

A STUDY OF WOMEN SMALL SCALE ENTERPRENEURSHIP
IN THE URBAN INFORMAL SECTOR:
A CASE OF NAIROBI CITY

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DEDICATION

I would like to dedicate my first novel to all those who have inspired me, especially those who have helped me to develop this book.

I would like to thank my grandmother Mrs. Winnie McLean for her support. Her knowledge has really influenced me. I am also very grateful to you, whatever your nationality, for your wonderful writing and your passion for the English language.

To all those involved in the music industry,
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ABSTRACT

This study is a socio-economic analysis of the activities of women entrepreneurs in Nairobi's informal sector with specific reference to the market women. The main objectives of the study were (a) to examine the background characteristics of the women entrepreneurs in relation to their age, level of education, family size and so on; (b) explicate the factors that motivate the women to engage in informal income generating activities; and (c) to examine the nature of enterprises set up by the women with special emphasis on, the structure of enterprises in relation to investment, employment and development of entrepreneurial skills.

The study population consisted of women entrepreneurs currently operating small scale businesses in Nairobi. At the time of study there were approximately 1045 women officially located in 22 markets of Nairobi city.

The findings of this research indicate that the majority of the women in the informal sector in Nairobi are of low socio-economic status. Consequently, their attempt to engage in small scale business is seen as a step towards improvement of their survival and

alleviation of extreme marginalization. Most of the women start their business with very little capital put together from personal savings. Few of them, however, use available credit facilities such as loans to operate. This is largely because they have no access to credit from financial institutions. Capital formation is a very slow process because even after the women establish their businesses, they remain unable to exploit available resources to obtain loans. This is because they lack the necessary security. The women are basically lacking in education and general awareness about entrepreneurship in the context of the larger modern socio-economic set-up. This often hinders them from gaining the courage to approach organizations to finance them for fear that they may easily lose their small businesses to the lenders. Thus, they prefer to operate on very little capital. Inevitably they often replicate existing businesses causing very stiff competition among themselves. Naturally, this lowers the rate of wage employment in the informal sector because most of the women entrepreneurs cannot afford to engage labour. Those who employ, do so on casual basis.

In the light of all this, this study argues that women need to be educated on such important entrepreneurial skills as management, borrowing loans to finance their businesses and making sound investment decisions. This would, in turn, mean investing in diverse types of business rather than congregating in a few such as dressmaking, hair making and kiosks. Consequently, there would be reduced competition in the businesses operated by women in Nairobi and creation of more wage employment in the informal sector. Capital formation would also be a fairly faster process and at a reasonably low cost. However, for all this to occur, policy makers need to redefine entrepreneurship with a view to increasing the productivity and efficiency of those engaged in the informal sector because, as this study argues, this sector is a major, vital and integral part of the Kenyan economy.

CHAPTER ONE

INTRODUCTION:

The informal sector in Kenya is an important and integral part of the Kenyan economy. This is because it provides wage employment to the entrepreneurs concerned and their employees. Additionally, the sector provides goods and services to those living within and even to others living far from the geographical location of the enterprises. The development of entrepreneurial talents and technical skills is another major function of this sector. Entrepreneurs in the informal sector are often resourceful in identifying and providing the goods and services needed by those they serve.

The existence of this sector in Nairobi can be traced as far back as the 1940's. Hake (1977:52) notes that by the end of the Second World War, African men and women were coming to Nairobi in increasing numbers in an attempt to share in the "rising prosperity of the city". This involved illegal hawking of flower, vegetables and gruel (uji). In an attempt to curb this increase, 213 hawkers were arrested and charged for trading without licence or for trading within a prohibited area. Little wonder, therefore, that in September 1945 the General Purpose Committee of the

then Municipal Council of Nairobi minuted their concern about the increase in illegal hawking (Hake 1977:54). The committee also noted that prosecution of illegal hawkers could not eliminate their activities. Consequently, the Council adopted a policy that allowed vegetable hawking and later selling of gruel by residents of Nairobi who solely depended on hawking for their livelihood (Hake 1977).

In the 1950's licenses issued to hawkers were greatly reduced due to the political problems the country was going through. However, the ending of the State of Emergency in late 1950's brought an influx of people into the city. In particular the years 1961-62 saw an increase in itinerant hawkers on the streets and the establishment of shanty kiosks and the so-called "uhuru markets" (Hake 1977). The latter were open areas where large numbers of petty traders sold their goods. The most notable of these was an area beside the Nairobi - Thika railway line near Shauri Moyo estate, a bottleneck through which many residents of Eastlands had to walk daily to and from work. Here the traders sold goods like ball point pens, cheap textiles, meat, dried fish and vegetables. These markets were, however, frequently raided by the police who confiscated or destroyed goods and arrested the

hawkers. But this did not put an end to them since the hawkers would resume their activities after every raid. Besides, the hawkers had their own organization, the Nairobi Hawker Traders Association which opposed the City Council's policy of restricting most hawkers from the open air markets. There was also the Kenya Auctioneers, Hawkers Marketeers and Trade Union Committee which backed the hawkers Association in their demands (Hake 1977).

At the onset of independence two markets were built to cater for about 2500 petty traders in the city. These were Uhuru market at Jogoo Road and Gikomba market near Pumwani Post Office. The two markets were destroyed by fire in 1971 but they were later rebuilt. Certainly, this was an indication that the City Council had greatly changed its policy towards hawkers. This was demonstrated further when the Council announced that it intended to eliminate all hawkers from the streets by confining them to official markets like Kariokor and Shauri Moyo. These were to have permanent stalls from where each trader would operate. Similar markets have since been built to serve the expanding residential areas. Notable among these are Dandora and Kariobangi South and North markets.

Most of the stalls in these markets are occupied by women entrepreneurs. Broadly speaking, these women can be grouped into three categories. The first of these comprises women who operate in such markets as the Landhies Road Retail Market and Shauri Moyo and Kariokor markets. In these markets, women have traditionally specialised in food distribution within the city, many of them having started with very little capital often earned from hawking. The second category consists of women who operate their business largely on wholesale basis as is the case at Uhuru and Gikomba markets. These women make women's and children's clothes for sale in Nairobi and adjacent areas such as Githunguri, Limuru and Kiambu town in Kiambu District.

The third category consists of women who are to be found in markets that have emerged recently because of the physical growth and spatial expansion of the city. The establishment of new housing estates such as Dandora and Ngummo has brought with it various markets to cater for the adjacent residential areas. In Ngummo, for instance, there is Kenyatta market while in Dandora phases one to five, there are five markets. Inevitably, the rise of these markets is accompanied by diversification in the nature of activities carried out by the women entrepreneurs. For example, the new

markets tend to specialise in dressmaking and sale of imported clothes and shoes in addition to second hand clothing. Some of the women in these markets also provide hair dressing services and sell hair products. Others sell fresh fruits, vegetables, tubers and grains. In short, this diversity enables them to serve both the residents in the nearby estates and others from afar.

Shopping in these markets is popular because it is done under one roof. Thus, one can go there for hair dressing, purchase of foodstuffs and clothing and even repairs of various items like clothes and shoes. Secondly, the goods and services offered there are often believed to be cheaper compared to the city centre. Thirdly, the public relations in these markets are better in that they are informal and there is always room for bargaining. This kind of public relations encourage one to go back often and, subsequently to become friends with the trader. This, in turn, encourages trust, enabling the customer to enjoy credit facilities under special arrangements with the trader.

Although these businesses are largely operated by women, shoppers are both men and women. For instance,

both men and women frequent Kenyatta and Kariokor markets for roast meat. On the other hand, women go there to purchase raw meat, fruits, vegetables, and clothing for themselves as well as for their children, and to have their hair done. Similar trends have been observed in other markets in Nairobi offering diversified services. All this has made the informal sector in Nairobi indispensable

1.2 The Problem

Kenya, like any other African country, has increasingly experienced a major transition from a subsistence economy to a cash economy since the early twentieth century. Consequently, this has given rise to the problems of urbanization and rural-urban migration. Unfortunately, the ability of the urban formal sector to keep pace with the vast influx of job seekers has been limited. This is because most industries are capital intensive rather than labour intensive in their operation. As a result, only a tiny proportion of the vast growing labour force can be absorbed in this sector. This situation is clearly demonstrated by the fact that employment in Nairobi's formal sector grew at an annual average rate of 3.2% between 1964 and 1972. This represented the creation of about 42,400 jobs during that period (Rempel and

House 1978:4). In contrast, the average annual increase of Nairobi's labour force over the same period was 9.1% representing about 172,300 new job seekers (Rempel 1974a:12). Using these figures, House (1981) found that the proportion of the labour force employed in the formal sector declined from 88% to 56% during that period. Additionally, according to the International Labour Organization (ILO) report on unemployment in Kenya between 1967 and 1970, there were more unemployed women than men. The report estimated that unemployment rates among male-headed households ranged from 5% to 10% and among male non-heads from 10% to 15%. In contrast, the rates for female headed households unemployment rate ranged between 10% to 17% and 23% to 27% for female non-heads in the urban centres (ILO 1972 58).

Although there are no figures available for Nairobi alone in this report, it is quite clear from these statistics that the burden of unemployment in the city fell most heavily on women. This condition can be attributed to several factors. To begin with, women's traditional obligation for many decades has been to farm the family land to produce food for family consumption. This has meant less involvement in formal employment, something that accounts for their placement

in the informal sector. Secondly, women's lower rates of literacy and educational attainment have placed them at a disadvantage while seeking formal employment in both the public and private sectors. For instance, during the early post-independence period when many job vacancies existed in these sectors, there were few educated indigenous women. As a result, almost all the available jobs were taken by men (see Smock 1981). Increases in the numbers of female school leavers came later, but that was at a time when the labour market was flooded with unemployed potential workers. Thirdly, increased female migration to Nairobi juxtaposed with limited opportunities of employment has caused considerable female unemployment in the city. This situation is reinforced by certain cultural factors which tend to act as a block towards employment of women. For example, most women have historically been brought to Nairobi by their husbands, who work in the city. While such women had been economically active on family land in the rural areas, in the city they become economically dependent on their husbands. This is because most of them lack the appropriate education and skills which are necessary for employment in the formal sector. Any available jobs are, therefore, taken over by those with the appropriate education and skills. This condition is deteriorating

fast because of increased migration of educated, semi-skilled and skilled women to the city to look for better paying jobs. Consequently, a considerable number of women who fail to get jobs in the city's formal sector have, and still continue to venture into the informal sector either as entrepreneurs or as employees. In so doing, they generate incomes for their households and provide goods and services needed by the city residents.

In the past, however, it has generally been assumed that women in the urban areas, and especially in Nairobi, do not engage in the economic activities outlined above. Rather, they have been seen as selecting jobs which will not stretch them beyond their physical and mental endurance. This is why, so the argument goes, they are employed as ayahs or become street vendors, brewers of illicit drinks and prostitutes (see for example Bujra 1986; King 1973; and Nici 1976). This reasoning is erroneous because it fails to recognise the fact that there is a considerable number of women involved in very useful economic activities in the informal sector. As we have pointed out above, these activities are so useful that we cannot afford to continue ignoring their contribution to the Kenyan economy. In short, this is the concern of this study.

1.3 Objectives of the Study

Because of the broad nature of the research problem as indicated above, the following specific objectives are set forth:

- (a) To investigate which category or categories of women are actually involved in the running of businesses in the city's markets. This will involve examining such background characteristics of the women concerned as their age, family size, marital status, religious affiliation, level of formal education and skills, and household incomes.
- (b) To examine the impact, if any, of the availability of capital and other relevant resources on the nature and form as well as the success of the businesses women engage in.
- (c) To evaluate the problems experienced by women in the informal sector and to attempt to suggest ways in which the problems could be solved.

1.4 Significance

The significance of this study is twofold. One, it will be the first systematic study in Kenya to move beyond the parochial view that women involved in the informal sector are generally ayahs, street vendors or prostitutes and/or brewers of illicit drink. In so doing, the study will contribute towards narrowing the existing gap in our knowledge about women's activities in the informal sector. Two, it will generate empirical data on the contribution of women to the socio-economic welfare of their families and the public at large through their participation in essential economic activities in the informal sector. These data will not only be useful to scholars, but also to policy makers.

CHAPTER TWO

REVIEW OF THE LITERATURE AND THEORETICAL BASIS

2.1 Review of the Literature

The participation of women in small scale business enterprise in Nairobi's informal sector is largely linked to the historical development of Kenya. It has its origins in the transition from a traditional subsistence economy to a cash economy. This transition resulted from the establishment of colonial rule in Kenya. This, in turn led to the alienation of African lands for European settlement and consequently to the impoverishment of Africans. In an attempt to improve their lot, the Africans sought employment in the colonial formal sector and in the budding informal sector (see Clayton and Savage 1974; Sandbrook and Cohen 1975; Sorrenson 1968; and Van Zwanenberg 1975). This dual nature of the economy was inherited by independent Kenya and has actually become more pronounced with time. Today, both the sectors play a very significant role in the country's economy. This notwithstanding, it is only the activities of the formal sector, which are dominated by men that are well documented (see, for example, (Central Bureau of Statistics 1981: Onyango 1985: Rempel 1981: Wanzalla 1985). The activities of the informal sector, which

seem to be dominated by women, are hardly documented. In fact, as we shall presently learn, no systematic study has been done on women's activities in that sector. What has been studied so far is what we can call the "dark side" of women's "informal" activities.

The earliest study to focus on the informal activities of women in Nairobi was by Nelson (1975). This study was done in Mathare Valley where it was observed that women earn incomes by selling illicit brew. Over time some of these women have become wealthier by taking advantages of economic opportunities as they have risen. Notable among them are those who arrived in Mathare before or during the early years of independence. According to Nelson, these "old timers" liaised with the institutions of the larger society such as the city council, the provincial administration and the National Christian Council of Kenya (N.C.C.K.) and manipulated officials in these institutions to acquire property. Consequently, these women have emerged as important brewers and land owners. However, Nelson (1975) notes that these are a small group of an emerging elite within the context of poverty. Most of the women in Mathare are poor and are engaged in selling of illicit brew and prostitution on a daily basis for their subsistence.

Due to the risks involved in the brewing business, Nelson highlights various mechanisms adopted by the women for self coverage. She noted that each of the women had her own regular customers, some of whom could easily get the drink even when they had no cash money, while others paid at the end of the month. Nelson (1975) notes that these women establish stable relationships with two or more of their male customers such that they even establish sexual relationships. Nelson (1975) further introduces the extended network defence mechanism. This network is based on ethnic background, age and relative status. The network serves the purpose of alerting each other when the policemen are seen around and the intention of raiding them is suspected. This however is in contrast with the fact that the very policemen often come to buy themselves a drink, or to visit their lovers. The network also serves the purposes of assisting each other in cases of sickness, or when one is apprehended by the police and has to pay fines in the court. The friends in the network assist in contributing the fines and looking after their friends children. Nelson (1975) notes that due to poverty, lack of education and correspondingly lack of entrepreneurial skills, these associations are not very solid.

In another study conducted in Mathare Nelson (1977) notes that in modern Kenya two types of women are entering the public domain: those who are employed in the formal sector and those engaged in petty commodity production such as prostitution and illegal brewing. She argues that the attempt by women to enter either the formal or the informal sector is an attempt to avoid forming stable dependency relationships with men. Economic independence is important in that it provides women with other forms of independence especially in decision making at home and in matters regarding the children, (see for instance Moser, 1987). Nelson focuses her attention on the informal sector activities of women and identifies five stages of the women's progression from the rural setting to an urban destitute or wealthy entrepreneur. The first stage is the rural setting where the women are wives or daughter performing agricultural and domestic chores. The second is the urban social field where the women are either wives or daughters. If she is a wife she cooks, cleans and performs child rearing tasks. In most cases she is unemployed and may run a shop or brew beer. If the woman is a daughter she often stays with the father in order to study in an urban school.

The third stage is where these two categories of women move out of their premises and get their own rooms or moves into other premises with their girlfriends. Nelson notes that at this stage the women became prostitutes (malaya).

The fourth stage is when the women move into men's houses to live with them as their lovers. At this stage the women save or borrow money to start their own small beer brewing businesses. Nelson also refers to this stage as a period for strategising. By this she means that women combine different ways of earning income such as prostitution, beer brewing as well as buying of land to build rooms for renting. They also join cooperatives and women's saving clubs. This is a decisive stage on whether one remains poor or becomes wealthy in old age.

The fifth stage has two categories of women, the old destitute and the successful entrepreneur. The old destitutes are childless and are reduced to begging. The successful entrepreneurs are those who own business land and houses to rent. They also invest in land buying companies and at times they have political power. These women have grown up children too.

In a subsequent study, (Nelson, 1979) attempts were made to examine sexual division of labour in the same locality. The study observed that buzaa (brewing is often a rational choice for the women because they put in less hours, are able to look after their children and earn more money than they would as housemaids or barmaids. For instance in 1974 a housemaid's wages were Kshs. 100 per month involving ten or more hours a day, whilst brewing could earn Kshs. 250-400 per month. According to the study men in Mathare's informal sector engage in brewing Nubian gin. This is because it needs to be distilled in the open and heavy equipment is needed for it's distillation. Furthermore, Nelson argues that the police are more diligent in seeking Nubian gin manufacturers than they are in apprehending buzaa brewers. Finally, the penalties for distilling Nubian gin is higher than that of buzaa brewing. Women therefore prefer not to risk distilling Nubian gin. Apart from distilling Nubian gin, Nelson argues that men are engaged in running small restaurants, butcheries, shoe making, carpentry and charcoal burning. Nelson (1979) argues that women largely fail to engage in these activities due to cultural and structural factors. These include lack of skills with commercial value, low levels of education, their view of what is feminine and what economic roles

women should and should not play. They are also limited by the presence of young children who need care. Due to these factors, Nelson argues that men do the work which involves new skills, ("new to traditional East African Village Society" Nelson 1979:297). The new skills are learned in the educational system or on the fringes of modern industrial economy. She notes that women have not been permitted to learn these skills. Their skills have therefore remained those of the traditional subsistence economy or the domestic sector. In this study Nelson found that eighty percent of the women in her sample of 204 businesses brewed beer. 4 women owned small kiosks, 3 had tailors shops and 15 sold vegetables.

The studies by Nelson (1975; 1977; 1979) have various shortcomings, which prompt our study. First, all the three presentations are based on one research in Mathare area for purposes of her doctoral thesis. Since the research was carried out between 1974 to 1975, it is impossible to rely on these data in the 1980's. This is because with time social change has taken place and structural adjustments by women are consequently inevitable. Secondly, the study by Nelson was particularly centred on Mathare women. Mathare is one of the very low income squatter areas. Due to this

low socio-economic status, it is not possible to conclude that all women in Nairobi's informal sector are engaged in activities such as those of Mathare women. This prompts the necessity to focus on a cross-structural study of the informal activities of women in the larger city. Furthermore, the study is tacit on factors such as stratification within these low socio-economic category as women.

It is generally descriptive and does not show any differentiation in capital formation in these businesses, age differentiation or even any change in nature of business between the old timers and the younger women who are joining the informal sector.

Nelson's argument, that it is the men who engage in the activities which require skills is erroneous because in other parts of the city women are found engaged in activities which require skills such as tailoring, small hotels, hair dressing and kiosks which are the focus of this study.

Other studies focusing on women activities in Nairobi's informal sector are by Thandani (1976, 1979). Thandani (1976) notes that the consequences of progress such as urbanization are significantly different for

women and men. This differentiation is indicated by contrasting traditional and modern roles of women. Thus, while there is a clear division of labour between male and female in the rural setting, this is not the case in the urban sector. Women find themselves highly over-represented among the urban poor. This is because they lack education and skills. Moreover, there are very few openings for the employment of the semi-skilled women in the formal sector. At the same time, licences for petty trading issued by the City Commission are difficult to obtain. Consequently, a considerable proportion of these women engage in marginal occupations such as beer brewing which is often illicit. She notes that the loss of women's traditional activities has been met with limited economic employment opportunities for those women who seek to supplement family incomes and pay school fees for their children. Furthermore, she argues, that domestic concerns restrict women from linking up with the wider networks of social and professional ties. She also argues that the effect of higher education level and incomes has not eliminated traditional expectations and norms based on sex roles. For these reasons women in towns largely remain marginalised.

In the article "The Paradox of Urban Progress" (1979) Thandani concentrates on the aspect of women's changed roles in the urban sector. In this particular study Thandani argues that the consequences of the social process of urbanization for women is significantly different from that of men. She notes that the urban situation uplifts the status of men but it lowers that of women to levels of dependency unknown before by the women. This is because they loose their autonomy on production, such as they had in the rural setting. She argues that in the rural setting the women's roles are clearly defined through sexual division of labour. Men are depicted as hunters and tillers of the soil. Women are engaged in food production processing, grinding, husking and other related activities in the house. She depicts these women as humble and submissive. Thandani (1979) contrasts this situation with the urban setting and notes that although migration to the urban sector offers women freedom from submissiveness and obedience to the spouses and kinsfolk the city does not have much to offer women. This is because they lack the necessary education levels to allow them to enter the formal sector. She argues that even when women have the same levels of education with men unemployment among women is several times higher. Consequently

women engage in activities which are largely marginal such as illegal brew. She notes that this situation is further aggravated by the fact that licenses for petty trade provided by the City Commission are difficult to obtain. She further notes that due to their dependency status on their male counterparts, the men exercise a new power over the women by virtue of their wage earning capacity.

The presentations by Thandani (1976:1979) have various shortcomings. The earlier study only states the factors that make it difficult for women to join the professional and other employment sectors. The study does not as such identify what activities women engage in after they are unable to enter the formal sector. The second study is limiting too. It only states that women in the urban sector are marginalized without showing these levels of marginality. Furthermore, despite noting that women's activities are marginal in the urban sector she does not show how women go about these marginal activities. For instance we do not know the range of these activities or their nature. It is also not clear whether it is some or all women in the urban sector who are marginalized.

There is a new perspective towards the informal sector since the International Labour Office report (ILO, 1972). The focus has tended to shift towards a definition of the informal sector, and an analysis of the activities in the informal sector in relation to capital formation, and levels of formal schooling of those engaged in income generating activities in the sector. The ILO (1972) report attempted to define and study extensively the informal sector. The ILO defined the informal sector as one characterised by ease of entry, reliance on indigenous resources, family ownership of enterprises, small scale in operation; labour intensive and adapted technology; skills acquired outside the formal school system; and unregulated and competitive markets." (ILO 1972:6). The report argues that there exists in the informal sector a considerable evidence of technical change and regular employment at incomes above the average level attainable in small holder agriculture. The study estimates that the informal sector in Nairobi is just over 30,000 persons. This comprises of the bootblack, the matatu driver, and the youths idling on street corners in the squatter settlements. Also included here are tailors in plaster and mud huts, and carpenters behind their dwellings. The study estimates that 45% of the women and 95% of the men in Nairobi are employed

in the informal sector. The study equates the informal sector to self-help Harambee projects because like the Harambee movement they rely primarily on utilization of human resources. Since there is little capital mobilized to finance the ventures undertaken, the informal sector activities are therefore highly dependent on the work and imagination of the individuals.

The above study by ILO (1972) does not take into consideration, the activities of women in the informal sector such as dressmaking, kiosks, hairdressing and food distribution. Infact it's categorization accounts for the shoeshine boys, the carpenters and tailors. Most women in the informal sector are not engaged in such activities. Lastly, due to the diversity of the scope in ILO's (1972) study, it fails to give a proper analysis of the performed tasks in the informal sector. For instance, it is difficult to know what percentage by sexual division, age and other demographic and socio-economic factors is engaged in certain activities and not others. For instance, it is impossible to tell who are the shoeshines, the carpenters or tailors. This is because it does not distinguish between men and women in the sector; rather it lumps them together. Furthermore, the ILO (1972) study defined the informal

sector as comprising of activities which ordinarily escape official enumeration. This kind of definition is no longer tenable since as we shall soon see the Central Bureau of Statistics has now committed itself to informal sector data collection.

The other study on informal sector activities in Nairobi is by House (1981). House used the ILO definition in defining the informal sector. Concededly he largely concentrated on the "Jua Kali" sub-sector of the informal sector. He focused his attention on the characteristics of the sector. This study divided those engaged in activities in this sector into three. The first is a dynamic sub-sector where the business heads have made a firm commitment on their enterprises. The second is a community of the poor which comprises of a relatively stagnant group engaged in menial employment with subsistence returns to their efforts. The third group comprises of those lying in between the dynamic group and the community of the poor. This group bears polar characteristics of the two groups discussed above. In this study, only 37 (6.4%) women qualified to be in the informal sector.

Despite the fact that statistics are scarce on the actual number of women involved in the informal sector, the figure presented by House (1981) is too small. The fact that most women did not qualify to fall in House's informal sector is attributed to the definition he adopted for the informal sector. This is also the very definition which ILO (1972) adopted, and one this study considers limiting in scope because it not only ignored the activities of women but dealt with those activities which escape enumeration. Furthermore, House tended to confine himself to that part of the informal sector often referred to as jua kali (see, for example, Digolo 1987 and King 1977). According to Digolo (1987) and King (1977) the jua kali is a sub-sector of the informal sector. In this sub-sector economic activities are carried out in the open sites and "people work while exposed to harsh environmental hazards like heat from the sun, rain and dust" (Digolo, 1987). Incidentally the number of women in this sub-sector is extremely minimal due to structural and cultural factors. This is because jua kali activities have through time been conducted by men because women lack the relevant skills. However House (1981) does not attempt to explain why his sample consisted of a very insignificant number of women.

Perhaps the Central Bureau of Statistics (C.B.S.) (1986) presents a better report on the activities of women in it's report on the informal sector. The Central Bureau of Statistics notes that in general in Kenya women in the informal sector dominate the tailoring, beauty and barber shops, kiosks and even the businesses dealing with agricultural produce. For instance, the study shows that in 1978 there were 1733 women engaged in manufacture of wearing apparel, 2329 in retail trade, and 42 in barber and beauty shops. The study gives other breakdowns showing the number of persons engaged in various activities in the other towns and in Republic as a whole which do not concern our study. By and large the study does not give us any information regarding women entrepreneurs in Nairobi's informal sector alone. For instance, other than showing the number of women entrepreneurs in certain activities, it is not known how they conduct their businesses. We do not know anything about their demographic and socio-economic characteristics. The report does not show whether there are any forms of differentiation within the entrepreneurs. These shortcomings prompt the need to study women's activities in Nairobi's informal sector.

2.2 Theoretical Framework

It is evident from the above literature review that activities of women entrepreneurs in Kenya's urban informal sector have not been systematically documented. Because of this, there is as yet no theoretical framework within which their activities can be examined. Therefore, there is need for us to formulate a relevant theoretical framework within which the findings of this study can be interpreted. This, as we shall presently note, will involve borrowing from such social science theories as the dependency theory and theories of urbanisation and rural-urban migration in the developing world. It will also involve borrowing ideas from such phenomena as impact of colonisation of Kenya; the present socio-economic structures, and the ways in which the urban poor, and in particular women, supplement their households' incomes by participating in the country's informal sector. This approach will enable us to have a holistic approach to our research problem, and formulate hypotheses.

Thus, our theoretical framework will have four levels of conceptualization. The first one is the data level where data are collected by asking questions related to the unit of analysis, in this case the

businesswomen. The second and third level relates the activities of women entrepreneurs in the informal sector to Kenya's socio-economic and political structures. The fourth level relates the third, the second and the first level with Kenya's economic development and it's place in the world capitalist network. This approach has been adopted because it will not only facilitate the model's theoretical utility but also enable us to avoid grand theoretical speculation. The latter will be possible because the model links theory with empirical data. This linkage will become clear as we discuss the four levels of conceptualization in turn. For purposes of clarity we shall begin with the fourth level of explanation which is most abstract. This will then be followed by the third, second and first levels in that order, (see fig. 2.1).

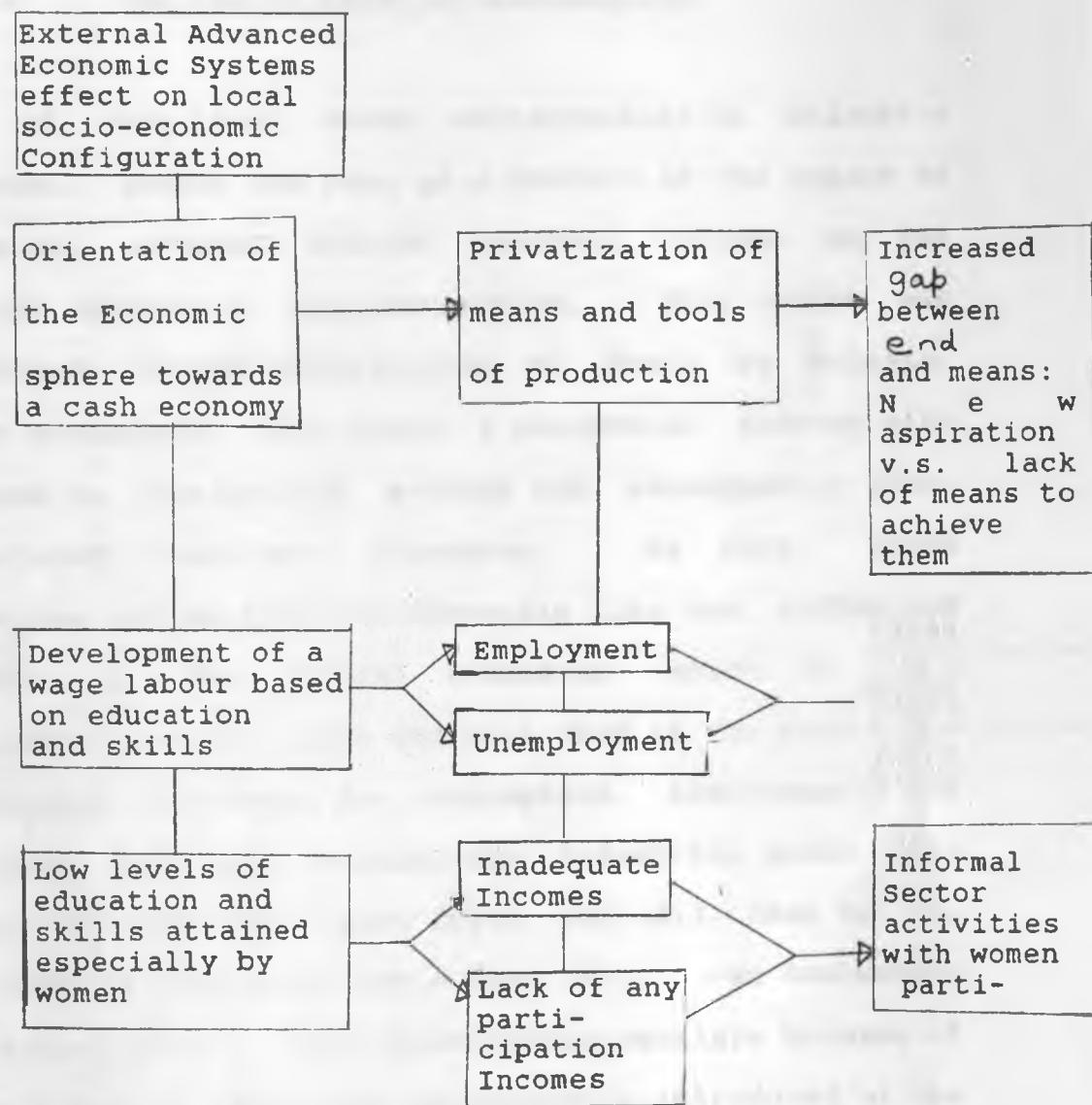
Fig. 2.1: A diaqrammatic Presentation of the Model

fourth level
of explana-
tion

Third Level
gap
of explana-
tion
ends

Second Level
of explana-
tion

First level
explana-
tion



Key:

- a) → there is a causal relationship
- b) - The variables are linked but the relationship is not necessarily a causal connection one.

2.2.1 The Fourth Level of Explanation

At this level women entrepreneurs in Nairobi's informal sector are seen as a product of the impact of external advanced Central economic systems on the Kenyan peripheral economic system. This system was effected through colonization of Kenya by Britain. This phenomenon made Kenya a peripheral economy with regard to the British economy and subsequently other developed countries' economies. As such, Kenya produces and exports raw materials like tea, coffee and cotton to the central economies which in turn manufacture these goods and sell them to the peripheral economies like Kenya for consumption. Additionally the Central economies manufacture industrial goods like motor vehicles and spare parts and sell them to the peripheral economies (see Rodney 1970; van Zwanenburg and King 1975). This relationship persists because of the nature of capitalist relationship introduced at the onset of colonialism. Mazrui rightly notes that

... "while the resources of Africa were indeed being incorporated in the universe of capitalism during colonialism, the people of Africa were not being transformed into effective capitalists" (Mazrui 1986:233).

Concomitantly, the African people and, in our case, the Kenyan people produce raw materials for the industrial west using imported western technology. The raw materials are produced in a situation where the relationship between capital and labour is already distorted in that the agricultural and industrial sectors opt for capital intensive rather than labour intensive methods of production. Consequently most of the available labour is unemployed. Leys (1975) rightly notes that the presence of an industrial reserve army not only helps to depress wage levels in non-enumerated employment, but it also creates a sense of insecurity and competition for work throughout the urban workforce especially in the private sector.

This situation is made worse by the pattern of urbanization and the rural-urban migration that the country has experienced since early this century. The migration of women into the city is closely linked to the male migration during and after the colonial era. In the post independence era men generally brought their wives to the city if they could afford to live with them (Hake 1977). At the same time, a number of women who had acquired primary level education migrated to the city to seek formal employment. Most of these women, however, could not find wage employment because

they had little or no education, skills and because they were constrained by sexual discrimination as well as cultural constraints. With time, however, some of these women have found exploitable opportunities in the informal sector. The conditions explained above are related to the wider socioeconomic set up of the Kenyan society such as the education system, the social and economic set up of the colonial and post-colonial times. This situation is illustrated at the third level of explanation.

2.2.2. The Third Level of Explanation

The relationship between Kenya and the centre economies has had a major impact on the organization of such salient features of our society as production, utilization of technology, education system and government policy. This situation has a historical background which we need to review briefly in order to have a good understanding of the third level of explanation of our theoretical framework.

From early this century cash economy increasingly replaced traditional African subsistence economies in Kenya. This was made possible by the alienation of African land by the colonial government for European

settlement. Naturally, this left many Africans landless. These Africans were forced to live in the "reserves" which had severely limited resources for a growing population. This together with such draconian measures such as excessive taxation and a ban on the growth of cash crops forced the dispossessed Africans to seek wage employment on settler farms (Amsden 1971; Stitcher 1975; Sorrenson 1968).

Colonization also brought about privatization of property including land. In particular, this was effected by the Swynnerton Plan of 1954, and was further strengthened by the Land Registration Act (special areas) Ordinance (L.R.A.) of 1959 and later on by the Registration Lands Act (R.L.A.) of 1963.

In theory, the Swynnerton Plan was designed to increase productivity of the African lands. The plan envisaged that for an effective co-optation of the African economy and an acceleration of agricultural development in the African areas "a security of tenure through an indefeasible title" was an absolute condition (Swynnerton Plan 1955:324). Therefore, it recommended the consolidation of land under individual ownership in order to enable the registered owner to acquire and to develop the land. For this purpose, £5 million was set aside by the colonial government to be

loaned to the Africans for a period of ten to fifteen years, to develop the African's land.

Further steps towards individualization of the African lands were enacted in 1959 by the land Registration (special areas) Ordinance. In this case individual males were registered as the sole proprietors of the family land. This move was further strengthened by the Registration Lands Act of 1963, the final step towards consolidation and individualization of land holding. It was passed to apply where land titles were issued.

The move towards individualisation of land ownership adversely affected the African people because land in the traditional African setting was communally owned. As such all the rights of a given family land were entrusted to the head of a homestead. This however did not make such a person the outright owners of the land. It only made him a trustee because other members of the family had defined rights in it.

The individualization of land affected women adversely. The fact that land was registered in the name of one male member of the household meant that he had absolute rights on that property. He could sell or

mortgage it without the consent of his wife or other family members. This means that the rights of use on land which women held in the traditional setting were ignored. Secondly, since land is generally registered in men's names, women are incapable of obtaining loans on their own for any developmental projects. Thus this lack of control over land and all that pertains to it has adversely contributed to women's economic dependency. For instance, the introduction of a western credit system which usually requires use of title deeds as collateral security means that women are largely not creditworthy. This is a very disturbing situation and as Ghutto (1976) correctly argues, if Kenya's independence brought equality among races, it failed to bring equality among sexes because land still remains a private property owned mostly by men.

Consequently, some of the women who have been alienated from agricultural land by these developments have migrated into the urban areas where they become largely marginalised. This has forced them to seek employment in the informal sector. The importation of western technology has also played a significant role in marginalising women in the urban areas. The kind of technology introduced in the colonial times has continued to flow in and at an even more advanced level

in the post-independence period. The technology is capital-intensive and, therefore, highly selective of skilled labour. Some of the highly skilled labour is imported together with the technology. Consequently, such establishments absorb only a few local labourers who are mostly unskilled or semi-skilled. As a result unemployment rates among the Africans and especially among the women is very high.

This scenario has encouraged the emergence of distinct socio-economic classes in this country. For example, there are the rich who own large tracts of land and the proletariat most of whom own very small pieces of land or none at all in the rural areas. This has resulted in the development of aspirations for western life styles although there are no means to achieve them especially among the economically deprived.

This relationship is further reflected at the second level of explanation.

2.2.3 The Second Level of Explanation

In this level we find that the development of a wage labour is further linked to attained levels of education and skill. These factors further influence employment or unemployment in the public sector. Consequently these influence one's socio-economic status. Africans have largely had low socio-economic status because the colonial setting needed African labour in the unskilled form. It is in this context that we find that Wage labour on settler farms was highly selective of males. This was because the nature of farm work was manual (see Kanogo 1987). Since the produce from the farms was basically for commercial purposes, especially exportation to Europe, storage centres were built in places like Nairobi, Nakuru and Mombasa along the Mombasa - Kisumu railway line. Therefore, it is little wonder that when industries were created they were sited in these towns and other centres along the line. These industries also required cheap African labour. This was provided by men who migrated from the rural areas, leaving their wives and children behind. It is only after the second world war that women increasingly joined the employment wage sector. However at this time many of the occupations in Kenya had a heritage of being male oriented. In the

post war period women were largely hired for the semi-skilled jobs in the private sector. In the post-independence era, increased female migration into the urban areas juxtaposed with limited employment opportunities leading to high employment rates among urban women (see for instance (ILO 1972; Smock 1981). This relationship is further linked to the data level of explanation.

2.2.4 The First Level of Explanation

This is basically the data level where the causality relationships are empirically drawn up. Thus, this level deals with such issues as levels of formal education, income levels of the business-women's families, and employment in the informal sector. The argument here is that levels of formal educational attainment determine income levels of the women concerned, hence their socio-economic status and form of employment, both of which determine their ability to raise the capital required for starting certain businesses in the informal sector. This causal relationship subsequently determines the nature of the small scale business to be set up. In short, the higher the level of formal education of a given woman, the higher will be her income and consequently her

socio-economic status. This will, in turn, mean greater likelihood of access to capital through loans because the husbands of such women are likely to have collateral securities in form of title deeds, car log books and well paid jobs.

However, this should not be construed to mean that every woman running a business in the informal sector relies on her husband for the initial capital. Rather, some businesses need fairly low capital input which can be raised solely by the women. Examples of these are businesses dealing in groceries and dry foods as opposed to dress making and hair saloons. In this context one could assume that the majority of the women in the informal sector are of low socio-economic status because most of them operate business which require low capital input. Such women engage in business of this nature because they aspire to own property and to attain better standards of living for themselves and their immediate families. Thus, it is because they lack access to large capital and credit facilities that they engage in businesses of this nature. It is, therefore arguable that the nature of the enterprises owned by women are a telling illustration of their socio-economic status.

Nevertheless, it should be pointed out here that the phenomenon of African women looking for ways of improving their standards of living as well as those of their families is not new in Kenya. Rather, women entrepreneurship in the urban informal sector has been an issue of adaptability to a given social setting for several decades now. This is because since the onset of colonialism our economy has had a peripheral outlook because of its integration in the world capitalist system. In this regard, therefore, women entrepreneurship can be seen as a struggle against marginalization by forces outside their capabilities.

Colonialism also brought about formal western education which is highly literal and practically non-technical. Thus, at the end of the day this education system produces unskilled labour which is only useful in white collar jobs. Furthermore, for a long time now formal education in this country has been seen as a means of graduating from physical labour, hence lack of technical skills (Mazrui 1986). This system of education has certainly played a significant role in the placement of African women in a disadvantaged position vis-a-vis their male counterparts. Nzomo (1981), for example, notes that although the Kenyan government may proudly point out that there are great

numbers of girls graduating from high schools today, women are still disadvantaged on the basis of both quality and quantity of the education they have had access to. This is because the education system by and large produces women without the necessary technical skills. This means that they can-not get skilled jobs in the formal sector. Consequently they become economically marginalized, and react to this by engaging in certain economic activities in the informal sector which is not selective of their educational attainment.

These four levels of theorising are linked by the fact that women entrepreneurs in the informal sector do not exist in a vacuum. The levels of attained education define the available employment opportunities. This, in turn, influences the level of familial incomes and, therefore, the capital available to start a certain type of business. For instance, if the women have low standards of schooling they are likely to be unemployed or employed in very low paying jobs. Consequently, the available capital to them for starting a business is minimal. Attained educational levels are also linked to the socio-economic status of the women. This is because, in Kenya the level of formal schooling is an important measure of one's

socio-economic status. Socio-economic status among women is not just attained through education, but also by marriage. Thus, if a husband is highly educated he is likely to be in a high socio-economic class and so does the woman.

Socio-economic status influences aspirations, achievements and standard of living of a given person. These factors are certainly important in influencing the nature of businesses women set up. For instance, women of high socio-economic status are likely to establish businesses which deal with dressmaking and imported goods, because they have both the capital and high aspirations. On the other hand, women of very low socio-economic status are likely to set up businesses which require little capital because they lack the means to start businesses which require more capital. Such businesses tend to be agriculturally based.

The marginalization of women is further linked to the world capitalist economy. The women are in a peripheral economy and even their activities are therefore peripheral.

2.3 Hypotheses

As stated earlier, one of the main functions of the theoretical framework was to generate hypotheses. The study will verify or falsify the hypotheses generated in the theoretical framework.

These hypotheses were:

1. That there is a direct relationship between the level of formal education of the women and the nature of the businesses they operate in the informal sector.
2. That the socio-economic status of women entrepreneurs in the informal sector is reflected in the nature of enterprises they own.
3. Capital input in the business enterprises is dependent upon the women's socio-economic status.

2.4 Operational Definitions

2.4.1 Level of Schooling

This concept will be taken to mean the number of years spent in school by individual women. It will also indicate whether the level of schooling is

primary, secondary or higher. The concept will also take into consideration the time taken in years or months to attain certain skills. Such skills could be dressmaking, typing or teaching.

2.4.2 Socio-Economic Status

Safioti (1978) rightly argues that socio-economic status of women has a great role to play in female entrepreneurship because women are not propertied. Consequently women's socio-economic status is largely dependent on the status of their husbands. Those women whose husbands enjoy high socio-economic status are likely to invest more capital in their businesses. The socio-economic status of women in this study was indicated by these variables:

- (a) age
- (b) marital status
- (c) attained level of education
- (d) Husband's occupation
- (e) Husband's monthly income
- (f) Residential area. This will be classified as high, medium or low income zone

2.4.3 The Nature of Business Owned

This variable means the types of businesses owned by women. The businesses fall into three broad categories:

- i) Those businesses which deal purely with agricultural produce like groceries, wheat flour, beans peas potatoes, and onions.
- ii) Those businesses which deal with dressmaking or hair saloons. The women in dressmaking design female clothes sell imported dresses and cloth materials and shoes. Those engaged in hair saloons style women's hair, they sell various hair products both locally made and imported. The starting capital in these businesses is higher than that of the agricultural based products.
- iii) Those businesses which are operated in kiosks.

2.4.4 The Informal Sector

There is no one agreed upon definition of the informal sector. Various scholars have since the ILO

(1972) report attempted to modify the definition of the informal sector. Among these are Kilundu Bitonye (1987). Ryan (1986) and the Central Bureau of Statistics (1984). In this study we use the definition used by the Central Bureau of Statistics (1984) for operational purposes of this thesis. According to Central Bureau of Statistics the informal sector "... consists of semi-organised and unregulated activities largely undertaken by self-employed persons in the open markets, in market stalls, in undeveloped plots or on street pavements within urban centres. They may or may not have licences from local authorities for carrying out such activities as tailoring, carpentry, blacksmithing, grocery, kiosks, meat and maize roasting, sale of apparel and shoes, open air restaurants, repair of footwear car repair, shoe shining, hair cutting, e.t.c.", C.B.S. (1984).

This definition distinguishes informal business from formal business vis-a-vis the operational locus of the business. Where the business is open to the sky for instance shoeshining, maize roasting or operated from temporary structures then it is informal Noormohamed (1987). In our study, we focus on those business conducted in the market stalls by women.

CHAPTER THREE

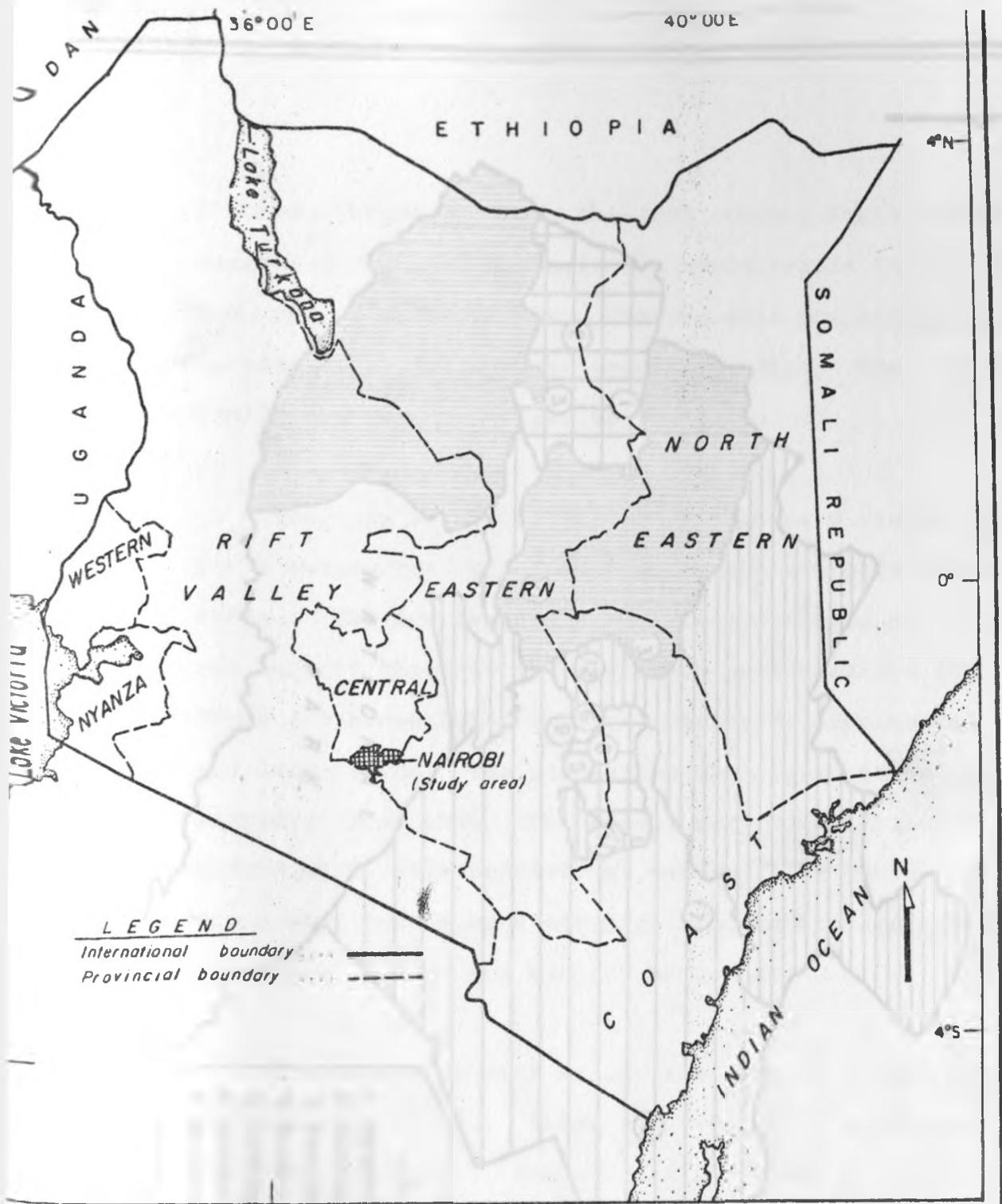
METHODOLOGY

3.1 Site Description

As stated earlier, this research was conducted in Nairobi Area, which consists of the city centre and its suburbs. Nairobi Area itself is one of the administrative provinces of Kenya and also the country's capital. It is located in the country's central highlands, where it is bounded on the east by Eastern province, on the north by central province and on the west and south by Rift Valley Province (Fig. 3.1).

The whole of Nairobi area consists of five administrative divisions, namely Dagoretti, Kibera, Makadara, Pumwani and Kasarani. Each of these divisions is sub-divided into several administrative locations. The distribution of markets in these areas is summarised in Fig. 3.2.

In 1979 Nairobi's population was 827,775 (Kenya Census 1979). In 1989, another national census was conducted but it's findings are yet to be made public. This notwithstanding, both natural population growth and the ever increasing rural-urban migration must have swelled the city's population well beyond the 1979

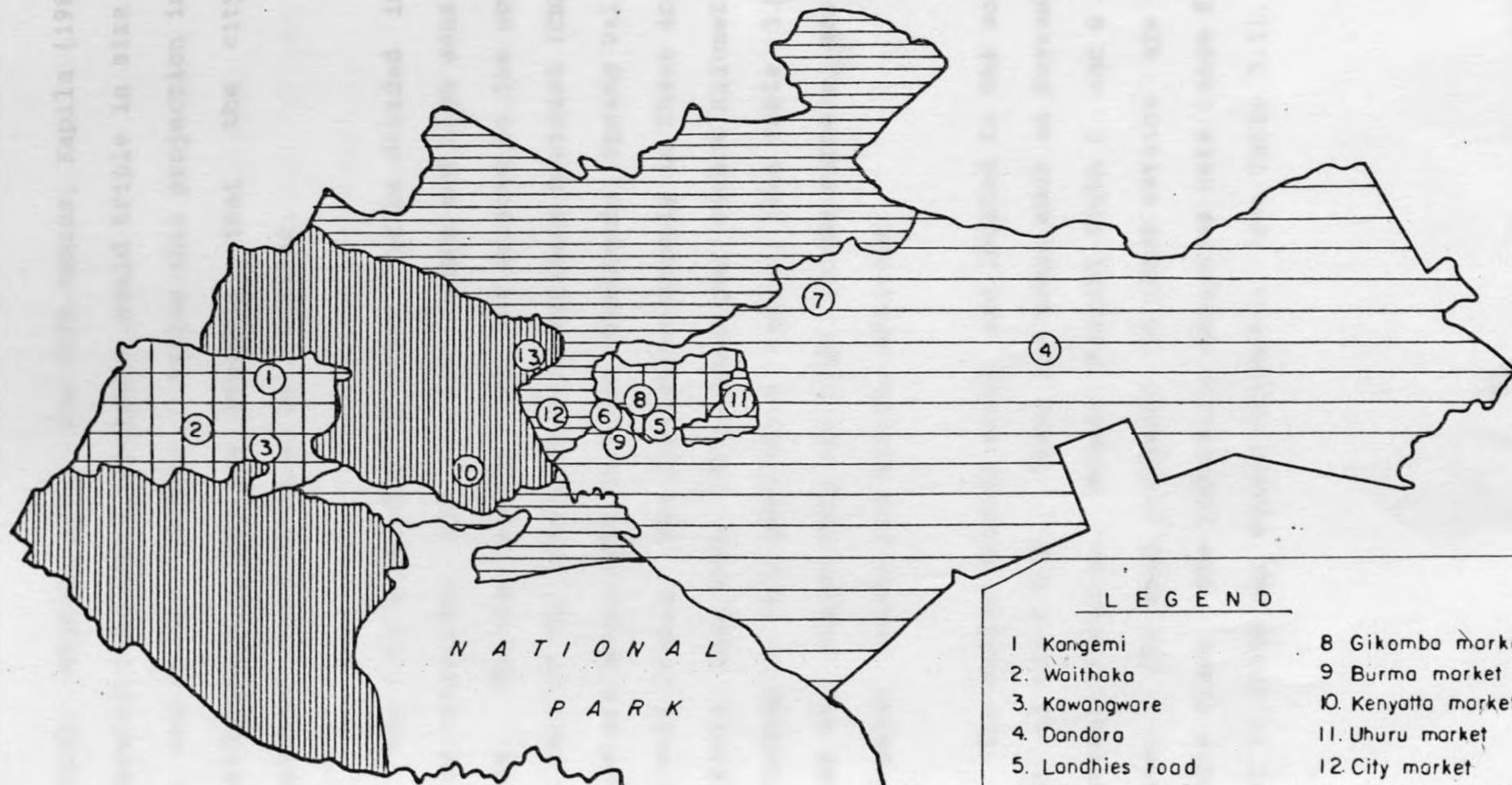


G.3.1

LOCATION OF THE STUDY AREA IN KENYA

DISTRIBUTION OF SELECTED MARKETS IN NAIROBI

N



LEGEND

- | | |
|---------------------|----------------------|
| 1. Kongemi | 8. Gikomba market |
| 2. Waithaka | 9. Burma market |
| 3. Kawangware | 10. Kenyatta market |
| 4. Dandora | 11. Uhuru market |
| 5. Landhies road | 12. City market |
| 6. Kariokor | 13. Westlands market |
| 7. Kariobangi South | |
- High income zones Low income zones
 Middle income zones Very low income zones

figures. Writing after the 1979 census, Kapila (1981) suggested the city's population would triple in size by the end of this century. Taking this projection into consideration, it is arguable that the city's population could be close to 2 million.

The city's residential areas can be divided into three categories, viz, the low, medium and high density areas. The low density areas are located to the south and west of the city's Central Business District (CBD). These are areas like Muthaiga, Westlands, Spring Valley and Golf Course. The population density in these areas averages less than 100 persons per square kilometre. According to 1979 population census, (see Table 3.1). Those who reside here are high income earners, mostly Europeans, Asians and wealthy Africans.

The medium density areas are located to the south west of the C.B.D.. These are areas such as Roysambu, Kasarani, Buruburu, Ngummo, Nairobi South C and B and Kahawa. The main occupants in these estates are the middle class. The population densities here range from 6001 to 10000 per square kilometre, (see Table 3.1).

Areas located to the East of the C.B.D. are high density areas. These include areas such as Shauri Moyo, Eastleigh, Jericho, Kangemi, Kawangware and Mathare. Population densities in these areas range between 10,000 to 20,000 persons per square kilometre. The majority of Africans live in these areas.

It should however be noted that there is no definite pattern between income and settlement as it may appear above. This is because areas of very low income are often just adjacent to the high income settlement areas. For instance Mathare valley is close

Table 3.1: Population Size, Area and Population Density -
1979 Census

Ward	Population	Population Density/ (Sq.Km)
Kangemi	21,081	3933
Kawangware/Riruta North	24,413	5261
Riruta S. Satelite	7,165	3433
Waithaka	7,365	1521
Uthiru	8,140	1218
Mutuini	7,627	1588
Kilimani	45,111	1,805
Karen/Langata	13,112	176
Kibera/Woodley	63,353	8,515
Golf Course	16,670	2835
Nairobi/South/West	28,997	2432
Industrial Area	9,314	849
Mugumuini	11,750	94
Embakasil	3,502	217
Dandora	22,672	139
Harambee	16,257	20321
Lumumba	13,544	11,286
Makadara	11,931	10,285
Kaloleni	5,120	8,000
Maisha-Makongeni	16,606	27,676
Mbotela	14,073	43,978
Bahati	10,670	20,516
Maringo	13,083	32,707
Uhuru	23,813	12,149
Shauri Moyo	18,858	14,286
Pumwani	14,403	36,007
Ziwani-Kariokor	8,521	12,530
Pangani	17,223	10,251
City Centre	18,402	15,683
Nairobi Central	8,859	7,382
Spring Valley	18,559	788
Karura	11,031	298
Parklands	23,965	6,886
Ngara West	10,044	8,100
Ngara East	16,335	13,173
Roysambu/Kahawa	30,958	663
Ruaraka/Kasarani	29,881	1,829
Kariobangi	43,349	3,427
Mathare	68,456	29,006
Eastleigh	53,562	7,439
Nairobi	827,775	1,210

Source: Kenya 1979 Population Census.

to Muthaiga, while Kawangware and Kangemi are close to Lavington, a low density area. Also Kibera is located quite closely to Ngummo an area of medium density.

3.2 Sampling

In Sociology, sampling can be either probabilistic or non-probabilistic depending on the research problem and the nature of the data to be collected. By probabilistic sampling we mean that randomness is used in the selection of respondents. Thus each of the units in the population to be sampled has an equal and non-zero probability of selection. Blalock (1987) further notes that in probabilistic selection all combinations are equally probable. In non-probabilistic sampling, there is the absence of randomness. A researcher just picks on anybody within the population of the research problem for interviewing without any random sampling procedure. In this kind of sampling the researcher is not in a position to evaluate the risks of error involved Blalock (1987). Furthermore inferences made from empirical data using non-probabilistic sampling do not yield results which can be applied in the wider society (see Kish 1965).

In this study, probability sampling was employed because of the various advantages given above. Multi-stage cluster sampling design was used. By cluster sampling we mean a method of selection in which the sampling unit contains more than one population element, hence the sampling units is a cluster of elements, (Kish 1965; Blalock, 1987). Multi-stage cluster sampling is very effective where the population (N) to be sampled is heterogeneous. Since every case of (N) is being used the researcher is able to eliminate sampling errors, (see Kish 1965 and Blalock 1987). Blalock notes that the sampling errors which might arise in cluster sampling will only be due to variability within the clusters. Due to the homogeneity created by the clusters the method provides efficiency and a small standard error, (Kish 1965; Blalock 1987). The method is also economic and cuts own the cost of data especially on travelling and listing costs involved in interviewing.

The first stage towards clustering our population (N) was done by clustering Nairobi City into three different incomes zones. These are high income zones such as Muthaiga, spring valley, Karen and Westlands. The second cluster was the middle income zones such as Buruburu, Ngummo, Nairobi South B and C, Nairobi West,

Golfcourse, Kahawa and Roysambu. The third cluster was the low income zone comprising of areas such as Kangemi, Riruta, Kawangware, Dagoretti, Kikomba, Jericho, Makadara, Dandora and Mathare.

This clustering strategy by income zones was made possible by figures obtained from reliable sources, the World Bank report (1980), Statistical Abstract (1980:20), Population Census Report (1979), and Nairobi City Commission administrative wards namely, Dagoretti, Kibera, Madadara, Pumwani and Kasarani.

In order for the study to cluster markets in Nairobi into income zones, the administrative divisions of the Nairobi City Commission were used to identify the location of each market, in the five wards above. The distribution of markets where women conduct their businesses in the ward is summarised in table 3.2

Table 3.2: Distribution of Nairobi Markets by the City Councils Administrative Area (Wards)

Ward	Markets
1.. Dagoretti	Kantemi, Kawangware, Dagoretti, Waithaka, Uthiru, Gachui.
2. Kibera	Kenyatta, Westlands
3. Makadara	Uhuru, Dandora Phases 1-4, Jericho, Umoja
4. Pumwani	Shauri Moyo (Burma), Gikomba, Landhies Road, City Market, Ngara (Nyayo) Market
5. Kasarani	Kahawa West, Kariobangi North, Kariobangi South, Sokomjinga

Since the city councils administrative areas were to assist in multi-stage sampling, these markets were then clustered in relation to income zones in these areas. These wards were therefore clustered into low, middle and high income zones. However, there were no markets in the high income zones, therefore this clustering was divided into very low income, low income and middle income zones (Table 3.3).

Table 3:3: Actual Cluster of Markets According to Income Zones

sampling area by income zone	market
1. Very low income	Kariobangi North, Kariobangi South, Dandora Phases 1-4, Shauri-Moyo (Burma), Gikomba, Kariokor, Landhies Road, Sokomjinga
2. Low income	Dagoretti, Gachui, Waithaka, Kawangware, Uthiru, Kangemi.
3. Middle income	Ngara (Nyayo Market), Uhuru, City Market, Umoja, Kahawa West, Westlands, Kenyatta, Jericho

According to the table, the markets located in the very low income zones were Kariobangi North, Kariobangi South, Dandora phases one to four, Shauri-moyo (Burma), Gikomba, Kariokor, Landhies Road and Sokomjinga.

The second cluster comprised markets located in low income zones. These were Dagoretti, Gachui, Waithaka, Kawangware, Uthiru and Kangemi.

The third cluster comprised markets located in middle income zones. These were Ngara (Nyayo) city, Jericho, Umoja, Kahawa West and Westlands.

The next step was to sample markets within each of the three income zones (see table 3.3). In the very low income zone there were 12 markets, namely Kariobangi North, Kariobangi South, Dandora phases 1-5, Shauri moyo (Burma), Gikomba, Kariokor, Landhies Road and Sokomjinga. The total population of women in these markets was 736. A representative sample of six markets was randomly picked. This means that each market name was written down in a paper, all the papers were shuffled together and six were picked. The random pick selected these markets; Dandora Phase 1, Landhies Road, Kariokor, Kariobangi South, Shauri-moyo (Burma) and Gikomba.

In the low income zone there were 6 markets namely, Kangemi, Kawangware, Waithaka, Dagoretti, Gachui and Uthiru. They had a total population of 220 women. A random pick of 3 gave Kangemi, Kawangware and Waithaka.

In the middle income zone there were eight markets, Westlands, City Uhuru, Jericho, Kenyatta, Umoja, Kahawa West and Ngara (Nyayo). 4 were randomly picked. These were City, Uhuru, Kenyatta and Westlands. The total population in the middle income zone markets was 505.

The last step was to reach the unit of our analysis, the women entrepreneurs. The sampling procedure used at this stage was systematic random sampling. In systematic random selection the first pick is randomly selected, using sampling fraction, whose formula is

$$\frac{f}{N} = \frac{n}{N}$$

where:

f	=	sampling fraction
n	=	sample size
N	=	population size

A random pick between 1 and a given sampling fraction gives the required sample size.

In this study the total population (N) was 1461. The distribution of women entrepreneurs in the markets is shown on table 3.4. The markets located in the middle income zone had a total of 505 women. A sample of 36 women which is approximately 7% was taken as a representative sample, from four markets, namely city, Uhuru, Westlands and Kenyatta.

The markets located in the low income zones had a total population (N) of 220 women. A 5% representative sample was taken. Eleven women therefore were interviewed from this cluster. The sample was derived from three markets namely Kangemi, Kawangware and Waithaka.

Table 3:4 Distribution of Women Entrepreneurs in Nairobi Markets

Market Category by Income	Market Name	Number of Women
Middle	City	40
	Uhuru	58
	Westlands	40
	Kenyatta	41
	Umoja	65
	Kahawa West	60
	Ngara (Nyayo)	57
Low	Jericho	44
	Kangemi	32
	Kawangware	39
	Uthiru	32
	Gachui	31
	Dagoretti	46
Very low	Waithaka	40
	Dandora Phase 1	55
	Dandora Phase 2	50
	Dandora Phase 3	60
	Dandora Phase 4	52
	Dandora Phase 5	49
	Kariobangi South	42
	Kariobangi North	59
	Gikomba	120
	Shaurimoyo (Burma)	95
	Kariokor	70
	Landhies Road	40
	Sokomjinga	
Total		1,461

Markets located in the very low income zone had a total population (N) of 736 women. A representative sample of 73 appropriately 10% of the women was taken. In total a sample of 120 women was to be interviewed. However, as we shall later see 116 women were interviewed.

In the middle income zone a representative sample (n) of 36 women was taken using systematic random sampling since the 36 women had to be selected from 4 markets, namely city, uhuru, Westlands and Kenyatta. We divided $36 - 4 = 9$. Nine women were selected from each of the four markets. This was done by numbering the women using a list of the city commission showing the number of women in a given market. After obtaining the total population (N) of a given market the formula $f = n/N$ was applied to give the sampling fraction for each market. For instance in city market there were 40 women. Each one of them was given a number ranging from 1-40. The sampling fraction was then obtained by dividing $9/40 = 4.4$ The numbers 1 to 4 were written down and one was randomly picked. This is because according to the sampling fraction any random pick between 1 and 4 would give the required number of women 9 from the city market. The random pick gave the number 3. This means that the first women to interview

was the one numbered 3. To get the next women 3 was added to 4 and this was done until 9 women were interviewed. The women interviewed in City Market were therefore those numbered 3, 7, 11, 15, 19, 23, 27, 31, 35, 39.

Using the above formula $f = n/N$ a sample size for each of the other markets in this cluster, namely Kenyatta, Westlands and Uhuru was picked. It should however be noted that since all the markets did not have an equal number of women, and the first random pick was not always 3, the sampling fraction kept changing. For instance, although the total population (N) in Westlands market was 40 the random pick was 4 not 3. This meant that the next pick after 4 was 8, 12, 20, 24, 28, 32, 36, 40. In Uhuru market there were 58 women. The sampling fraction was therefore different where $f = n/N = 9/58 = 1/6.4 = .6$. The first random pick was 1. Therefore the rest were; 6, 12, 18, 24, 36, 42, 48 and 54.

Using the above formula $f = n/N$ for each of the other markets in the low and very low income zones a sample size of 116 women was interviewed. It was not possible to interview 120 women because of several factors explained latter in this chapter.

3.2.1 Sample Representation

The sample of 116 was adequate and reliable. In terms of size it is far beyond the minimum of 30 required in social sciences (see Blalock 1987) for the application of statistical techniques, and making generalizations. The mode of respondent selection was random and the population was first clustered and then systematically selected to increase precision of the sample. Attempts to avoid non-response were made by establishing good rapport with the respondents. This was done by revealing the objectives of this study to them; convincing them why they should respond; returning to one place of non-response many times; and, in the extreme by replacing cases of non-response. The rate of response was very good because 116 women responded; only 10 failed to respond. Thus, the rate of response was over 90%.

Besides, relevant information was sought from several key informants. These were selected on the basis of their official positions which enable them to have information relevant to this study. This information not only provided a historical perspective to supplement the data collected, but also highlighted various observations. The key informants were officials of the Nairobi City Commission, who deal with

the allocation of market stalls. These were the market superintendants, who are in charge of the management of all markets in Nairobi. This official provided information dealing with the official numbers of women operating in each one of these markets, and the total number of women engaged in small businesses in all the markets. The second key informant was an official of the Kenya Women Finance Trust body (K.W.F.T.). The official dealt with allocation of soft loans to women entrepreneurs in Nairobi area. She was also in charge of following up the women who obtained loans in order to educate them as well as assist them in solving various problems encountered in small businesses. This would also assist the women in making profit as well as repaying the loans. The third official was from the National Council of Churches of Kenya (N.C.C.K.). This body assists both men and women of low socio-economic status to start and successfully run a small business through financial and educational help. The official interviewed was in charge of the small scale business enterprises department.

3.3. Data Collection:

In order to achieve the aims of this study, four different methods of data collection were employed. One of these was the interview schedule. This involved

administration of both open- and close- ended questionnaires. The open ended questionnaires gave the respondent a chance to answer the question in the way she felt most desirable, whilst the close-ended questions restricted the answers given by the respondent (see Appendix - for example). Both these questionnaires were designed within the framework of the research problem, objectives and hypotheses. Although this method of data collection is time consuming, it was found very useful because of its flexibility. This not only encouraged a high rate of responses, but also created room for probing and follow up thus, enabling observation of spontaneous personal reaction. Where the women interviewees could not speak English, the questionnaire was translated to Kiswahili. In this manner the structured questionnaire was found to be a very powerful and appropriate technique in the processes of probing attitudes, and ascertaining information which is interlocked in a social system or personality structure.

When administering these questionnaires direct observations were made. These assisted in ascertaining the validity of every respondent's response. For instance, the researcher could observe the items available for sale in every stall and the manner in

which various transactions were made before during and after the actual interview.

This method was extremely useful when it came to confirming such issues as the number of employees in the business, the kind of tools used by the women and their employees and the merchandise available. Additionally, it was a rich source of necessary background knowledge important for interviewing. For instance, observations helped in theory building other than the chance to observe the "actual" as opposed to the "said". Thus direct observation enabled us to examine those factors which would have been vaguely perceived, or gone unnoticed if interview schedules alone were used in collecting of the relevant data. In this way total reliance on the respondents memory was avoided.

Data were also collected through unstructured interviews. These were conducted by engaging each of the key informants in conversation about the informal sector. The information collected in this way raised certain specific questions about women participation in the sector which were put to the informant on the spot. All the key informants were directly involved with small scale enterprises in the informal sector by

virtue of their official positions in their respective institutions. They included officials of the Nairobi City Commission, the National Council of Churches of Kenya (N.C.C.K.) and the Kenya Women Finance Trust (K.W.F.T.). The latter two are non-governmental organizations (NGOs) involved in funding of income generating activities in the informal sector.

The fourth method involved utilization of available literature with relevant information. This literature was obtained from the University of Nairobi's Jomo Kenyatta Memorial library and the Institute for Development Studies (I.D.S.) Library; and the Kenya Women Finance Trust, Royal Norwegian Embassy (NORAD) World Bank and Central Bureau of Statistics (C.B.S.) libraries. As we shall see in the following chapters, the information collected in this way was crucial to the presentation and analysis of the research findings.

3.3.1 Problems Encountered During Data Collection

A number of problems were encountered during the field research. To begin with markets like Gikomba and Sokomjinga which are located in the less developed zones of Nairobi were impenetrable during the rainy season. This meant deferring data collection there

until end of the rains. Secondly, some of the women initially refused to be interviewed. This was because they thought the interviews were being conducted for the City Commission which would in turn evict them from their rented stalls. Others complained that previous researches had not helped them. Instead they had led to eviction of some trades-women and increased rent payable to the City Commission. Therefore they could not understand how the present research could help them. I explained to them that this research had no association with the past ones. Additionally we explained to them that the present study could probably benefit them in terms of future government plans aimed at the development of the informal sector. This helped to establish a rapport between them and myself as a result of which they kindly responded to the questionnaires.

Thirdly, there was open suspicion on why some women were selected for the interviews and others left out. I explained to them that it was not possible to interview everybody and that those being interviewed had not done anything wrong nor were they being earmarked for favours to come as they thought. Fourthly, tradesmen operating in the markets where this study was carried out were not happy for not being

interviewed. Although they never gave any reasons for this, one could not help suspecting they thought women were being earmarked for favours. This notwithstanding, I explained why we were interviewing women only and this satisfied them.

Fifthly, some of the people who were found talking with the respondent were reluctant to leave while others from the surrounding stalls would also come to listen to the interviews. It would have been unwise to just ask them to leave. Consequently I made attempts to know who they were and how comfortable the respondents were in their presence while answering the questions. This was done in a straight forward manner by informing the interviewee that the questions were confidential and it would be preferable answer them in private. As a result, some respondents excused themselves from those present or requested them to leave. Alternatively we could arrange for another visit.

However, I must hasten to add that these problems did not adversely affect the research. This was because as we have already noted appropriate solutions to each of them were found. Additionally, the respondents became increasingly interested in the

interviews because they saw them as presenting an opportune moment to state their grievances especially against the City Commission.

3.4 Methods of Data Analysis

The purpose of analysing data was to summarise the completed findings in such a manner they yield answers to the research questions. Interpretation involved the search for broader meaning to answers given by linking them to available knowledge and making inferences. It is on the basis of the established patterns that the study drew conclusions and raised questions.

Analysis of the data collected during the research period was carried out in chapters 4 and 5.

The variables used in chapter four fall into four groups namely, background characteristics of the women entrepreneurs; factors that motivate women in Nairobi to engage in informal income generating activities; the nature of businesses conducted and the problems they experienced.

Background factors include age religious affiliation, ethnic composition socio-economic status and attained levels of informal schooling. These variables were very important in establishing who are the women actually engaged in running small businesses in the urban informal sector. The second sector of variables revolved around factors which motivate these women to engage in income generating activities in the informal sector. These variables include incomes accrued from the husband's monthly income, and employment. For instance the study tried to establish whether the women entrepreneurs were formerly engaged in formal employment or not. This was an important variable in establishing the level of marginalization of the women before the onset of the enterprise.

Thirdly, the variables dealing with nature of enterprise were related to age, education level attained skills and socio-economic status. The relationship was very important in that the study was able to relate certain businesses such as agricultural produce based to certain ages levels of education and socio-economic status. These relationships were also established for the other businesses like kiosks and hair saloons and dressmaking.

The chapter finally dealt with problems experienced by women entrepreneurs in the informal sector.

Chapter five concerned itself with testing of hypotheses. The First hypothesis to test stated that; there is a direct relationship between the level of formal education of the women and the nature of the businesses they operate in the informal sector. The hypothesis aimed at finding out the influence attained level of schooling has on the choice of the businesses conducted by women. It further hoped to establish how the two variables education and nature of business are associated.

The second hypothesis stated that: The socio-economic status of women entrepreneurs in the informal sector is reflected in the nature of enterprises they own. The hypothesis aimed at establishing the influence of socio-economic status on the nature of the enterprises women set up. The third hypothesis stated that capital input in the business enterprise is dependent upon the women's socio-economic status. The key variables here were capital input and socio-economic status. The relationship between the two was established using the actual amount

of money spent in opening the business in relation to independent factors such as level of education of the women marital status and age among others. These variables were important in shaping our direction on as to whether these factors have an influence on the women's initial capital. This is because available capital is a major factor in determining the nature of enterprises women set up.

All the data which were collected during the field research were coded in conformity with the requirements of the computer Statistical Package for Social Sciences (SPSS) programme. This was done in order to enable the raw data to be put in to the computer for analysis using the programme.

From this program, both descriptive and inferential statistics were obtained. Descriptive statistical measures, such as those which summarise data by substituting very few measures for many numbers. Such measures are the percentages means and standard deviations. These three measures were used in this study. By using percentages we are able to standardize for size by using the figure 100 as a common denominator for all cases. By using the arithmetic mean which is defined as the sum of the

scores divided by the total number of cases involved, we are able to find the value of a given variable which is numerically most representative.

The mathematical shorthand is therefore:

$$\frac{\sum x}{n} = \bar{x}$$

where x = sum of given series
 n = number of given series
 \bar{x} = arithmetic mean

By using the standard deviation, which is the squareroot of the squared deviations from the mean, we are able to find the variance. The formula for this statistic is;

$$n = \sqrt{\frac{\sum x^2}{x^2}}$$

where n = Number of given series
 x = aggregate of a given series
 x^2 = aggregate of the squares of individual values in a given series

For the above mathematical descriptions (see for instance, Blalock, 1987; Yeomans, 1968).

Inferential statistics were used to infer the truth or falsity of a hypothesis. These statistics comprise non-parametric and parametric statistics.

Non-parametric statistics are used when the variables being analysed are either nominal or ordinal. Ordinal variables are those which can be lumped together into categories. For instance we may classify families according to socio economic status age or professions. Nominal variables are those which categorise given units of analysis into homogeneous tags like catholics, protestants or jews.

In this study two non-parametric statistics, namely the contingency coefficient and the chi-square were used.

The contingency coefficient (c) is a measure of the extent of association between two sets of attributes. The value of c contingency coefficient written (c) ranges from zero to one (0-1). The contingency coefficient has the formula:

$$c = \sqrt{\frac{x^2}{N+x^2}}$$

where N = Total number of observations

x^2 = Sum of frequencies obtained.

The second statistical measure used to test significance of associations was the chi-square (χ^2). This statistic was used to test whether or not a statistical association existed between two variables.

The Formula for this statistic is:

$$x^2 = \frac{(O-E)^2}{E}$$

O = observed frequencies
E = expected frequencies

Parametric statistics were used in this study. The statistics show the extent of association between two given variables. Examples of parametric statistics used in this study are the correlation coefficient r^2 and the stepwise regression analysis. The r^2 was used to compare the ranking on the sets variables. Its value is +1 whenever the ranking is in perfect agreement, -1 when in perfect disagreement and 0 if there is no relationship (Blalock 1987; Nie 1975; Yeomans 1968).

The stepwise regression analysis was used to discuss three major aspects. It was to predict the exact value of one variable from the other while eliminating any tendency of the remaining variables to obscure the relationship. It was also to determine the amount of explained variation when a set of predictors jointly act upon a criterion. This is described as multiple R. It also established the relative importance of the predictors and indicated the predictive value of each independent variable.

The adequacy of explained proportions varied from regression on one variable to the other. On the average it was basically $1-R^2 = 25\%$ and this was considered sufficient. This was based on the understanding that only the most important and/or quantifiable influences on the dependent variable could be employed on this test. Consequently, some variation was expected.

The stepwise regression analysis was an excellent technique for uncovering spurious relationships, locating intervening variables and making inferences.

In this study, 0.05 or 95% level of confidence was taken for the chi-square (χ^2) test of significance. Anything below this target mark was regarded as insignificant.

While using the contingency coefficient (C) measure of strength of association the values were defined as follows:

0.1 - 0.3 = weak relationship

0.4 = moderate relationship

0.5 and above = strong relationship

In the case of correlation coefficient (r) an association of 0.5 and above was considered strong while the ones below 0.5 were considered weak.

CHAPTER 4

THE FINDINGS

4.1 Introduction

This chapter is largely descriptive. It gives a general over-view of the findings on the nature of the businesses conducted by the women in the informal sector. This involves focusing on background issues concerning the women entrepreneurs such as age, religious affiliation, socio-economic status, and education levels attained. The factors that motivate women in Nairobi to engage in informal income generating activities, the nature of these activities and the problems they face are also examined. In order to sensitize the reader on the characteristics of the women entrepreneurs descriptive statistics are used.

The sample for the study consisted of 116 respondents. The units of analysis were the women running small scale businesses in the stalls of Nairobi markets. The markets were randomly selected on the basis of income levels, and the women were picked on a systematic random selection basis. For purposes of computation the businesses run by women were categorised into agricultural produce, dressmaking, hair saloons and kiosks. Those women whose businesses

comprised curio-shops, furniture and car spare-shops were categorised together as kiosks because they were too few to allow any statistical analysis.

According to the findings of the study, there were 52 (44.8%) business women engaged in agricultural produce, 42 (36%) engaged in dressmaking and hair saloon, and 22 (19%) were running kiosk businesses. Among the 22 women running kiosk businesses, 1 had a furniture business and another one had a car spare business. These two were categorised as kiosks. This distribution is shown in table 4.1.

Table 4.1: Distribution of Women Entrepreneurs by Nature of Enterprise

Nature of Enterprise	Frequency	Percentage
Agriculture	52	44.8
Dress and hair stalls	42	36.2
Kiosks	22	19.0
Total	116	100.0

According to this table, most of the business-women 52 (44.8%) engaged in businesses which dealt with agricultural produce. This is largely because most of the women lacked the necessary capital with which to start businesses like dressmaking and hair saloon which

required a higher investment at the beginning than the agricultural produce type of business. This factor is well illustrated by the fact that women who engaged in agricultural produce had started off with as little as Ksh. 100. It is definitely difficult to start a business dealing with dressmaking with only Ksh. 100. The problem of lack of adequate capital to start the business is illustrated by the fact that 10 (19.2%) of the women is engaged in the agricultural produce business had started by hawking on the streets 4 (40%) of these had obtained their goods for sale on credit because they had no money with which to buy the first goods of trade. This was precisely the trend among those women who started their businesses in the 1950s and the 1960s. Secondly the fact that most of the women in these type of business lack any technical skills incapacitates them from engaging in any other type of income generating activity which requires skills such as tailoring. Thirdly there are women who have the skills such as dressmaking or knitting but lack the necessary capital to operate the relevant business. As a result they opt to operate agricultural produce type of business which is cheaper to start. Lastly, until very recently the trend of business-women who operated businesses in the informal sector have historically dealt in agricultural produce. The change

to dressmaking and hair saloons is a recent change; it started in the late 1970s.

The second category of women entrepreneurs is engaged in dressmaking and hair saloons. According to table 4.1 they constitute about 42 (36%) of the sample. These women are younger in age than the ones in the first category. They have higher levels of schooling and have some skills. They attained their skills largely through apprenticeships. The training takes them between three months and one year. Their businesses are not as old as the ones in the first category of agricultural produce type. The women who deal with kiosk businesses are largely identifiable with the ones running the dress and hair saloons business. They are also younger in age compared to those in agricultural produce, and they have had more years of schooling.

4.2 Personal and Demographic Characteristics of the women business entrepreneurs

The study found that most of the women entrepreneurs were middle aged, and married. A small percentage 11 (9.5%) was aged fifty years or more, 31 (26.7%) were aged 20 to 29 years. Most of the women were aged 30 to 39 years, 42 (36.2%) and the others

aged 40 to 49 years were 32 (27.6%). The above figures clearly indicate that most women entrepreneurs were middle aged. The study further found that most of the business-women 81 (68.9%) were married. The single women entrepreneurs were a mere 22 (18.9%) the widowed were 7 (6%) and those separated from their husbands were only 6 5.3%. These findings are illustrated in table 4.2.

4.2: Distribution of Women Entrepreneurs by age and Marital Status

Category	AGE								TOTAL	
	20-29		30-39		40-49		50+		% N	% N
	%	N	%	N	%	N	%	N		
Married	68.2	(15)	22.7	(5)	9.1	(2)	-	-		(22)
Separated	18.5	(15)	40.7	(33)	33.3	(27)	7.4	(6)		(81)
Divorced	-	-	14.2	(1)	28.5	(2)	57.1	(4)		(7)
Widowed	16.6	(1)	50.0	(3)	16.6	(1)	16.6	(1)		(6)
	(31)		(42)		(32)		(11)		100	(116)

The fact that most women entrepreneurs are married and middle aged clearly indicates that the women are in the informal sector to make income in order to support their families. This is because incomes accruing from their husbands formal employment can-not meet the basic needs and sustain subsistence even at very low levels of living. It therefore becomes necessary for the women to engage in some income-generating activities in order to survive. This aspect, seen in the wider social and economic setting portrays a situation of

marginalization in the urban sector. The family is further detached from the rural land which supports most families in Kenya. In spite of this kind of situation children have to be educated, there are water bills, electricity bills, and expenses on transport and house rent among others, to be met. The economic and social needs to be met in the urban sector often call for money, even when it is entertainment. The need for more income in the household therefore compels women to engage in income generating activities. The study further found that most of the women in the informal sector were largely Gikuyu by ethnic membership and constituted 67 (57.8%) of the sample. These were followed by the Akamba 20 (17.2%) Luo 14 (12.1%) Luhya 8 (6.9%) and the rest were 7 (6%). These findings are presented in table 4:3.

Table 4:3: Ethnic Composition of Women Entrepreneurs

Ethnic Group	Frequency	Percentage
Gikuyu	67	57.8
Luo	14	12.1
Luhya	8	6.9
Akamba	20	17.2
Others	7	6.0
Total	116	100.0

Marris (1971) when studying African businessmen, found that Gikuyu men dominated the African businesses in Nairobi. He attributed this dominance to the complex interaction of national tribal and personal frustrations experienced during the colonial times and the emergent exploitable opportunities after independence. The concentration of Gikuyu women in small business cannot merely reduced to the colonial experience. The African businessmen had experienced the frustrations of the colonial regime of land hunger, poverty of education economic and political subordination together with the women. The most intriguing thing is that the post independence regime did not bring any noticeable changes to the women. The independent government failed to involve women equally with men in the functioning of the countries economic political and social institutions. Wiper (1971) rightly argues that the government by the Africans was no more indeed even less responsive to women rights than had been the colonial administration. Women were largely left out in important decision making areas, even in those areas which involved the women themselves. It is in this perspective that this study argues that the dominance of Gikuyu women in the small scale business can be attributed to the experiences of both the colonial regime and the post-colonial regime.

Women have attempted to counter react to the backwardness they have been subjected to by exploiting available opportunities in the informal sector. This is a reaction which involves not only the backwardness women are subjected to, but also the economic backwardness which excludes African societies as a whole from international participation on an equal footing to economic advancement (see for instance Leys 1975; Mazrui 1987).

This study further found that 37 (31.9%) of the women entrepreneurs belonged to the catholic religion, 30 (25.9%) were protestants and 49 (42.2%) belonged to other christian religious denominations. The findings of this study contrast sharply with the arguments forwarded by Max Weber (1930) on the protestant ethic and the spirit of capitalism. According to Webers argument business leaders and owners of capital as well as the higher grades of skilled labour were overwhelmingly protestant. He explained this situation from the perspective that the nature of the protestant religion had a certain effect on the people that motivated individualism and entrepreneurship. This study contrasts with Webers findings because most of the women entrepreneurs did not belong to the protestant religion. Infact they were the least in

this study. The fact that most of the women entrepreneurs belonged to other religious organizations such as the full gospel, assemblies of God and African Independent Churches is to be understood from the historical transformation of Kenya's social structures. The church of colonial Kenya and later years was quite emphatic on obedience to God, and the hope for a better life after death. Salvation was based on self-condemnation and repentance of sins for the hope of a better life after death. At the same time worldly riches were condemned. However, in recent times the emergence of the full gospel churches have given greater emphasis on individual salvation based on freedom from sin, and self appreciation. These new religious affiliations are motivating the followers to self-appreciation and even individualism. Consequently these factors motivate women to be largely innovative. It can be concluded that the protestant ethic did not create the achievement motivation among Kenyan low income people especially women. By its nature the protestant church tended to be class oriented so that most of the marginalised groups have tended to disassociate themselves.

A focus in to the educational background and attained skills by the women entrepreneurs indicated

that the mean number of schooling for the women was seven years. These findings are shown on table 4:4 and Fig. 4.1.

Table 4:4: Attained Level of Education

	None		Primary School		Secondary School		Total	
	%	N	%	N	%	N	%	N
29	-	(-)	28.6	(8)	71.4	20		(28)
39	4.1	(2)	71.4	(35)	24.5	12		(49)
49	6.5	(2)	33.9	(26)	9.6	3		(31)
and over	75.0	(6)	25.0	(2)	-	-		(8)
All		(10)		(71)		(35)	(100)	(116)

The table shows that the women aged 20 to 29 years were all literate 20 (71.4%) had secondary school education and 8 (28.6%) had primary school education. The cohort aged 30 to 39 years had most of the women 35 (71.4%) with primary school education 12 (24.0%) with high school education and 2 (4.1%) had no schooling. In the cohort comprising of women aged 40 to 49 years 26 (83.9%) had primary school education, 3 (9.6%) had secondary school education and 2 (6.5%) were illiterate. The table further shows that 6 (75.0%) of the women aged 50 years and over had no schooling and 2 (25.0%) had primary school education. None of the women in this age cohort had secondary school education. The findings shown on table 4:4 are further supported by figure 4:1. A comparison of table 4:4 and

FORMAL SCHOOLING AMONG BUSINESS WOMEN

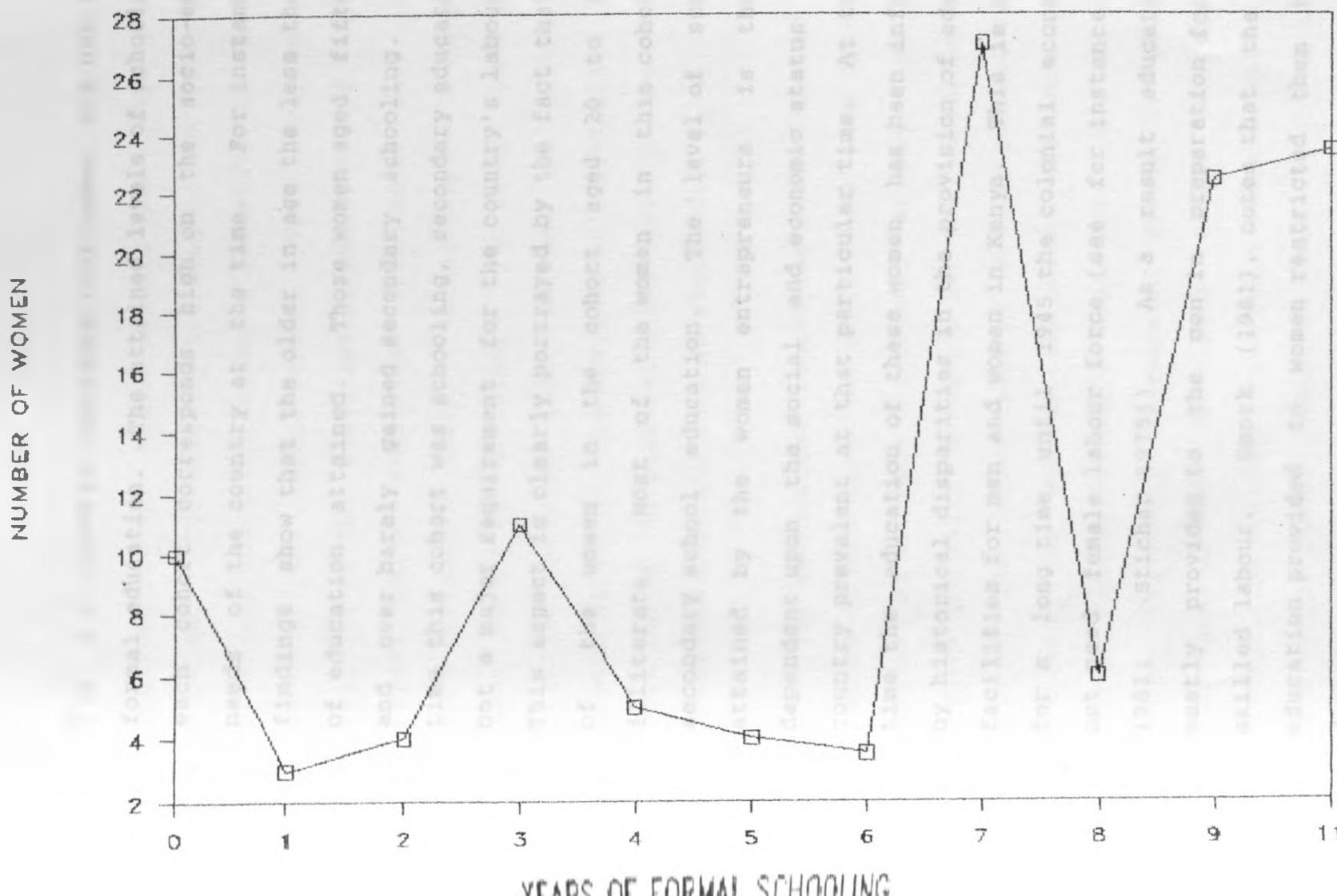
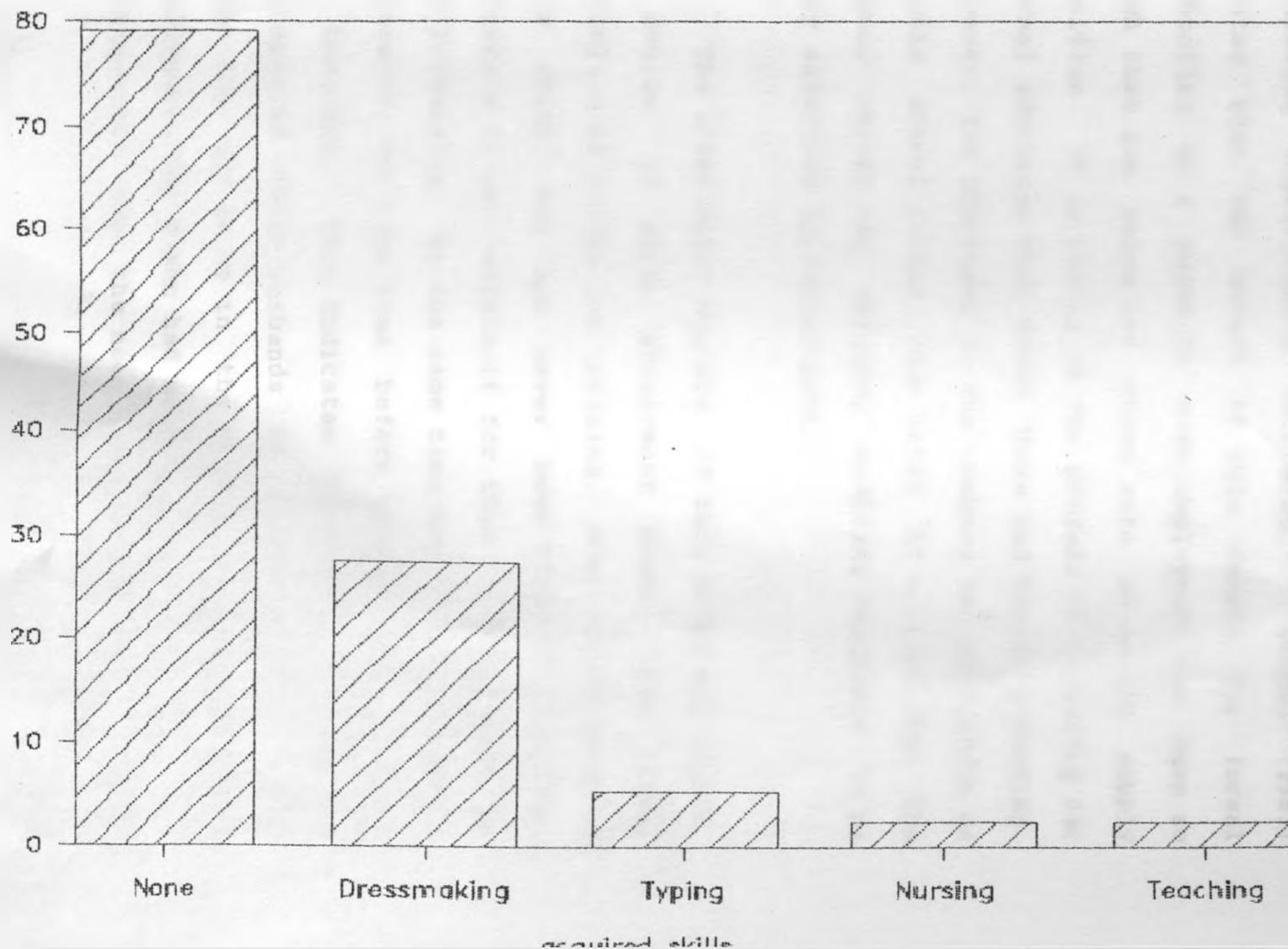


Fig. 4.1 clearly indicates that women are not lacking formal education. The attained levels of schooling for each cohort corresponds high on the socio-economic needs of the country at the time. For instance, the findings show that the older in age the less the level of education attained. Those women aged fifty years and over barely gained secondary schooling. At the time this cohort was schooling, secondary education was not a major requirement for the country's labourforce. This aspect is clearly portrayed by the fact that none of the women in the cohort aged 20 to 29 was illiterate. Most of the women in this cohort had secondary school education. The level of schooling attained by the women entrepreneurs is therefore dependent upon the social and economic status of the country prevalent at that particular time. At the same time the education of these women has been influenced by historical disparities in the provision of education facilities for men and women in Kenya. This is because for a long time, until 1945 the colonial economy did not need female labour force (see for instance (Smock 1981; Sticher 1975)). As a result education was mostly provided to the men in preparation for non-skilled labour. Smock (1981), notes that the little education provided to women restricted them to the domestic sector.

Lockhart (1981) further notes that the education provided in the Kenyan schools has always been "too bookish". Consequently training on the job after the classroom education becomes a necessity, to enable one to enter the formal sector. This study found that majority of the women entrepreneurs lacked any skills 79(68%) had no skills and training at all. 27(23%) were dressmakers learnt through apprenticeship in the same market or in another. The study found that the training duration lasted between two months to six months 6(5%) of the women were copy-typists 2(1.7%) were nurses by profession and 2(1.7%) were teachers. These findings are seen in Figure 4:2.

The explanation behind the above findings on the nature of education and skill women have lies in the historical economic development of Kenya. An initial source of skill formation is the schooling system. Rempel (1981) shows that by 1968 68 percent of those entering the economically active age were men with formal education while women were only 45 percent. Since the supply of educated persons is primarily a function of the anticipated demand for particular skills, the colonial government prepared African males for manual labour needed at that time. As a result only few women benefited. This situation changed after

Nature of Acquired Skills Among Women



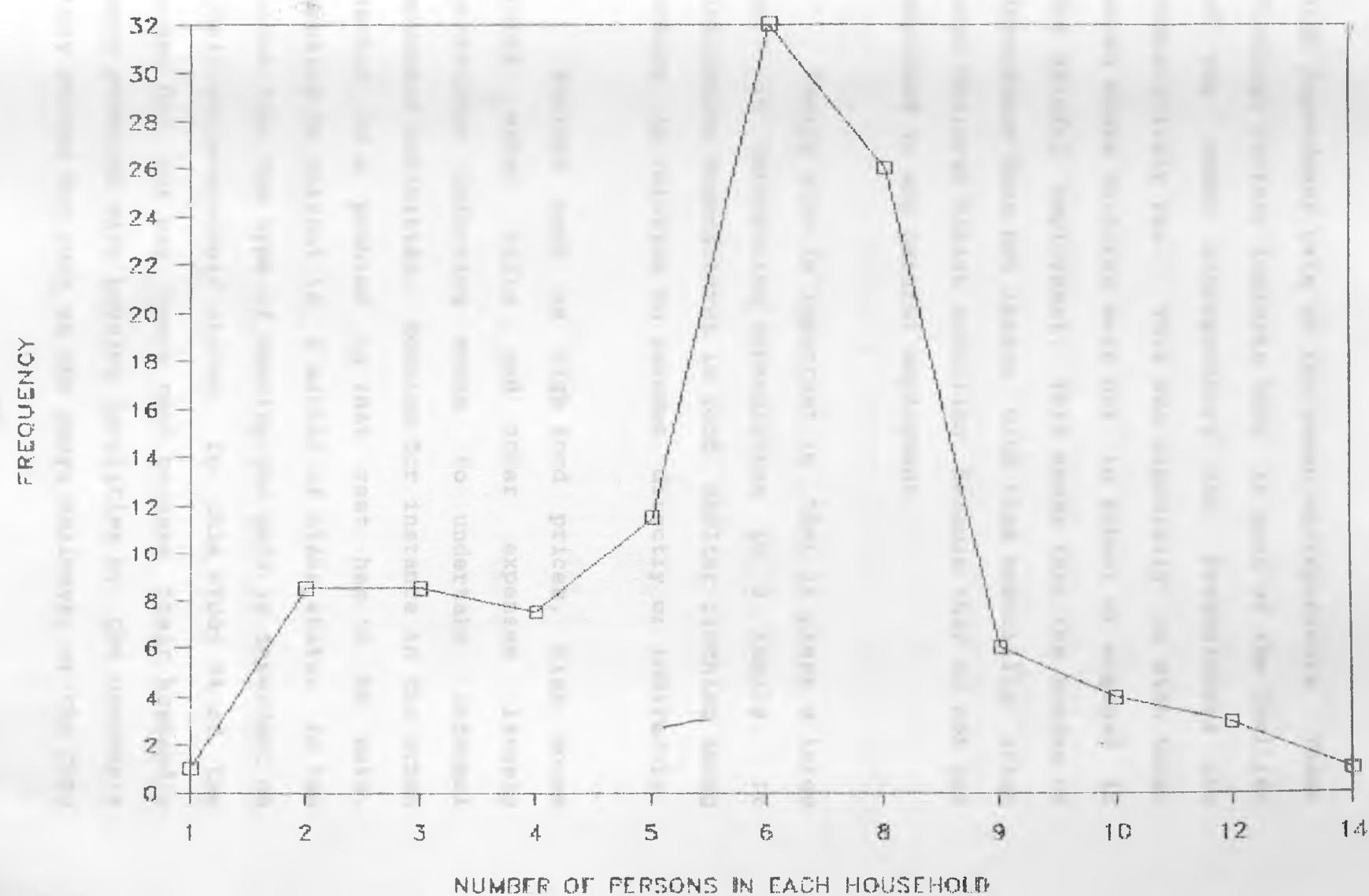
the mid 1950's. First wages were now used explicitly as a means of inducing an adequate supply of African labour. As a result the return for investing in formal schooling significantly increased. Rempel (1981) states that the extent of this demand for formal schooling as a means to wage employment has been so high that now Kenya has moved into an excess supply position. It is really in the process of investing for formal education that women have had formal schooling. However, the increases in the numbers and proportion of female school leavers came later at a time when the labour market had changed, enabling employers to be very selective in recruitment.

The other major concern of this study was skills. A source of skill attainment other than formal schooling is on-the-job training. Most of the women in this study, 90% had never been formally employed. Therefore it was difficult for them to be trained in any profession. At the same time most of them had been housewives for some time before they decided to engage in business. This indicates that most of them had accompanied their husbands to their place of work. Since the aim to be in the city was not to seek wage employment, the women had no need to attain any skills. Consequently, when the need to exploit opportunities in

the informal sector arose, they engaged in income generating activities which did not require any skills. Figure 4.2 shows that most of the women 79 (68%) had no skills. About 27 (23.8%) could make dresses only 2 (1.7%) were teachers 2(1.7%) were nurses, and 6(5.5%) were typists.

The study further focused on the variable, family size because most of the women in the sample, as it was earlier indicated were married. The mean number of persons in the households of the women was six. The mean number of the women entrepreneurs children was four. These findings are shown on Fig 4.3. Most of the women 76 (66%) had 5 to 9 persons in their household these included a helper and relatives. Few of the women 13 (11%) had ten or more persons. Only 27(23%) women had 1 to 4 persons in their household. These findings clearly indicate that the women entrepreneurs had large families to cater for. Most of the women had their children in school or unemployed. 36% of the women stated that they had children who were dependants because they were unemployed. 64% of the women had their children in school. Among these women 71% of their children in primary school. 53% had children in high school, and only 26% had children in colleges. These findings therefore indicate a very

DISTRIBUTION OF PERSONS



high dependency rate on the women entrepreneurs. These findings further indicate that in most of the families of the women entrepreneurs the breadwinners are comparatively few. This was especially so with those women whose children were not in school or engaged in any gainful employment. This means that the burden of dependency does not lessen with time especially after some children finish schooling, because they do not get absorbed in any gainful employment.

Family size is important in that it plays a large part in determining expenditures in a family. It influences expenditures in food, shelter clothing among others, in relation to incomes, directly or indirectly.

Factors such as high food prices, high house rents, water bills and other expenses largely contribute in forcing women to undertake informal economic activities. Housing for instance in the urban sector is a problem in that rent has to be paid. Housing in Nairobi is a matter of class status in the sense that the type of housing one gets is dependent on their socio-economic status. In this study 9% of the women did not pay house rent because their husband's were provided with housing facilities by the company's they worked for such as the Kenya Railways, or the City

Council. 58.9% of the women spent less than Kshs 1000 on housing. About 26% spent Kshs. 2000 to 2999 and only 6.1% spent Kshs. 3,000 and more on housing. These findings are a clear indication that most of the women entrepreneurs are low income earners. The Central Bureau of Statistics (1987) showed that the low income earners spent the least portion of their incomes on housing. Table 4|5 shows these findings by C.B.S. (1987).

Table 4:5: Cost of Living Index by Income Groups: Base January - June 1975

	Upper Income Index: Consumer Price	Middle Income Index: Con- sumer Price	Lower Income Index: Con- sumer Price
House Rent	347.0	415.2	440.2
Food	331.7	313.5	352.5
Cloth and Footwear	320.4	303.2	429.3
Fuel and Power	401.5	444.1	454.6
Recreation Education and Enter- tainment	281.2	234.4	192.7

Source: Statistical Abstract, 1987.

Table 4:5, adapted from Statistical abstract (1987) on the cost of living in Nairobi, shows the expenditures of three income groups on various selected items. The table shows that the low income groups tend to spend a considerable amount of their incomes on

housing. 58% of the women in this study spent less than Kshs. 1000 on house rent a month. However this was a considerable amount because most of their familial income has less than Kshs. 3000 per month. This means that the highest portion of the incomes among the women covered housing. Among other expenses are food, clothing fuel and power. According to table 4:5 house rent was 1.25 times more than the amount spent on food by the low income group. Clothing and footwear consumed 1.21 proportion units of their income than food. At the same time fuel and power consumed 1.28 units more of their income than food. These findings are a clear indication that the cost of living in Nairobi among low income earners is very expensive.

Almost all of the women in the informal sector are low income earners, and are largely marginalized. Most of the income is spent on covering costs that have to do with basic needs like shelter food and clothing. Due to this high level of marginalization it is often very hard for the women to spend money on other effects of the family such as children's education. In the findings of the Central Bureau of Statistics (1987) as well as in this study expenditures on education are considerably low. According to the Central Bureau of Statistics the low income earners spent only 192.7

units of their income on education, recreation and entertainment. According to this study, most women, 68 (58.6%) spent less than Kenya shillings 3000 per year, on education irrespective of whether the children were in high school or primary school. Although it can be argued that most women had their children in government run secondary schools, or city council primary schools, this is a clear indication that they never bought books and such other tools until when extremely necessary. Table 4:6 shows the annual expenditures on the children's education. A few women 35.3% spent between Kshs. 3000 and 4999 on education. These were basically those who attempted to buy books, provide lunch money and transport money. The rest of the women, (6.0%) had their children in private schools and they therefore spent more money on their childrens education. Like many other factors in the informal economy, the business women's children's education depended largely on the socio-economic status of the women.

Table 4:6: Total Expenditures on Children Education Per Year

Total Amount in Kshs.	Frequency	Percent
Less than 3000	68	58.6
3000 - 4000	41	35.4
5000 - 6999	4	3.4
7000 - 7999	3	2.6
Total	116	100

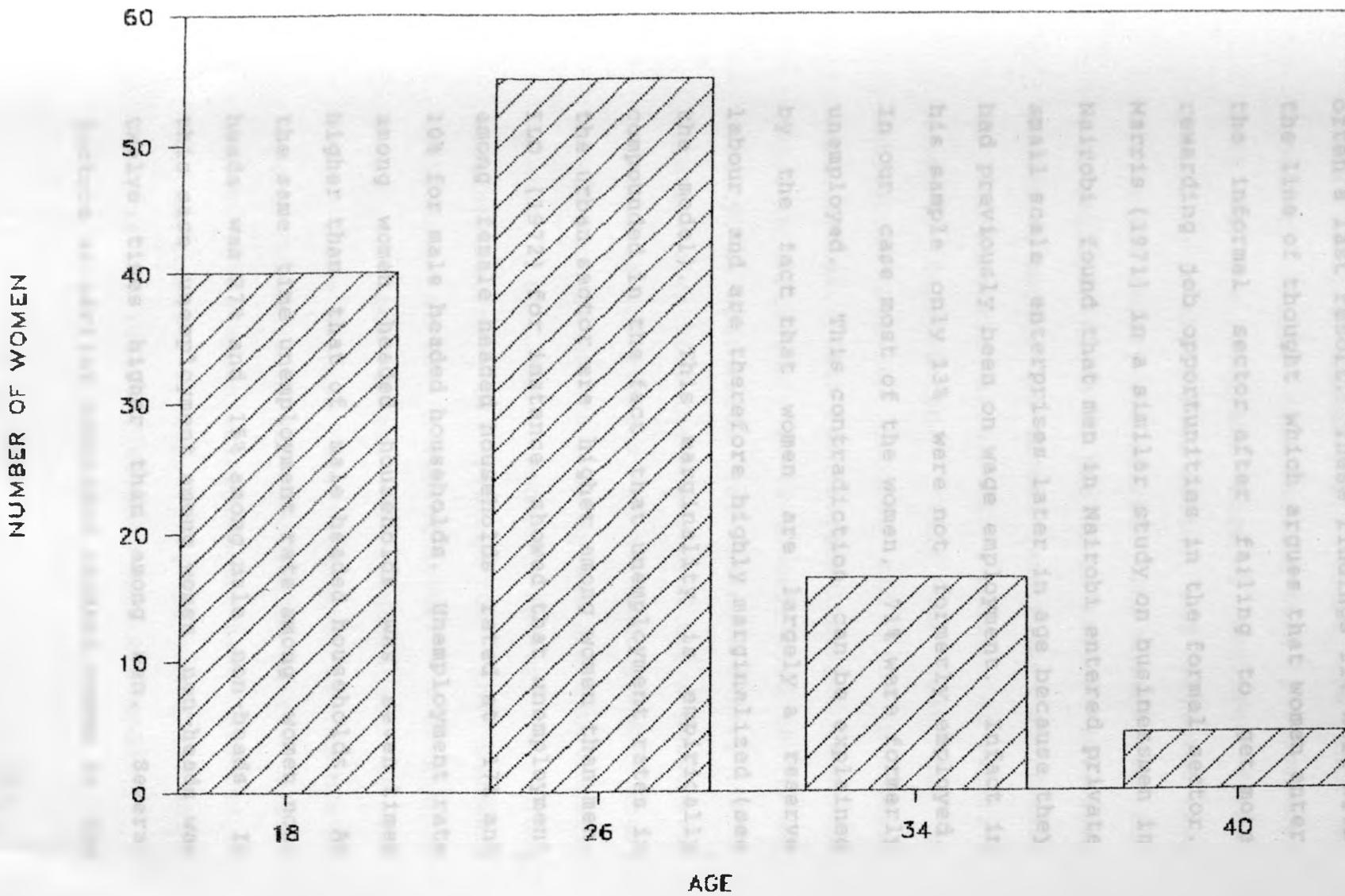
4.3: Socio-economic Characteristics of the Women Entrepreneurs

The factors to be considered in this section are age at which women enter small scale business, factors that motivate women to engage in business and the women's socio-economic status.

The age at which women enter small scale business is an important measure in trying to underscore the factors that lead women to the informal sector. It helps for instance to decide whether the informal sector was a first priority for women, or a last resort. The average age at which women entered small scale business was 28 years of age. Figure 4.4 indicates that most women (47%) entered small scale business when they were aged between 26 - 33 years. A considerable number too, 17 (15%) entered business late at the age of 34 years and over. In total 76 (66%) of the women entrepreneurs entered small business late in age, at 26 years and above. Only 40 (34%) of the women entered business at the ages between 18 and 25 years. The most frequent age (mode) at which women entered business was 32 years while the average age was 28 years, (see fig 4.4).

In the context of the above findings it can be stated that the informal sector to the women is

AGE AT WHICH WOMEN ENTER BUSINESS



often a last resort. These findings fit well with the line of thought which argues that women enter the informal sector after failing to get more rewarding job opportunities in the formal sector. Marris (1971) in a similar study on businessmen in Nairobi found that men in Nairobi entered private small scale enterprises later in age because they had previously been on wage employment. Infact in his sample only 13% were not formerly employed. In our case most of the women, 71% were formerly unemployed. This contradiction can be explained by the fact that women are largely a reserve labour and are therefore highly marginalized (see the model). This marginality is empirically compounded in the fact that unemployment rates in the urban sector are higher among women than men. ILO (1972) for instance showed that unemployment among female headed households rated at 17% and 10% for male headed households. Unemployment rate among women headed households was seven times higher than that of male headed households. At the same time unemployment rate among women non-heads was 27% and 15% among male non-heads. In this case unemployment among women non-heads was twelve times higher than among men. Several factors as earlier indicated renders women in the

urban sectors unemployed. These are lack of necessary skills for various task performances lack of the adequate form of required formal schooling in the formal sector, and cultural ties within the family structures. The unemployed and even employed women in the urban sectors have been forced to engage in income generating activities in the informal sector as a result of relative economic deprivation. This has been due to imbalances between incomes and the necessary expenditures. This form marginalization does not exist in isolation. It is closely tied to the way society is organized. For instance Janvry (1975) rightly notes that the unemployed are a purposeful creation in the process of economic growth, found in all sectors of the economy and are functionally related to the modern sector. This marginalization is related to the backward technology at the national level; consequently there are low levels of remuneration of the labour-force because the technology is unable to absorb the mass of the population in the modern sector. The women entrepreneurs have reacted to this marginality by exploiting opportunities which exist in the informal economy (see the model).

The informal sector is not a homogeneous continuum (House 1979; 1981, Hake 1977, Nici 1979) note that there are various class divisions within the informal economy. Nici dealt with beer brewing and prostitution. House (1979, 1981) and Hake (9177) were biased in favour of male entrepreneurs. In this study women of certain income groups were found to be clustered around certain markets that correspond with income zones in Nairobi. Women from high income residential areas occupied the middle income zone located markets. Women residing in low income zone residential areas occupied markets in low income zones. These findings are shown on Table 4:7.

Table 4:7: Market Category by Place of Residence

Market Category	Place of Residence					
	High Income		New Income		Total	
	%	N	%	N	%	N
Middle	37.5	(3)	62.5	(5)		(8)
	0.9	(1)	99.1	(107)		(108)
Total		(4)		(112)	100	(116)

The Chi-square has been calculated despite frequencies being in the neighbourhood of 5 or smaller because it is easy to make modifications. (see Blalock H.M. 1987 pp. 291).

$\chi^2 = 51.05$ DF = 1
 Confidence level .001
 Contingency Coefficient = .51962.

According to the table, most women 107 (99.1%) reside in low income zones and they operates their business in these zones. Very few women 4 (3.4%) reside in high income zone areas in Nairobi. Those few who resided in high income zones operated their businesses in the middle income zone located markets such as Kenyatta market. Virtually no woman from the high income residential areas operated in the low income zone markets. At the same time very few women residing in low income residential areas operate their business in the middle income zone located markets. It is therefore rare to find a woman residing in Bahati estate operating a business in Kenyatta market or city market. These empirical findings can be interpreted in the context of the marginalization perspective. Since the economy of the country under study is itself peripheral, the depreciated effects of the economy are felt not only at the national level but also at the micro-level. The impact of this marginalization is consequently reflected at all levels of the economy.

Displacement of the poorer by those who are socio-economically better placed is a common feature in the markets located in the housing estates such as Dandora, Kariobangi North and South. The well to do families of the middle class in the estates of Kariobangi South,

Ngummo, Dandora and Kariobangi North have displaced the poor women and men who reside in Mathare and Kibera from the market stalls. This is because the poor owners who were allocated the stalls by the city council prefer hawking to waiting in a market stall all day long. Hawking brings in faster money each day and therefore daily meals are assured. At the same time, by renting the stalls to those who are economically better off, owners are assured of an income every month from the stall. This income ranges between Kenya shillings 200 to 500 per month.

This process of displacement is not just related to the market stalls. It has to do with the direction taken in planning of the city of Nairobi. This direction is well illustrated by Noormohamed (1988) and Peak L and Moser O.N. (1987) who indicate that the housing estates classified as low cost housing are not occupied by the poor. It is the middle income earners who occupied these houses in Kariobangi and Dandora estates. This is because the low income earners could not afford to meet the requirements of these projects that were catering for the urban poor. Consequently the middle income class displaced them because they could afford. This displacement in the housing project went beyond into the markets built adjacent to these estates.

It was further found that there was a strong relationship between the geographical location of the market and the nature of enterprises women conducted. The agricultural produce oriented business were found in low and very low income zones, such as Landhies Road market, Burma market and Sokomjinga market. Virtually none 1 (0.9%) of the markets located in the middle income zone dealt with agricultural produce, with the exception of city market. It is also notable that the quality and quantity of agricultural produce sold in this market is very expensive and the target customers are mostly tourists, expatriates and wealthy Africans. The dress makers, hair saloons and kiosks are concentrated in the housing estates of Dandora, Kariobangi North and South. This has to do with socio-economic status of the women and the displacement process on the housing estates. These findings are shown on Table 4.8.

4.8: Market Category by Nature of Business

Nature of Business	Category of Market						Total
	Middle	Low	Very Low	%	N	%	
Agricultural produce	1.9 (1)	53.8 (28)	44.2 (23)				(52)
Fruit stalls	11.9 (5)	9.5 (4)	78.6 (33)				(42)
Vegetable stalls	9.1 (2)	18.2 (4)	72.7 (16)				(22)
Total	(8)	(36)	(72)	100	(116)		

 $\chi^2 = 25.7$

DF = 4

Significance level .001

The table clearly shows that most of the business that has to do with agricultural produce is conducted in the low income zone markets. The women operating agricultural produce oriented enterprises in the low income zones were 28 (53.8%). These were the markets of Kangemi, Kawangware and Uthiru areas. The women operating agricultural oriented enterprises in very low income zones such as Gikomba, Landhies road retail market, Dandora and Kariobangi was 23 (44.2%). The women in Landhies Retail market sell only fruits and vegetables. The women in Burma and Kariokor too concentrate on agricultural produce. This

concentration has it's origins in the colonial history because most of the women in these old markets started by hawking food in Nairobi where most of it was sold to Indians. With the construction of the new estates like Dandora, some women found it necessary to sell food produce precisely for the estate dwellers.

There are only 5(11.9%) women in the middle income zone markets who had dress and hair saloon businesses. This is largely because of the orientation of businesses in these markets where concentration has historically tended to be based on agricultural produce. Only 9.5% of the women from the low income zone markets dealt in hair saloon and dressmaking business. The low participation in these type of businesses can be seen as a matter of socio-economic status. Firstly most of them lack the capital with which to start businesses that require higher capital, consequently only a few can afford to keep the hair saloons and dress making business. Secondly, marketability of the services of such a business maybe quite low because most of the people residing in these areas are easily accessible to such services in the city centre.

In the very low income zones, 33 (78.6%) of the women operated dress and hair saloon businesses. As it

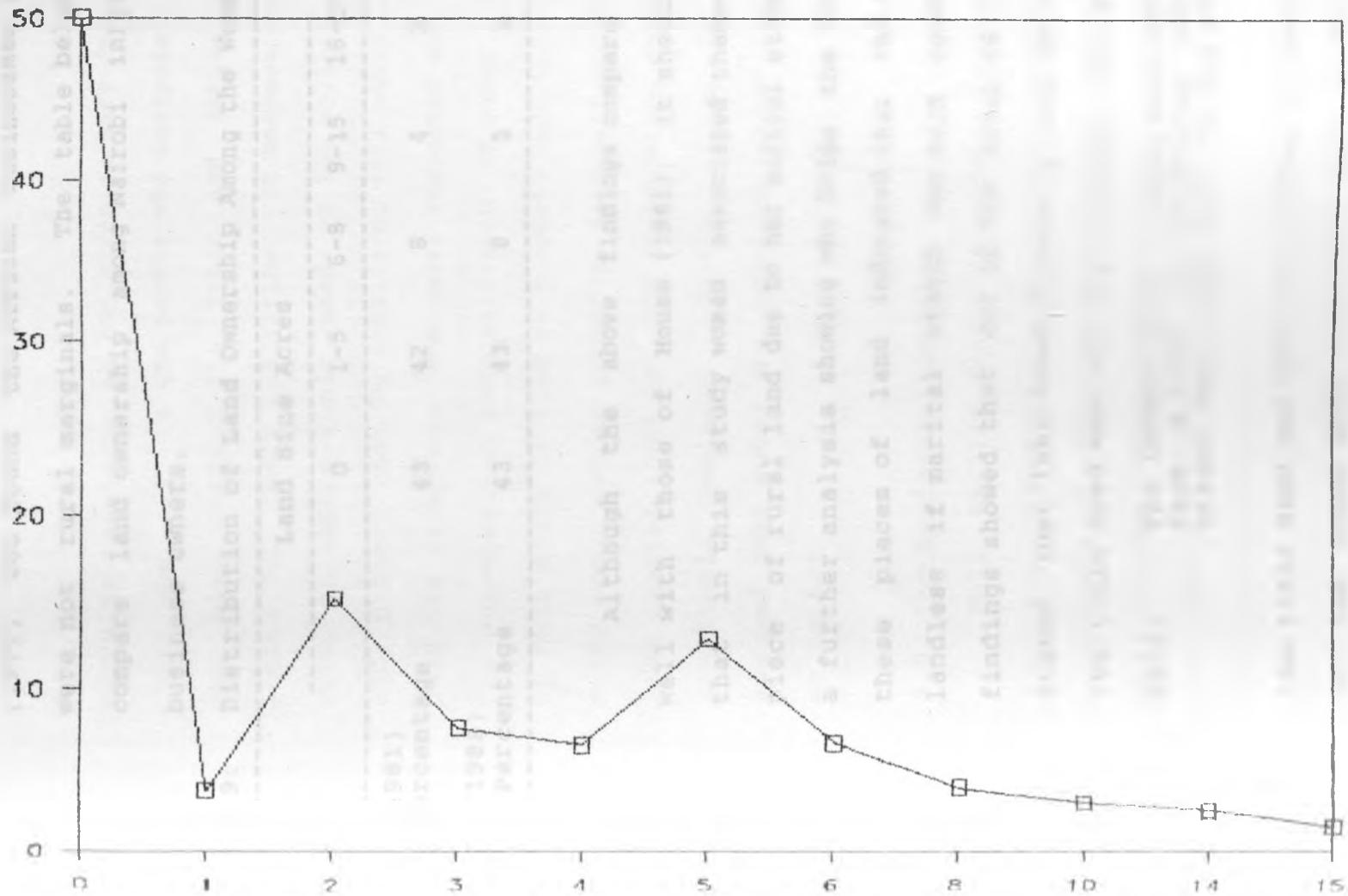
was noted earlier, this concentration has to do with the displacement of the low income group from the low cost housing areas by the middle income class (Noormohammed 1988, Peak and Moser 1987). Consequently the middle income level women have gone further and displaced the low income earners from the market stalls which they had been granted together with the housing facilities. The women operating businesses in these areas therefore tend to have the capital and even the skills to operate dress making and hair saloon businesses. In this zone there was also a high concentration of kiosks which accounted for 16(72.7%). These were largely targeted at serving the residents of these estates by providing the essential services. The women in this business sold soft drinks, cooking fat, sugar and other domestic essentials. This concentration on kiosk hair saloon and dressmaking is based on the fact that these women have higher educational levels, some have occupations like teaching or nursing. Consequently, they have the skills and capital to start these businesses.

It can therefore be clearly seen that the women entrepreneurs are innovative. They have largely set up their businesses in accordance to the demand of those they provide their services to.

4.4 Land Ownership

The question of whether the participants of the urban informal sector are marginalized in their rural setting or not is still unclear among scholars. This is because there are contradicting lines of thought led by Leys (1973) which believes that the majority of those people in the informal sector are landless and that is why they provide cheap labour in the informal economy. On the contrary, House (1981) empirically found that 43% of his respondents had no land at all, 42% owned between 1 and 5 acres and 15% owned six or more acres of land. These findings are a clear indication that most of those found in his sample of the informal sector were not landless. However it must be remembered that his sample comprised of only 6% women and it is heavily biased towards men entrepreneurs. This study found that those women who claimed to own any rural land, claimed it on the basis of their relationship to their husband or father. The findings in this study show that (43%) of the women had no rural land. The rest of the women claimed that they had certain rights over a rural land owned by their husbands, (see Fig. 4.5). This study like House (1981) identifies that those people in the informal sector are really not marginalized from the rural land. Marris

Number of women



LAND DISTRIBUTION AMONG BUSINESSWOMEN

Although the above findings compare well with those of House (1981), it should be noted that this study would have had more access of rural land due to his rural origin.

A further analysis showing who owns the landless in marital unions found similar findings showed that the landless were more likely to be male than female.

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(1971) too found the African businessmen in Nairobi were not rural marginals. The table below tries to compare land ownership among Nairobi informal sector business owners.

Table 4:9: Distribution of Land Ownership Among the Women

	Land Size Acres					
	0	1-5	6-8	9-15	16-37	Total
House (1981) men) Percentage	43	42	8	4	3	100
Wathya (1988) women) Percentage	43	43	8	5	1	100

Although the above findings compare relatively well with those of House (1981), it should be noted that in this study women associated themselves to a piece of rural land due to her marital status. Indeed a further analysis showing who holds the title deed of these pieces of land indicated that the women were landless if marital status was held constant. The findings showed that out of the total 66 (56.9%) who stated that they owned a piece of land 68% stated that the title deed was with their husband, 21% stated that

NOTE: The totals above on title deed are calculated from a total of 66 because only 66 women stated they owned land. 50 did not own

the title deed was with their father in law and only 6% of the women held the title deed of the land they claimed ownership. Ghutto (1976) points out that

property relations in any given society determine power relations. It is the people who manipulate the former who also control the later and derive high social status for their activities. It becomes easy for this group to impose their needs on the society to control and protect them by mobilising this power on the other hand the later are dominated exploited and undermined. The hypothesised marginalization of women in the model of this study is tied to property ownership relations. Since women own no property, they lack collateral, they lack capital and can not successively engage in more profitable business. However it has for long been assumed that women are provided for by their husband's or father.

4:5: The Business Enterprise

This section discusses various aspects of the business enterprise such as the nature of the enterprise in relation to education, age, skills. It also focuses on factors such as capital invested into the business, source of initial capital and profits obtained from business.

The oldest business enterprises in the sample were set up in 1952. The study found that in a span of 27 years, 1952-1979 only 40 (35%) of the women in the study had been running their businesses. There was a change of wind between 1980-1988 because in the short duration of eight years 76 (65%) of the women in the study set up their enterprises. The nature of these businesses was highly influenced by factors such as age, education of the women, and their socio-economic status. These factors are discussed below.

The study found that there was a strong relationship between age and the nature of business conducted by women. According to table 4.10, there is a very strong

Table 4:10: Age by Nature of Business

Nature of business	20-29		30-39		40+		Total	
	%	N	%	N	%	N	%	N
Agricultural produce	19.2	(10)	26.9	(14)	53.8	(28)		(52)
Dress and hair	38.1	(16)	47.6	(20)	14.3	(6)		(42)
Kiosks	9.1	(2)	31.8	(7)	59.1	(13)		(22)
Total		(28)		(41)		(47)	100	(116)

 $\chi^2 = 20.2$ $N = 4$

Confidence level 95%

Contingency Coefficient .43071

relationship between age and and the nature of business women conduct. The table shows that the younger in age the higher the participation in businesses that do not deal with primary produce like food. Most of the women engaged in agricultural produce 28 (53.8%) were aged between 40 and sixty years. Only 6(14.3%) of the women aged 40 or more years engaged in dressmaking and hair-stalls. 13(59.1%) in this age group engaged in kiosks. From table 4.10 it can therefore be seen that the younger women dominate the kiosks, hairdressing and

dressmaking stalls. The findings are further illustrated by the chi-square χ^2 test which shows a positive relationship between the two variables at 95% degree confidence. At the same time the contingency coefficient indicates a strength of relationship of .43071. The above statistics indicate clearly that there is a relationship between age and nature of business conducted.

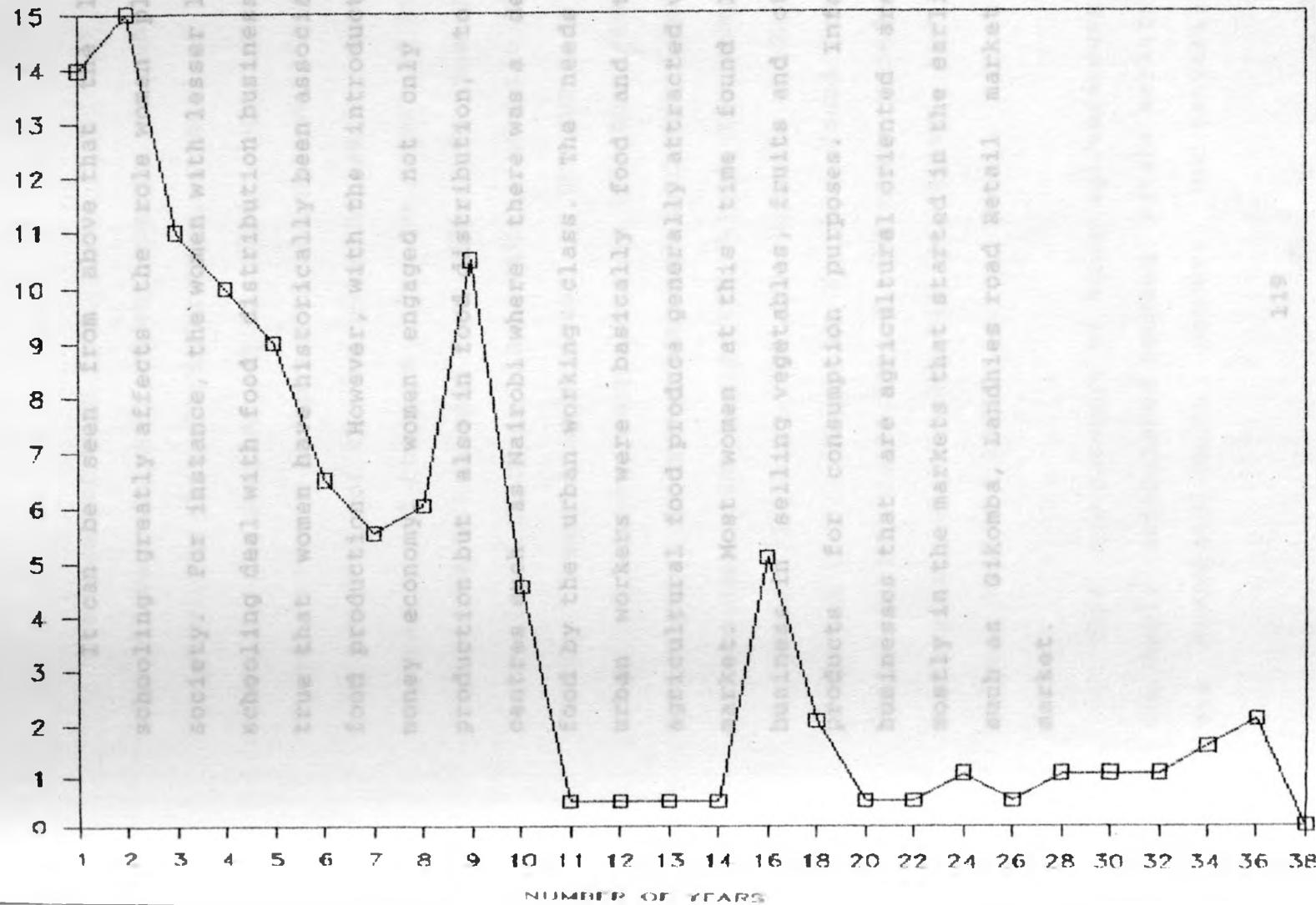
The fact that old age is related to agricultural type of business indicates an aspect of lack of skills to enable these women to engage in other businesses. The association between young age and more involving businesses such as hair saloons and dressmaking can be seen as a women's move to break away from the tradition of trade that concentrated on agricultural produce. Women are seen to be moving in to more innovative areas to meet changing societal needs. Despite heavy restrictions on imported clothes, the need for more and the most recent fashions and design has greatly increased. The business women are able to supply the needed goods and services at lowered rates than the

boutiques and saloons in the private sector. Consequently market is often readily available from the middle class women. At the same time the services offered by these small scale business women are at times not available elsewhere, and when they do, they are too expensive for most people.

This study further found that diversification in the type of business conducted rises with higher levels of schooling. The women who have higher levels of schooling, such as thirteen years, having attended high school for four years are the owners of the dressmaking, hair saloon and kiosk businesses. These women are also young in age and in business. This category of women was 45 (38.8%) and aged between 20 to, 39 years. A comparison with those women aged 40 to 60 years with lesser educational levels shows that only 19 (16.4%) were engaged in dressmaking hair saloons and kiosk business. This study further noted that the women who had higher levels of schooling had also attained skills related to the type of business they were conducting, such as dressmaking.

THE NUMBER OF YEARS BUSINESSES HAVE RUN

FREQUENCY



It can be seen from above that the level of schooling greatly affects the role women play in a society. For instance, the women with lesser levels of schooling deal with food distribution business. It is true that women have historically been associated with food production. However, with the introduction of a money economy, women engaged not only in food production but also in food distribution, to the city centres such as Nairobi where there was a demand for food by the urban working class. The needs for the urban workers were basically food and therefore agricultural food produce generally attracted very high market. Most women at this time found lucrative business in selling vegetables, fruits and other food products for consumption purposes. Infact, the businesses that are agricultural oriented are located mostly in the markets that started in the earlier days such as Gikomba, Landhies road Retail market and city market.

A change of wind took place from 1979 to 1988, when there was a sudden upsurge in small scale business. In this short duration, a total of 76 (65%). Women in the sample set up their businesses. This figure contrasts sharply with the period 1952-1978 when only 40 (35%) of the women in the sample set up their businesses. At the same time the nature of businesses set up greatly changed from 1979. For instance, the study found that in the sample, only 1(0.9%) woman owned a dressmaking business in the duration 1952 to 1978. On the contrary between 1979 to 1988 40 (35%) women opened up dressmaking and hair saloon businesses. At the same time, only 2(3.4%) of the women set up businesses dealing with agricultural produce between 1979 and 1988. The study further found that between 1984 and 1988 20(17.2%) of the women opened up kiosk businesses, while only 2(1.7%) kiosks had operated between 1960 and 1978.

This new category of women entrepreneurs dominate the newly established housing estate markets. These are Kariobangi South, Dandora, and Kenyatta market.

The women located in these areas largely conduct businesses which deal in dressmaking, they also sell imported cloth materials from Uganda and Tanzania. They also sell imported shoes, jackets and even childrens clothing. The imported goods are both new and secondhand. Furthermore these goods are not available in the Asian shops in town. Among the hair dressers, items such as imported wigs and hair products are available.

The business women are not necessarily engaged in the importation of these goods. Those who are not in the importation business obtain them from middlemen who are also mostly women. Since these business women are known to be dealing with imported goods and their prices are affordable and even payable over a long duration such as three months by instalments, market is not a problem. However competition is very stiff among the businesswomen.

The above findings are a clear illustration that the women entrepreneurship in the informal sector is not a recent phenomenon. The exploitation of informal sector opportunities by women to earn incomes has been therefore a long time. However the nature of businesses they engage in are heavily dependent upon the demands of the society at a particular time.

This study went further and considered capital formation in the business enterprises. The importance of this particular variable lies in the fact that it will enable us to conclude whether there are prospects of the development of a class of indigenous capitalists in the informal sector. Indigenous capital is important not only for the individual owners but also for the overall advancement of a country towards industrialization. The study focused on the sources of initial capital, capital formation and employment in these small enterprises.

The study found that 90(77.5%) of the women entrepreneurs started their businesses with money from their own savings. These savings were obtained from hawking for a long duration. In this manner, the women were able to accumulate enough money to rent a stall in the market and buy the first stock of their goods of sale. In this category were also those women who combined the capital from hawking with whatever pocket money they obtained from their husbands.

The second category of business women was comprised of women who combined their own savings and some money given by their husbands, purposely to start the business. Most of these women had been formerly employed on wage labour or still held their formal jobs. This group comprised of 15 (13%) in the sample. Those women who resigned from their payed employment to start their businesses were full time occupied in running their enterprises. Those who had retained their wage employment visited their businesses three or four times a week.

The third category of women comprised of those women who were given the capital to start their businesses by their husbands. These were 11(9.5%) of the sample.. These women had previously been housewives.

The above findings indicate that most of the women begun their businesses sorely out of their own initiatives. The duration taken before starting the business is often long and tedious. This is indicated by the fact that majority of the women 77.5% hawked and sacrificed their pocket money in order to accumulate the necessary capital to start a business. These findings sharply contradict with the case of women in Ghana for instance where Claire (1982) studying the Ga women traders found that women borrow money from their husbands in form of loans to start or expand their businesses. The women in our study did not borrow money from their husbands to start or expand their businesses. Instead, women formed associations in their markets whereby they contributed a certain amount of money such as twenty shillings on a weekly basis.

The money was banked in the postal bank and if anyone of the women traders needed money she would get a loan from the association. This was found among women in Kawangware, Kangemi and Landhies Road Retail markets. Table 4:11 shows the sources of initial capital in relation to the amount of capital used to start a business.

The table further shows that most women who solely relied on their own savings 55 (61.1%) started off with less than Kshs. 1000. Only 19 (21.1%) started off with Ksh 1000-2000. Furthermore a comparison with those who had their initial capital from their husbands or were assisted does not show a significant difference. We therefore conclude that initial capital for the women entrepreneurs is a major problem.

Table 4:11: Percent Distribution of Women by Initial Capital and Source

Amount of initial Capital in Kshs.

Source of Income	Less than 1000		1000-2000		2000-2999		3000+		Total	
	%	N	%	N	%	N	%	N	%	N
Her own Savings	61.1	(55)	21.1	(19)	7.8	(7)	10.0	(9)		(90)
Combined her savings with money given by husband	46.6	(7)	33.3	(5)	20.0	(3)	0	(0)		15
Given by her husband	27.3	(3)	63.6	(7)	0	(0)	9.1	(1)		11
Total		(65)		(31)		(10)		(10)	100	(116)

The study found that the women entrepreneurs made considerable profits in their enterprises. Capital formation was influenced by the nature of the enterprise. According to table 4:12, most of the women 73 (62.9%) make between Kshs. 2000 to 3999 per month. The women engaged in dressmaking and hair saloon business earned higher incomes than the others. This is indicated by the fact that none of the women in these type of businesses earned less than Kshs. 2000.

Table 4:12: Nature of Enterprise by Capital Output

Amount of Money in Kshs.

	Less than		2000-3999		4000+		Total	
	%	N	%	N	%	N	%	N
Agricultural Produce	28.8	(15)	67.3	(35)	3.8	(2)		(52)
Dressmaking and Hair	0	(0)	61.9	(26)	38.1	(16)		(42)
Kiosks	13.6	(3)	54.5	(12)	31.8	(7)		(22)
Total		(18)		(73)		(25)	100	(116)

a month. On the contrary, 15 (28.8%) of the women engaged in agriculture based business earn less than Kshs. 200 per month. At the same time only 2 (3.8%) of the women in agricultural based businesses earn four thousand shillings or more per month. Most of the women in the kiosk business 12(54.5%) earn between two thousand and four thousand, while 7(31.8%) earn four thousand and over per month. Only 3(13.6%) of the women in kiosk business earn less than two thousand shillings. The relationship between nature of enterprise and incomes is very strong. This was indicated by the chi-square test where $\chi^2 = 26.7$ at 95%

confidence level. At the same time the contingency coefficient was extremely high at .58843.

The findings shown on table 4:12 on the relationship between the type of business and incomes are very significant in this study. Those women who do not engage in businesses dealing with primary products are able to make more money because of the nature of the services they provide. Market is always available form those who want clothes or want their hair made. At the same time, the goods sold in the kiosks are often an everyday necessity. Furthermore most of the services offered in hairdo and dressmaking are offered at lower prices than at the private sector. The public relations offered are also favourable as the atmosphere is friendly and informal. Consequently buyers are often more attracted to these places.

The two aspects discussed above capital input and incomes from the business are highly related to investment and growth of the business both vertically and horizontally. The issue of investment in the

informal sector is an aspect of great controversy among scholars and researchers in the informal sector. There is a line of thought that holds the view that there is heavy investment and capital formation in the informal sector. Critics of the above line of thought such as Leys (1973) argue that the sector is unproductive and is generally exploitative of the poor. The women in this study confirmed investing in their business or not. 94(81%) of the women stated that they continued to invest in their business even though at times the rate of investment was extremely low and slow. 57 (49%) expanded their business by increasing the items they sold. 17 (14.7%) increasing the items for sale and saved their money in postal banks. 20(17.2%) bought tools of work. This group was largely comprised of those in hair saloons, or had small kiosks dealing with hotel services.

The women who had postal bank accounts could not open bank accounts in the bank institutions because they did not have enough money to start an account with savings bank. This is one of the major hindrances that

made it difficult for women to obtain loans and credit from the banks. This aspect further disqualified these women from obtaining loan and credit from other formal organizations like the Kenya Women Finance Trust (K.W.F.T.). This is because a major requirement for the women to be assisted by the organization is that they should have a bank account. Although a large number of women made considerable profits by the time they were interviewed, they could not obtain any financial help because even after their business started doing well and bringing in more profits, the women decided to remain with the postal bank as their saving institutions.

The NCCK (National Council of the Churches of Kenya is another formal organization which assists entrepreneurs irrespective of their sex. None of these women interviewed were aware that NCCK assists entrepreneurs. The NCCK does not require security or bank accounts, it reaches its target group through community workers who are based in low-income areas like Mathare and Korogocho. The above presentation

shows that the two organizations in their own ways assist entrepreneurs, but they operate in zones where they can not reach these women entrepreneurs in the markets. The NCCK tends to specialise in the very poor, the women in this study are not very poor. The Kenya women Finance is far beyond the women in this study. Consequently as a result of their operating zones the middle level women entrepreneurs are beyond reach, by the financial institutions. As a result investments are dependent upon the capital efforts.

The women entrepreneurs also sacrifice certain necessities because they think that it is a way of saving their incomes and therefore leading to accumulation of capital. For instance, they choose to walk to and from their place of work and they also choose not to buy food for lunch. They opt to cook in their stalls, or to carry cooked food from their own houses.

This study went further and focused on the women entrepreneurs as potential employers. It is often stated that the informal sector provides employment. The view is held by ILO (1972) and Safa (1984). However they do not precisely state who and what quantity of people find employment in the informal sector. In this study the women entrepreneurs themselves are considered to be in gainful employment in their enterprises. However the women are not able to provide employment for others. 88 (79.9%) of these women stated that they did not employ anybody to assist them in their business. This was due to the fact that most of them had started off with very little capital. Consequently expansion was extremely minimal and no extra labour was really needed. 19 (16.4%) of the women employed only one person 7 (6%) of the women employed two labourers on a casual basis. 6% of the women had three casual labourers and only 2 (1.7%) women had three employees, two of whom were casual labourers hired when the need arose. Table 4;13 shows these findings. The findings from table 4;13 clearly show that employment in the informal sector is mostly

benefiting the entrepreneurs. The informal sector is not generally attracting a working class largely because of the flux of capital input and capital output.

Table 4:13: Distribution of the Number of Employees in the Enterprises

Number of Employees	Frequency	Percent
0	88	75.9
1	19	16.4
2	7	6.0
3	2	1.7
Total	116	100.0

This study further contradicts the arguments forwarded by Marris (1971) when studying African businessmen in Kenya, Katzin (1961) when studying African entrepreneurs and even Digolo (1988) who in different ways showed that African entrepreneurs employed their relatives in their businesses. This study found that 92% of those women who had any employees had no familial relations with them. Only 8% had employees who were family members and they were paid in cash. In this perspective the study concludes

that women entrepreneurs run self-owned enterprises and not family owned enterprises as Wanzalla (1975) stated in her study on women and work. Almost invariably 79% of the women did not use their children in providing labour in the business. This contrasts with Barnejee (1984) who studied the urban poor in India. She argued that whole families are often engaged in the informal economy activities including women and children. This is because this labour is often unpaid. In this study, those women who had relatives as employees in their business paid them in cash.

4.5.1 The Problems Women Experience in the Informal Sector

Women entrepreneurs experience many problems in the informal sector, some of which are unique to women alone. Most of the women complained that lack of enough capital to boost their enterprises was their biggest problem. 59(50.7%) brought out the issue of lack of capital as their major problem. 28(24.1%) stated that competition within the market was their major problem as it affects marketability of their

services. 29(25%) complained that there was always a problem of price fluctuation which often led them to great losses.

The fact that lack of capital is a major problem clearly indicates that women in the informal sector are by and large economically marginalized. This is not only because they lack the necessary capital to expand their business but also they lack security to guarantee them bank loans. More than this is the fact that the charitable organizations that assist women and the poor in general have not reached this class of women.

These problems women face are closely linked with lack of adequate education necessary for the business world. This conclusion was reached as a result of the fact that most of the women were not aware of the existence and of institution that assisted small scale entrepreneurs. The women also stated that they kept no records on matters concerning cash in flow or expenditures. It is also lack of adequate education that brings about unwillingness to adopt changes and

therefore innovation in to diverse spheres of business is very rare. Concomitantly there is horizontal proliferation of enterprises and thus women complain of competition, and price fluctuations.

They fail to realise that if they diversified their activities competition would be less. At the same time the women lack courage to take risks. They fear that the business they started through so much pain may collapse and they would be left with nothing.

Most of the women expressed feelings of being disadvantaged in comparison to their male counterparts, engaged in the same business in a number of ways. Women argued that since men are propertied they tend to have access to loans. In case of failure in their business men can afford to sell some livestock in their rural home land and uplift the business with the money. Despite these arguments, those women who held title deeds of their piece of land in the rural areas never thought that they could use the land to obtain capital to expand their business. The value attached to the

land was too great for the women and they could not understand how they could use it as a security to obtain a loan to expand their businesses.

The awareness of disadvantage against men increased with higher levels of schooling. The women with lower levels of schooling never expressed feelings of being disadvantaged.

In conclusion it is evident that the engagement of women in small scale enterprises in the urban informal sector is a complex process rooted in the change from a subsistence economy to a capitalist one, under conditions greatly unfavourable to women. The engagement in the informal economy indicates that women have not been passive accepters but have struggled to survive in that economic set up.

CHAPTER 5

SYNTHESIS AND CONCLUSION

5.1 Data Analysis and Interpretation

This chapter moves beyond the descriptive format in chapter four and analyses the data using inferential statistics such as correlation coefficient r and the stepwise regression analysis. In this chapter we try to show the degree of association between the causative and causal factors. Three hypothesis are tested in this chapter, using the inferential statistics named above.

In order to test the relationship between the dependent and independent variables effectively, the chi-square test was first used. This test would enable us to find out if there is any systematic relationship between two variables. Secondly the correlation coefficient r was applied. This statistic showed the strength of association between two interval-level variables and indicated whether the association was positive or negative. The stepwise regression analysis was further used. This tool was very useful for prediction and accuracy because only the most sensitive variables from the chi-square and the coefficient r were used. It also controlled intervening variables in a relationship between any given two variables.

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5.1.1 The first hypothesis to be tested stated that;

There is a direct relationship between the level of formal education of the women and the nature of the business they operate in the informal sector.

This hypothesis was tested using the chi-square test, and the stepwise regression analysis. The findings on the relationship between these variables are shown on table 5.1 and 5.2 respectively.

Table 5.1: Level of Schooling by the Nature of business enterprise

Nature of business enterprise	Level of School						Total	
	0-4		5-9		10+			
	%	N	%	N	%	N	%	N
Agricultural produce Business	30.8	(16)	40.1	(25)	21.2	(11)		(52)
Business and hair business	2.4	(1)	31.9	(13)	66.7	(28)		(42)
Business	4.5	(1)	63.6	(14)	31.8	(7)		(22)
Total		(18)		(52)		(46)	100	(116)

$\chi^2 = 15.6$

D.F. = 5

Significant at 0.01

Confidence level 95%

Note: Figures in parentheses are actual findings.

Table 5.1 presents the chi-square findings on the relationship between level of schooling and nature of business. The χ^2 equals -15.6 significant at 0.01 with a degree of freedom of 5. These findings indicate

clearly that with higher levels of schooling the likelihood to engage in the kiosk hair and dress businesses increases. Before further discussion we wish to show the findings of the and the regression analysis. This was the second measure of this hypothesis. Since the dependent variable the nature of business) was nominal, it was converted to a dummy variable. Dummy variables are created by treating each category of nominal variable as a separate variable by assigning arbitrary scores for all cases. For example the nominal variable type of business which has three categories agricultural produce, hair saloon and dressmaking and kiosks are conceived as three separate dichotomous variables. All cases are assigned arbitrary scores like 1 on the dummy variable standing for agricultural produce, and 0 on all the others. The new dichotomous variables are called dummy because their scores have no meaning other than representing the original variable. Since the dummy variables are arbitrary, the metric values of 0 and 1 can be treated as interval variables and inserted into the regression equation (see Nie 1975).

In this study the dummy variables were created for the dependent variables agricultural produce as Dummy variable 1 (D_1), hair saloon and dressmaking dummy

variable (0) D_o and kiosks dummy variable (0) D_o respectively. The findings of the stepwise regression analysis are shown below on table 5.2.

Table 5.2 Stepwise Regression Analysis

Dependent variable V0680 Business type

D₁ Agricultural produce

D_o Dressmaking and hair saloon

D_o kiosks

Independent variables entered on step number

Number of years of formal schooling V0006

Multiple R . 46110

R² . 21262

Standard error . 44478

Adjusted R square . 20565

Analysis of variance DF

Regression 1

Independent variable attained skills

entered on step number

Multiple r . 52717

R square . 27791

Adjusted R square . 26502

Std error . 42783

According to the findings in tables 5.1 and 5.2 there is a strong relationship between attained formal schooling levels and the nature of business women engage in. Those women with higher levels of schooling are concentrated in the businesses that deal with dressmaking, hair saloon and kiosks. The chi-square test in table 5.1 shows a score of 15.6 with a degree of freedom of 5 and with a confidence level of 95%. The relationship between the dependent and independent variables is therefore very significant.

In table 5.2, the r^2 equals .21262 for formal schooling. Thus it contributes 21 percent of the variance in the dependent variable. The r^2 for attained skills is .27791 and therefore both variables contribute 27 percent of the variance in the dependent variable. At the same time multiple R equals .52717 which is a very significant relationship.

All the statistics used to measure the relationship between level of schooling and nature of business show very high levels of association. This relationship can only be explained by the fact that the nature of formal education with its heavy literacy and non-technical emphasis has for long been viewed by the African as a way of graduating from physical labour

(see for instance Mazrui, 1986). In this case those with higher levels of schooling tend to engage in businesses which are looked upon as less tedious in form of physical labour. This is especially so because the agricultural produce type of business is physically tedious in that one has to fetch the items of sale early in the morning, from the farmers at Wakulima market. This is where farmers bring their produce and sell at low prices. There is often a rush to obtain the goods and furthermore the work involved makes the businessmen and women dirty. On the other hand those engaged in hairdo, dressmaking and kiosks businesses do not have to rush for the goods they sell in this manner. The raw materials of their products are found in shops in the city, while those who deal in imported goods have the middlemen who provide them the goods they need at their business premises. In this respect we find structural differentiation among women entrepreneurs in the informal sector based on attained levels of formal schooling.

5.1.2 The second hypothesis in this study stated that:

The socio-economic status of the women entrepreneurs in the informal sector is reflected in the nature of enterprise they own.

This hypothesis was tested using chi-square test

χ^2 = the r' and stepwise regression analysis.

(see tables 5.3, 5.4, 5.5). In Table 5.3, the χ^2 equals 13.0 and a confidence level 95%. This is a very significant relationship between place of residence by income levels and the nature of enterprise established by respective women. None of the women residing in high income residential areas engaged in agriculture-based businesses. Instead, they engaged in kiosks or dressmaking and hair saloons. At the same time, most of the entrepreneurs reside in low income zones.

Table 5:3: Residence by Nature of Enterprise

Nature of enterprise	Place of Residence				Total
	High Income Zone		Low Income Zone		
%	N	%	N	%	N
Agricultural Produce	0	(0)	44.8	(52)	(52)
Dress and Hair Saloon	23.8	(10)	76.2	(32)	(42)
Kiosks	31.8	(7)	68.2	(15)	(22)
Total		17		(99)	100 (116)

$\chi^2 = 13.0$

Df = 4

Confidence level 95%

Significant at .01.

Table 5.4 further shows the computations of χ^2 where former occupation is strongly related to the nature of enterprises women set up. χ^2 is 95.5 significant at .001. This indicates a very strong relationship between socio-economic status of the women and the nature of enterprises they set up.

Table 5.4: Occupation by Nature of Enterprise

Nature of Enterprise	Former Occupation								Total	
	None		Formerly employed		Currently employed					
	%	N	%	N	%	N	%	N		
Agricultural Produce	90.4	(47)	9.6	(5)	0	(0)	100	(52)		
Dress and Hair Saloon	54.8	(23)	38.1	(16)	7.1	(3)	100	(42)		
Kiosks	63.6	(14)	36.4	(8)	0	(0)	100	(22)		
Total		(84)		(29)		100	(116)			

$$\chi^2 = 95.5$$

$$DF = 4$$

Confidence level 95%

Significant at 0.001

The stepwise regression analysis (table 5.5) indicates that socio-economic status is highly indicated by the nature of enterprise since the multiple correlation coefficient is .7602. This means that 57% of the variability of the dependent variable in this hypothesis is attributed to socio-economic status. It is also notable that this variability would

have even been higher if all the data to be regressed was interval.

The above analysis indicates that socio-economic status is highly related to the nature of enterprise, so that those with low socio-economic status are likely to engage in agricultural produce business while as socio-economic status rises, the higher the likelihood to engage in more demanding enterprises. The aspect of class status and nature of enterprise illustrates empirically the hypothesis at the second level of abstraction that the activities of women in small scale business are significantly related to salient aspects of societal organization, such as privatization and investment which tend to be directly related to socio-economic class.

Table 5.5: Summary table for hypothesis 2
Stepwise Regression Analysis
Dependent variable: Nature of enterprise

Independent Variables	Multiple R	R Square	Rsq Change	Simple R
Age	.5394	.2909	.2909	.5394
Level of formal schooling	.6302	.3972	.1063	.4963
Woman's Income	.6782	.4600	.0628	.5143
Acquired skills	.7212	.5202	.0602	.1932
Residence	.7505	.5633	.0431	.0848
Occupation of men	.7602	.5780	.0147	.0932

5.1.3

The third hypothesis to be tested stated that:

Capital input in the women's small enterprises is influenced by their socio-economic status.

The findings of this hypothesis are summarised in tables 5.6 and 5.7. Table 5.6 shows that there is a very strong relationship between the independent and the dependent variable. The χ^2 equals 46.8 significant at .001 and a 95% confidence level. A further test was applied on these variables, the correlation coefficient r was .6228. The two tests, the chi-square and the correlation coefficient r indicate that there is a strong relationship, and that it is positive. A stepwise regression analysis was carried out for further testing. The stepwise regression analysis in table 5.7 indicates that socio-economic status of women contributed 42% of the variability in the dependent variable capital input. A closer look at table 5.7 however indicates that schooling, woman's age woman's income and source of initial capital have the highest association with dependent variable, capital input than all the other variables. The other variables seem to have very low correlations with the dependent variable. The relationship is explained by the fact that some variables play a very significant part in explaining the dependent variable than others. In this association, the stepwise regression analysis indicates

that the source of initial capital, women's income and women's former occupations play a significant part in explaining the variable capital input. The study therefore concluded that there are some factors under socio-economic status which explain the variance of the dependent variable more than others. In this case age, source of initial capital and the woman's income are of utmost importance. These variables are important because of the marginal level in which women find themselves in matters related to property ownership. For instance, most of the women lack tangible property under their names as earlier explained in this study. The source of initial capital therefore assumes great importance because the women have to find informal ways of earning the capital to start a business. For example they have to save the pocket money they get from their husbands. Others after saving from the pocket money have to start by hawking until they accumulate enough capital to rent a stall and buy a few items. Some of those women who were previously employed in formal jobs had to try and save from their meagre earnings because the type of employment they had been in was paying very lowly. Ulku B (1983) in a study in the United States argues that women in self employment often start businesses that require little capital input. This is because they have always earned

little and therefore they have always had less access to sufficient material or monetary resources to establish independent enterprises with alot of capital input. Since they have always earned less they save less. In this study however only a few women had the opportunity to earn that little money. Most of them 85 (73%) had been unemployed and therefore the amount of initial capital becomes extremely crucial whether one was employed or not. Marris P (1971) in a study of Kenyan African businessmen stated that the initial capital was not a problem to the men. Most had previously been employed and had saved a substantial amount. At the same time they had tangible security to enable them obtain loans from I.C.D.C. Their problem was that they did not often get the amount of working capital they borrowed from the organization. In this study the women are lacking the salaried jobs, the tangible property as well as the loans. Women can not obtain loans from Kenya Women Finance Trust fund without the approval of their husbands, Ghutto (1976) states that neither can the Housing Finance cooperation of Kenya (H.F.C.K.) lend out money to women even if they had the proper requirements without the approval of their husbands. Because women are not propertied, they have little or no accessibility to credit and loan facilities from the lending organizations. This

situation is the one that refers really to total marginalization and economic deprivation from a historical past to the present. This relationship is based upon historical marginalization and economic deprivation of Africans and especially women. However this study indicates but just one way through which women have exploited opportunities in the informal sector and have invested in small scale businesses.

Table 5.6: Source of Initial Capital by the Amount of Initial Capital

Source of Initial Capital	Initial Capital in Kshs								Total	
	Less than Kshs 1000		1000-2000		20001+					
	%	N	%	N	%	N	%	N		
Her own savings	72.7	(64)	21.6	(19)	5.7	(5)	100	(88)		
Lent by husband	37.5	(3)	25.0	(2)	37.5	(3)	100	(8)		
Her own savings plus added by husband	20.0	(4)	60.0	(4)	20.0	(4)	100	(20)		
Total		(71)		(33)		(12)		100 (116)		

$\chi^2 = 46.8$

DF = 4

Confidence level 95%

Significant at .001

ble 5.7: Summary Table for Hypothesis 3

Stepwise Regression

Dependent Variable: Initial Capital in Ksh.

Independent	Multiple R	R ²	Rsq Change	Simple r
Source of Initial Capital				
D ₁ , her own Savings	.3924	.1540	.1540	.3924
All others D ₀	.4931	.2472	.0932	.2078
Womans Income	.5834	.3404	.0530	.4963
Level of formal Schooling	.6126	.3753	.0349	.5403
Occupation D ₁ , Employed	.6273	.3935	.0182	.0823
All others D ₀	.6400	.4096	.0161	.0063
Husbands Income	.6487	.4208	.0112	.0012
Age	.6521	.4252	.0044	.3491

Note: D₁ = Dummy variable 1D₀ = Dummy variable 0

5.2 Conclusion, Implications and Recommendations

The aim of this study was to analyse the factors that make women in Nairobi engage in small scale enterprises, which women engage in the businesses and the nature of the business enterprises, they engage in.

Interest in this area emanated from the fact that no studies have been conducted before in Nairobi's informal sector with special reference to women in small scale business. Most of these businesses are a recent phenomenon of the late 1970's. This study therefore is a pioneer in trying to elucidate female entrepreneurship in Nairobi's informal sector. This study portrays the female factor in the informal sector in a different perspective away from the stereotypes of the urban woman as dependent, the illegal brewer or the prostitute. See for instance (Bujra 1972, Nici 1975, 1979, 1977; Little K 1974).

It was hypothesised that low incomes in the family unit is a basic factor that motivates women to engage in small scale business and therefore most of them are marginalized and economically deprived. This state of affairs is reflected in the nature of enterprises they run.

The model used explained that total marginalization of Africans and especially women has had great impact from the colonial times to the present. Women have historically lacked property which they can use as collateral security, and wage employment has often yielded low pay. It was further

argued that this was a necessary condition for capitalist development.

The study found that most of the women entrepreneurs in our case 81% of the 116 interviewees are married and basically enter small scale business at the mean ages of 28 years.

The study further fond that women, irrespective of socio-economic status tended to congregate in certain types of business associated to the domestic domain such as dressmaking, groceries, hair saloons and different types of kiosks. This kind of concentration is largely tied to socio-cultural conditions under which girls have grown up in. Their small scale businesses tend to be a replica of the household chores they have been subjected to. This study further found that women are not lacking in formal education, rather it is the nature of formal education that they are subjected to that is a major hindrance to the choice of job opportunities available to them. This limitation also affects the nature of their enterprises and entrepreneurial advancement. The study found that even those women with the highest level of education, form four level did not attempt to innovate their entrepreneurial skills into businesses furthered away

from the domestic chores. This is largely because they did not have skills to innovate in other businesses nor did they have enough capital to venture in to other businesses. The study found only 2(1.7%) women out of 116 in furniture shop and a car spare part stalls which they stated had been started by their husbands and they took over after business expanded. 2(1.7) women dealt with imported clothes, one actually went out of the country to bring them while the other one dealt with imported second hand clothes. Out of the 116 women only these two seemed to have really advanced in entrepreneurial skills away from most of the others.

The study further found that investment and expansion of the businesses is highly limited and extremely minimal. Most women stated that they lacked the necessary capital to invest more in to the business. This is because they lacked collateral to make them accessible to loan and credit facilities. However it was surprising too that 6(5.2%) women who stated they held the title deeds to their land did not attempt to obtain loans and credit. This is largely because they felt that land was a security and if the business collapsed they would go back to the land. At the same time since most had gone to the business to supplement the incomes of their husband there was no

need for great effort to reinvest heavily because the business was a means to an end and it assisted them in supplementing their husband's incomes. The study therefore concludes that although economic advancement requires financial resources, and far more than has yet been available, the most fundamental resource it requires is creative innovation. The women entrepreneurs have been creative in starting the enterprises but they largely lack foresight and awareness of a wider market that can be serviced if they expanded. The study further found that the financial barriers between the economy of the household and that of the enterprise are often fluid. This was particularly so in the groceries. The practice of financing the enterprise out of personal savings means that investment in the enterprise is at most times in competition with a variety of other expenses. These other expenses can be called consumption and which the business woman might view as standing alternative investments. The study found that since the initial capital is often very low, and the women do not borrow loans, expansion is very limited. This is because capital formation and accumulation takes a long time. At the same time even those with a capacity to expand prefer a size of an enterprise that can be easily managed by one person without requiring help.

There are several references in the literature of informal sector that mention the unpaid family labour. This kind of labour is said to be quite important in businesses in the informal sector. This study did not find concentration of unpaid family labour in the businesses run by women. The form of informal activities carried out in our study are not like the small scale commerce, where a child can sell newspapers quite as well as an adult. The enterprises in our study calls for boldness and skill. In most cases the women run the enterprises alone. Only very few had casual labour. In cases where family members were utilized they were paid a salary as any other worker would receive. The findings here contradict with those of (Marris 1971) in his study of African businessmen in Nairobi. He pointed out that kinship ties hinder expansion of African owned enterprises because some have so little to put in the business. In our case the advantages of employing family members in the same enterprise do not lie in the area of enumeration. As earlier mentioned these issues have to do with problems of capital control and they are also tied to the social economic and political set up of the whole Kenyan society.

This study found that women entrepreneurs have gone into business to survive and really not to seek

power and authority. The study found that only 24 (20.7%) were seeking economic independence when they entered small scale business. Most of them did so in order to supplement their husband's incomes. The women in our study were from the middle and low income levels. This is not to say that all women in the informal sector belong to these income levels. Indeed some are very poor and others are reasonably wealthy.

5.2.1 Policy Recommendations

For any recommendations to be effective, it will depend on whether or not women's contributions are understood and perceived to be an important societal development particularly in the economic realm.

It is recommended that there be a priority in redefining and rethinking the notion of entrepreneurship with national goals. This is because in most cases the attempt to alter structural relationships in the economy has resulted in ignoring small scale indigenous business. This has led to importation of entrepreneurship and duplicating lines of production.

More systematic knowledge is required on the social and economic organization of internal trade and the various facets of indigenous enterprise. Perhaps

more emphasis on the changing dimensions and creative aspects of the indigenous economic system in relation to women would help sensitize central planners to view local entrepreneurs in more creative terms.

5.3 Areas for Further Research

Without pretending to be exhaustive this study has focused on areas to do with the factors leading to female entrepreneurship, the characteristics of the women entrepreneurs the nature of the enterprise and problems faced in the entrepreneurial sector, by women. However the informal sector in Nairobi itself is so heterogeneous that this study can not pretend to have covered it all.

There is need to look at factors that have to do with transfer of capital between the activities of women entrepreneurs in the informal sector and the formal sector. There is also lack of comparative data representative of the various sub-sectors of the informal sector. There is very little known about women in the manufacturing and building sectors. There is also need to study women entrepreneurs in other urban areas, in towns such as Mombasa, Thika, Nakuru and others for proper analysis and policy making. Trend data would be extremely useful in illuminating the

impact and consequences of change over time.

Despite the part women have played in trade and commerce, little attention has been directed to the problems they encounter in accumulating capital, and even in obtaining credit and loan facilities. Although the Kenya women Finance Trust has been assisting women in this area one condition is that a woman should have record of book-keeping for the past six months. Most of the women lack any book keeping records because they have no value for them. It becomes questionable then whether there are other less complicated ways which could be applied to facilitate easier availability of loans to women. Finally among the unmentioned problems is the concern for change. The possibility of broadening the scope and efficiency of the women's productivity. Given the women's existing entrepreneurial skills, levels of literacy and market organization, it is important to look on how efficiency of their productivity can be increased. A response to these concerns demands a critical appraisal of the changing nature of the opportunity structures to which women have different access such as education and training, technical assistance and social and economic resources.

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Yield of irrigation -

Information

I would like to make certain points. I am referring to the majority of people I am trying to study in this country that don't have any kind of basic education. I would like you to apply to this situation and give me your views. Any information you give, that there is any concentration that can be developed. I am referring to basic education, primary and secondary. The emphasis has been placed on basic education.

Education is the most important factor in development.

Health - a good health care system is important.

- small scale agriculture, handicrafts,

industries,

education, transportation,

power generation, irrigation, roads, etc.

use of technology.

Age-old traditions, beliefs, etc.

APPENDIX

QUESTIONNAIRE

Questionnaire No.

Market Name

Date of Interview

Introduction:

Good day. My name is Regina Gathoni Mwatha. I am a student at the University of Nairobi. I am trying to study a few things that motivate urban women to engage in small scale business. I would be glad if you can spare a few minutes and give me your views. Any information you give, your name or any credentials shall not be divulged. I guarantee to keep them strictly confidential. The research has been cleared by the Office of the President.

Clearance No.

Dated: Nov. 1988

SMALL SCALE WOMEN BUSINESS ENTREPRENEURS

INTERVIEW SCHEDULE:

A. BACKGROUND INFORMATION

1. No of respondent.....
2. Name of respondent
3. Age of respondent (actual age)

4. Marital Status:

(i)	Single	(ii) Married
(iii)	Widowed	(iv) Separated
(v)	Other specify	

5. Level of schooling (actual class reached)

(i)	Below Standard 4
(ii)	Standard 4 - 8
(iii)	Form 1 - 4
(iv)	Form 5 - 6
(v)	Above high school, (specify)

6. Place of residence

7. Ethnic membership

8. Religion

9. Do you belong to any group?

(a) Do you hold any leadership position?
(i) Yes (ii) No

B. HOUSEHOLD INFORMATION

10. Total number of persons in household

11. Number of children:

- (a) Under school age
- (b) In pre-primary
- (c) In primary school
- (d) In secondary school
- (e) University/College
- (f) Employed
- (g) Unemployed

12. Amount of money spent on fees per year in primary school education:

- (a) Amount of money spent per year on fees for secondary school children.....
- (b) Amount of money spent per year on post secondary school children
- (c) Total amount spent on fees for all children in learning institutions per year

13. Do you assist anybody else in your family other than your children?.....

C: HOUSEHOLD EXPENSES

14. Could you please give an estimation of the household expenditures that you met last week on:
Unga maizemeal
Unga wheatmeal
Salt/Sugar

Tea leaves/Coffee/Cocoa
Soap (washing)
Toilet Soap

- Meat/Mutton/Chicken,
e.t.c.
- Cooking fats/fuel/
charcoal, etc.
15. How much did you spend on personal effects like
clothing furniture, etc. in the last three months?
.....
16. How much do you spend on:
- (a) House rent
(b) Electricity bills
(c) Water bills
(d) Transport bills
(e) Any other specify
- LAND OWNERSHIP
17. Do you own any piece of land of your rural home?
- (i) Yes
(ii) No
18. Who holds the title deed of that piece of land?
.....
19. What is the size of that piece of land? (Acreage)
.....
20. Who controls the use of land e.g. who decides
whether maize will be grown?
.....
- Who decides whether beans will be grown?
.....
- Who decides whether Tea will be grown?
.....
- Who decides whether Coffee will be grown?
.....
- Any other (specify)
.....

21. What do you produce on that piece of land?

- (a) Cash crops.....
- Subsistence crops.....
- Subsistence and cash crops
- Specify the crop type.....

(b) How much income do you get from that piece of land from each of the following:

- (i) Cash crops you grew.....
- (ii) Subsistence crops your grew....

22. If married what does your husband do?

(a) In which of the following classes does his income per month fall?

- (i) Less than Kshs. 500.00
- (ii) Kshs. 500 - 1000
- (iii) Kshs. 1,000 - 2,000
- (iv) Kshs. 2,000 - 3,000
- (v) Kshs. 3,000 - 4,000
- (vi) Kshs. 5,000 and over.

(b) What is the actual income of the husband in Kshs. per month

(c) What is the actual income of the husband in a year?.....

(d) Do you have any other source of income?

.....
Did it help you in setting up the business

.....

23. If not married does anybody help you to maintain your family?

.....

(a) How much income do they provide to your needs?

- (a) Less than Kshs. 500
- (b) Kshs. 500 - 1,000
- (c) Kshs. 1,000 - 1,500
- (d) Kshs. 2000 and over

Please specify the amount.

(b) Average among of money given by husband and other relatives and friends in a year
.....

THE SMALL SCALE BUSINESS

24. What business do you engage in?
.....

25. Do you engage in any other business(s)?
.....
which

26. When did you start this business? (year)
.....

27. What motivated you to start this business?
.....

28. What other items do you sell?
1.
2.
3.
4.
5.

(b) How much do you earn from each one of them per month?

1.
2.
3.
4.
5.

Total Kshs.

29. (a) What skills and training do you have?
.....

(b) Where did you train?
.....

(c) How long did you take to train?
.....

(d) Did you attend refresher courses?
.....

(e) How often?
.....

(f) If not, why not?
.....

(g) If yes, do they help you?
.....

30. How much do you derive from this enterprise per month in Kshs.?

Less than 1000 Kshs.

Kshs. 1000 - 2000

Kshs. 2000 - 3000

Kshs. 3000 - 4000

Kshs. 5000 and over

(b) State the actual amount per month
.....

(c) Are you happy with returns of your business?
(G i v e r e a s o n s)
.....
.....

31. Have you ever been on salaried employment?

(i) Yes (ii) No

(b) What kind of employment?
.....

(c) Were you satisfied with the job you were
d o i n g ?
.....

Why?

32. Are you currently holding this job?

(i) Yes (ii) No

(b) If no, why did you resign?
.....
.....

(c) If yes, why didn't you resign?
.....
.....

(d) Please tell me where the mount of money you
get from your salary in a month

Actual Kshs. per month

Actual Kshs. per year

33. Did you seek employment if you were unemployed?

(b) For how long were you unemployed?

34. If you got some other employment today would you take the job?

- (i) Yes
- (ii) No
- (iii) Other Specify

(b) Why wouldn't you take the job
.....

(c) Why would you take the job?
.....

CAPITAL INPUT

35. How did you start this business?
.....
.....

36. Where did you get the initial capital to start the business from?
.....

37. What was the initial capital with which you started the business?
.....

(b) If it was a loan who lent you the money?

- (a) Husband
- (b) Female friends
- (c) Male friends
- (d) Relatives
- (e) Bank/organization (please specify)
- (f) Other specify

(c) How much did you borrow? Kshs.
.....

- (d) How did you spend the loan?
- (i) All in business
(ii) Part in business Kshs.
(iii) All in the family
(iv) Other specify
- (e) Have you repaid the loan?
- (f) For how long were you expected to (or are you expected) repay the loan
39. Other than the initial capital have you ever borrowed money any other time for business purposes?
- (i) Yes (ii) No
- (b) Who rent you? (if yes)
- (c) For what purpose did you borrow?
.....
.....
- (d) Have you repaid
.....

EMPLOYEES

39. Number of employees
.....
40. (a) Number of employees who are family members
.....
- (b) How are the family member(s) employees paid?
- (i) Cash
(ii) Accommodation
(iii) Others (specify)

41. Do your children assist in business in

- (a) Labour input
- (b) Financially (if employed)
- (c) Others specify

42. Do you invest the income you get from the business

- (i) Yes
- (ii) No

43. If yes, how do you invest?

.....
.....

44. What problems do you face in the running of this
s m a l l e n t e r p r i s e ?

.....
.....

45. Do you think that your problems are more compared
to those of say men?

.....
.....

46. Do you make decisions concerning the business
alone or do you consult somebody?

.....

47. Whom do you consult?

.....