on local markets, and in areas of high HIV/AIDS prevalence they are therefore especially vulnerable to falling consumer spending due to HIV/AIDS-related illness. This reduces their returns.

It emerged that the productivity of the workers reduces if affected by HIV/AIDS. This would in turn reduce incomes and their outputs and hence also reduce their savings.

In regard to the last hypotheses, HIV/AIDS does indeed affect good management practice. It was observed that many entrepreneurs took time off, to care for sick family

members. It has emerged that absenteeism costs businesses a lot. Time management is non-existent and many man-hours are diverted because of AIDS. When a death occurs, some businesses had to remain closed as funerals were attended. They could remain closed for as long as two weeks. This was aggravated by the fact that these enterprises did not employ any workers.

7.2 Recommendations

In the background of tackling the problem is the realisation that social norms and political considerations often make it difficult to design and implement effective HIV/AIDS policies. Some of the greatest impediments aggravating the HIV/AIDS situation as recognised by UNAIDS are denial that HIV/AIDS is a problem, a reluctance to help people who practice risky behaviour, a preference for a moralistic approach and pressure to spend on treatment, rather than prevention.

Government's support for the MSEs sector should start with an improvement of its financial and physical capital scenario. As has already been shown, the inputs available for these enterprises are limited. Institutions providing credit to informal enterprises should also be supported. The issue of dependants has been shown to affect the productivity of these enterprises and the inputs available for the enterprise. Consequently, help should be availed to these families, especially those that have orphans to take care of. Free primary education has in a major way eased this problem, nevertheless, the social support system should take this into account. There could, for example, be tax exemptions for those who can provide proof that they are taking care of orphans. Other ideal measures can also be implemented to lessen the burden for these individuals.

Improving the working conditions, especially the premises, and productivity and profitability will aid in mitigating the impacts of HIV/AIDS. One of the keys to promoting better working conditions in the informal sector is support for the organisation and representation of informal sector workers. The extension of social protection and the promotion of safe work practices and conditions in the informal sector are crucial to the

concept of decent work. The prevalence of business networking in the informal sector is key to the effectiveness of HIV/AIDS programmes. These networks have significant potential to reach and educate informal sector operators and workers and their customers.

Besides issues of equity and human rights, social protection is related to productivity. The government should make major efforts to scale down existing public and private schemes to provide coverage to workers in the informal sector. The NHIF should be able to accommodate these enterprises, their owners and workers. In the above areas of concern, the challenge is to achieve outreach on a scale sufficient to have a significant impact on this large and heterogeneous segment of our economy. The value of social protection schemes, which include household income maintenance in the event of illness or death of family members due to HIV/AIDS, should also be recognised.

Management practices in the enterprise are affected. For the existing associations eg the Jua kali association, preventing informal enterprise operators and workers from becoming infected should be one important activity. In view of this, ongoing formal and informal discussion and education on HIV/AIDS should be carried out in the MSEs. This can be through the mass media, or face to face, with counselors going around to talk to the MSEs owners and workers. These associations together with the government should propose prevention measures which should also include the provision of condoms, prevention and rehabilitation programmes on drugs and alcohol, diagnosis, treatment and management of sexually transmitted diseases for entrepreneurs and the workers including their sex partners, and Voluntary HIV/AIDS testing, counseling, care and support services for employees and their families.

Sex education and the provision of condoms should be integrated with programmes of support to the informal sector. The detection and use of business networks to reach and educate informal sector operators and workers and their customers can be extremely beneficial. Peer education of consumers by those enterprise operators and workers, who have sufficient time to interact at length with their customers can be explored. Operators, particularly in manufacturing, production and marketing, can be used to initiate peer

education on HIV prevention among operators and workers themselves; this will to some extent mitigate the negative impacts of HIV/AIDS.

For those who are infected but still productive, provision for their future care and for the future survival of their families should be made. This would be quite possible with an effective national social security and health care system (as mentioned above). Supportive care of ill and dying enterprise operators and workers and their families should be provided and the orphans left behind by enterprise operators and workers who die of AIDS-related disease taken care of.

On the issue of outputs, training in the management of business risks posed by the pandemic is a necessity, this involves training in product design and diversification and provision of access to other markets. This will lessen the concentration on localised markets and an improvement on their products.

The government, as the overall seer should step up its efforts to help operators in this sector. In actual fact help should start from the individual's homes right to the enterprises. The importance of this sector, which is a fast growing sector, should be taken into account this keeping in mind the entrepreneur's socio- economic status. The government should set out to improve the working conditions of the enterprises, give tax concessions and thus improve the performance of the sector.

The implementation of these recommendations would go a long way in alleviating the poverty associated with the sector and the disintegration that is creeping in. In essence the entrepreneurs would get a buffer in the face of HIV/AIDS.

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003	Ownership: Family <input type="checkbox"/> Own/Personal <input type="checkbox"/> Partnership <input type="checkbox"/>
004	Business Premises: Stall(s) in city council market <input type="checkbox"/> Open air <input type="checkbox"/> Kiosk <input type="checkbox"/> Shop/stall in shopping center <input type="checkbox"/> Jua kali shed <input type="checkbox"/> Other <input type="checkbox"/>
005	How much have you invested in this business?
006	How much did you use to start your business
007	What was your source of income? Personal Savings <input type="checkbox"/> Relatives <input type="checkbox"/> Loan from Micro-finance institution <input type="checkbox"/> Bank loan <input type="checkbox"/> Others.(specify) <input type="checkbox"/> _____
008	When did you start the business? _____ (Year).__
009	Why did you start this business? _____ _____
010	Are there any family members working in your business? Yes/No
010b	If yes how many? . _____

ENTERPRENEUR'S PERSONAL INFORMATION

011	What is your level of education? Primary S <input type="checkbox"/> Last Standard completed ____ Secondary S <input type="checkbox"/> Last form completed ____ Technical T <input type="checkbox"/> College <input type="checkbox"/> University <input type="checkbox"/>
012	How many dependants do you have: Wife(s) __ Husband __ Sons __ Daughters __ Grandchildren __ Nephews __ Nieces __ Sisters __ Brothers __ Parents __ Others (Specify) _____
013	What are the ages of these dependants? Wife: ... Daughters.1. Husband: 2. Son:1. 3. 2. 4. 3. 5. 4. 5. Grandchildren. 1. Nephews.1. 2. ... 2. 3. 3. 4. 4. Nieces 1. Parents 1. 2. 2. 3. 4. Sisters. 1. Brothers. 1. Others 2. 2. (Specify)

	3.....	3.....
	4.....	4.....	
014	What are the main economic activities of the dependants		
	Husband _____	Brothers _____	Son _____ Daughter _____
	Wife _____	_____	_____
	Parents _____	_____	_____
	Sisters _____		
	_____	Grandchildren _____	Nieces _____
	_____		_____
	Nephews _____		

015. Is the respondent caring for any grandchildren, or sister's or brother's children,

Yes ___ No ___

If Yes, explain

016. Are there any children who are out of school because of school fees? Yes/ No

(b) How long have they been out? _____ (c) Approximately how much is owed? _____

HEALTH AND MORTALITY

017. Are you or members of your family (nuclear and extended) ill or experiencing ill health? Yes/ No

018. If Yes

Individual	Health problem	Year problem started	Who cares for?

019. Has any relative passed away in the past 10 years? Yes/No

020. Please tell us who they were and about the circumstances of how they passed away...

Individual	Gender F/M	Year died	Age at death	Number of dependants left	Who takes care of any dependants	Last economic activity before death	Duration	What did the person die of?	For how many years ill?

021. When family members are ill how do they meet the cost of treatment?

- Money from the business
- Money from other relatives
- Money from friends
- Savings
- Other (specify)

022. Have you had to close your business in order to go and care for sick family members? Yes/No

023. In what ways do you think illnesses in your family have affected your business?

024. In what ways do you think deaths in your family have affected your business?

025. Do you foresee HIV/AIDS becoming a problem to your enterprise in future?

026. Do you offer assistance to employees when one of them or their next of kin dies (For whatever reason?)

Yes No

027. How many of such cases did you help in the past two years

028. How many of these cases were AIDS related?

.....

029. Do you or your employees take leave days to attend funerals or to see their sick?
Explain

030. Are you aware of any small enterprise(s) in the vicinity that has either recently closed down or been taken over by other people (either from the same family or outside) because the owner is suffering from or died of HIV/AIDS

Yes No

031. Please elaborate on the circumstances

.....
.....
.....

032. Are you a contributory member of the NHIF? Yes, No.

033. Why? (If No)

.....
.....

034 How did you become a member

035. How have you benefited from them? (If Yes)

.....
.....

036. In your assessment how has /is HIV/AIDS affected /is like to affect the following in your enterprise (Explain)

Business input
.....

Saving/ Investment

Ownership

Business output

General Information

037. Are you or your enterprise a member of any association? Yes/No

038. If Yes, which one? Business Assn Welfare group HIV related group

039. In what ways does this benefit you or your business?

040. What main problems does your business face (list in order of importance)

- 1. _____
- 2. _____
- 3. _____
- 4. _____

041. When you compare your business today and when you started what can you say?

There is a higher profit level

There is a lower profits level

Things are just the same

Saving/ Investment

Ownership

Business output

General Information

037. Are you or your enterprise a member of any association? Yes/No

038. If Yes, which one? Business Assn Welfare group HIV related group

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There is a lower profits level

Things are just the same

042. What were your returns two years ago? (Estimate monthly) _____

043. What are your returns now? _____

044. Why? (if there is a difference) _____

045 Approximately what proportion of your income goes into:

Food _____

School fees _____

Health _____

Savings

Other uses _____

Appendix 2

INDEPTH INTERVIEW GUIDE

- 1) What is your name?
- 2) Where is your home (Original Birth Place)?
- 3) When did you come to Nairobi?
- 4) Where do you stay?
- 5) What were you doing before you started your business?
- 6) When did you start your business?
- 7) How was it performing then (Estimate Returns)?
- 8) How was your business performing two years ago (Year 2000)?
- 9) How is the business performing now?
- 10) Why?
- 11) Tell me the health problems that affect business performance in General?
- 12) How do health problems affect your business (Yourself, family or Employees)?
- 13) Does HIV/AIDS affect business performance?
- 14) What do you think are the major implications of HIV/AIDS on MSEs (Any concrete examples?).
- 15) What strategies can be employed to lessen the impact of HIV/AIDS on the MSEs?

Thank you very much for your time.

Appendix 2

INDEPTH INTERVIEW GUIDE

- 1) What is your name?
- 2) Where is your home (Original Birth Place)?
- 3) When did you come to Nairobi?
- 4) Where do you stay?
- 5) What were you doing before you started your business?
- 6) When did you start your business?
- 7) How was it performing then (Estimate Returns)?
- 8) How was your business performing two years ago (Year 2000)?
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- 12) How do health problems affect your business (Yourself, family or Employees)?
- 13) Does HIV/AIDS affect business performance?
- 14) What do you think are the major implications of HIV/AIDS on MSEs (Any concrete examples?).
- 15) What strategies can be employed to lessen the impact of HIV/AIDS on the MSEs?

Thank you very much for your time.

Appendix 3

KEY INFORMANT INTERVIEW GUIDE

- 1) What is the name of your organization?
- 2) How is this organization related to micro and small enterprises?
- 3) How many members are registered in your organization?
- 4) What are the trends in the registration of members in the recent past?
- 5) How can you explain the above scenario?
- 6) Do members pay their fees on time?
- 7) Tell me about any health problems that affect your members? (Prompt further)
- 8) Is HIV/AIDS a problem among your members?
- 9) What do you think has been the effect of HIV/AIDS among your members and their businesses?
- 10) Who are the most affected? (Women, Men?)
- 11) Do you see any positive effects of HIV/AIDS on the sector (more MSEs etc)
- 12) How does HIV/AIDS affect their loan repayments (to a micro finance institution)?
- 13) In what ways have you been trying to help out in the situation?
- 14) What measures has the government employed so far in dealing with the situation?
- 15) What strategies can be employed to lessen the negative impact of HIV/AIDS on the MSEs?

Thank you very much for your time.