

**CHALLENGES FACING WOMEN IN MICRO ENTERPRISES IN MATHARE SLUMS,
NAIROBI CITY COUNTY.**

BY

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DECLARATION

This project is my original work and has not been presented for a degree in any other University.

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This project has been presented for examination with my approval as the university supervisor.

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DEDICATION

To my Family.

ABSTRACT

There are large numbers of poor women in Mathare slum despite the numerous economic opportunities available for exploitation within the area and its environs. The few women who venture into micro enterprises encounter serious challenges that hinder them from prospering since most of the support is tailored for small and medium enterprises. The broad objective of this study is to explore the major challenges that women entrepreneurs face in establishing and operating micro enterprises in Mathare slums. The objectives of the study were; to examine the challenges facing women in micro enterprises in Mathare slums and to examine the influence of these challenges on the success of women in micro enterprises in Mathare slums. This study was conducted in Mathare which is one of the informal settlements in Nairobi City County. The study population comprised of all women who run grocery and food kiosks in the area. The study used convenience sampling method which involves selecting participants from whatever cases that happen to be available at any given time or place. A sample of 25 female participants was selected from the study population. This study used a cross sectional descriptive design. The main instrument used in the collection of primary data was a semi-structured questionnaire constructed to provide for both open and closed ended questions. The study found that respondents' current enterprises had been in operation for less than 6 months. The challenges that women in the area faced in trying to access credit were lack of collateral, an unwillingness to accept household assets as collateral and negative perceptions of female entrepreneurs by loan officers. Formal financial support proved to be too expensive for many women entrepreneurs. Challenges facing women entrepreneurs included lack of suitable location or sales outlet; stiff competition; low purchasing power of the local population; lack of marketing knowhow; seasonal nature of the business; lack of market information; inadequate infrastructure; shortage of time (due to multiple tasks); shortage of raw materials and shortage of working capital. The results reveal that success of women enterprises depends on the formal education and the training received. The important challenges faced by women entrepreneurs in establishing and growing the business were finance, managing the business and making decisions about the business. Most women entrepreneurs in the area had very little or no education making it hard to run the business well. They were not able to manage business funds and ended up spending the funds on family needs which could lead to business bankruptcy. To fight poverty in Kenya, the pivotal place of women in society (specifically in rural areas) needs to be accepted and supported. Married women should be given support by their spouse in respect of finances, motivational encouragement, advice and actual involvement in the running of business. The public sector and formal financial organizations should be sensitized on the value of gender-balanced participation in the informal sector enterprises. Women entrepreneurs in Kenya should be taught on the value of being independent. This will stimulate them to do things on their own like acquiring property.

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LIST OF ACRONYMS AND ABBREVIATIONS

SME	SMALL MICRO ENTERPRISES
FGD	FOCUS GROUP DISCUSSIONS
GDP	GROSS DOMESTIC PRODUCT
KNBS	KENYA NATIONAL BUREAU OF STATISTICS
ILO	INTERNATIONAL LABOUR ORGANIZATION

CHAPTER ONE

INTRODUCTION

1.1 Introduction

Women in Kenya comprise of slightly over 50% of the country's estimated population of 40 million (KNBS 2010). Their numerical strength suggests that women do indeed play a significant role in economic growth and development (Waleign&Wondim, 2002)providing up to 80% of the labourin the informal sector. The fact that women's labour is however not remunerated or recognized posing a great challenge to women. This has contributed to women being disproportionately affected by poverty all over the world (Kariuki, 2010). In addition to this there is a high rate of unemployment among women in the formal sector where men occupy over 70% of all jobs (Suda, 2002). With this diminished options women especially in the urban areas have ventured to micro enterprises to enable them earn an income.

Micro enterprises are increasingly being recognized as an important avenue for women's economic empowerment contributor to the economy contributing over 50% of all new jobs in the past one year. Ideally, micro enterprises are small businesses initiated with very little capital and mostly by the very poor a majority of whom are women. Micro enterprises, according to a national survey conducted in 1999, contributed to 20% of all employment and more than 25% of the GDP of Kenya. In addition to their role in economic growth, productivity, innovation and employment in Kenya and many other developing countries, micro enterprises provide an avenue for women to earn income to support their households.

Women however face significant gender related challenges in the establishment of new micro enterprises as well as operating and expanding existing enterprises. Women are disadvantaged due to culture and tradition which sets them apart from men in various fields including that of business. They lack finances and the proper management skills to operate businesses. Women have also reported to face more harassment from various council officials than their male counterparts (Bowen et al 2009). These challenges pose a threat to the success of micro enterprises operated by women.

It is thought that if these challenges are addressed then women could contribute more to the economy than they are currently doing today Kariuki (2010). Various studies in developing countries indicate that governments that fail to address gender barriers facing women in business lose out on significant economic opportunities. On the other hand women who have been supported to do business are making a big difference. A study by FridaMuriungi on the challenges facing small- scale women entrepreneurs in Kenya (2011), noted that many stakeholders from the public and the private sectors have put measures in place to empower women by encouraging women's education and finances set a part specifically for women like The Women Enterprise Fund, donor funding, among other many other interventions that have contributed to the increase in the number of successful businesses run by women.

Even with all these efforts that have been made to address the challenges that women face in business, much more needs to be done especially to address the poor women in the slums who may have not benefited from these interventions to help address their plight in business. In Mathare slums women venture various micro enterprises which are associated with traditional women's roles like vegetable and food vending, hair dressing, tailoring among others, here they make do with few skills and minimal capital to start up or manage the micro enterprises.

The slum of Mathare has a vibrant economy which supplies majority of goods and services to its population of over 161,000 and its environs, women make up more than half of the population in the area majority of who are in their productive age and engaged in various activity including micro enterprises. Similar to many other women in other areas women in Mathare also encounter gender related challenges in businesses. In order to help these women to run successful micro enterprises appropriate measures should be taken to identify and address the bottlenecks/challenges that they encounter in the establishment and operation of their micro enterprises.

1.2 Statement of the Problem

There are large numbers of poor women in Mathare slum despite the numerous economic opportunities available for exploitation within the area and its environs. The area has a large population that creates demand for goods and services. The women in Mathare could easily take up these numerous opportunities by engaging in the various micro enterprises but only few do so, this is because many of them encounter challenges that lead to the death of their enterprises, according to Bowen et al (2009) three out of five enterprises fail within the first few months.

Micro enterprises owned by women face these gender related challenges despite their significant contribution to the economy, according to the (Economic Survey, 2006). The few women who venture into micro enterprises encounter serious challenges that hinder them from prospering since most of the support is tailored for small and medium enterprises. This support includes the setting of women specific programmes in training institutions, the Women Enterprise Fund and much of the donor support which fails to reach the women in micro enterprises. These women are left to seek alternative sources like the women's popular merry go round for both financial

support which may not be sufficient and business advice which may not suffice to help the business grow and prosper.

Research shows that women's limited access to formal education, limited skills and access to productive resources, heavy domestic workload and cultural attitudes are all challenges that women encounter in the establishment and operation of micro enterprises (Suda, 2010). Unlike previous studies conducted by the (ILO, 2009) and other researchers like (Suda, 2010 & Kariuki, 2010) that focus on the challenges that business owners encounter regardless of their gender or social status this study focused on social cultural and economic aspects that bring about gender challenges that women in micro enterprises in Mathare slum face. In this context, gender challenges are seen to constraint growth and poverty reduction by denying access to a wide range of economic, human and social capital assets (Suda, 2010).

Women owned micro enterprises in the slums are known for their low start up and working capital (Siwadi, et al 2011, Glen, 2003) such enterprises have low growth rate and limited potential partially due to the nature of businesses they venture into like vegetable & fruits and clothes vending, road side food kiosks, tailoring shops and salons most of which have a short life span or are seasonal. They therefore, are unable to retain customers because they keep changing the type of business. Women are also perceived by society to have little knowledge of business because they have little or no education and experience.

Many of the challenges that women in micro enterprise face can be classified into three main categories of socio-cultural, economic and political challenges. This study therefore seeks to understand and describe how socio roles, culture, economy and politics affect women in micro

enterprise in Mathare slums. The question then is, what are the specific socio-cultural, economic and political challenges that women in micro enterprises in Mathare face?

1.3 Objectives of the Study

1.3.1 General Objectives

The broad objective this study is to explore the major challenges that women entrepreneurs face in establishing and operating micro enterprises in Mathare slums.

1.3.2 Specific objectives

- I. To examine the challenges facing women in micro enterprises in Mathare slums.
- II. To examine the influence these challenges on the success of women in micro enterprises in Mathare slums

1.4 Research questions

- I. What are the challenges facing women in micro enterprises in Mathare area?
- II. What influence do these challenges have on the success of women in micro enterprises in Mathare area?

1.5 Scope and limitations of the study

Mathare has a large population of women who engage in various micro enterprises most of these businesses are conducted in open air and at times mobile. They are open during specific hours to allow the women conduct other domestic roles. The study looked at the social cultural and economic factors posing challenges to women in these micro enterprises and examined how these challenges contribute to the success or failure of their businesses. The study focused on

vegetable and fruit vendors, food kiosks, clothes retailers, tailors and salon micro enterprises in Mathare slum.

The study was subjective since the researcher is the main instrument of data collection, as in many qualitative studies the researcher construed information. The researcher is at liberty to select what they deem as important and discard what they perceive as unimportant (Bryman 1994). Subjectivity also makes it difficult for the study to be replicated, the experiences that the researcher was not necessarily the same for another researcher doing the same research at another time.

The researcher worked with a very small sample size that may not be representative; hence the scope of the findings of this study may be limited and therefore may not be generalized.

1.6 Justification of the study

With the high rate of unemployment in the country in both the government and the private sector (Gemechis, 2007) many women have seen the need to create their own employment by starting up micro enterprises. Although these highly encouraged by the government and other stakeholders by the provision of funds through the women enterprise fund and other avenues set up to support women starting up and running a micro enterprise is not without its challenges and setbacks.

Women contribution to economic development is vital seen as women do comprise more than half of the country's population, (Mould, 2010). By addressing the challenges that women face that limit their success in micro enterprises can significantly improve their contribution toward economic development.

This study therefore has the following significance. It could be an addition to the already source of literature in the area of study, much research, as noted earlier in this paper this particular research on challenges that face women in micro enterprise has not been adequately addressed by research rather most research has focused on the all enterprises without the focus on gender or status. This research could therefore address these specific challenges especially those faced by women in Mathare slum.

This study could help identify areas of further research that can be undertaken at a later date. Seen that this study could utilize the cross sectional research design further research may be conducted using other research designs that to give data that could be more representative to the study population.

Knowledge gained from this research could benefit stakeholders who include the policy makers and financiers of different projects in the slums these include both public donors like government and private donor agencies interested in improving the economic status of women in Mathare slums. This research could assist the stakeholders to plan for an allocate resources in a better manner that could yield significant results

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature on challenges facing women in micro enterprises in Mathare area. The review is divided into the following sub-headings:- literature review and theoretical framework.

2.2 Challenges women Micro Enterprises

The challenges women entrepreneurs have in running their own businesses include lack of enough capital, difficulties in transportation and marketing, the perishability of some commodities and competing demand related to household chores, difficulties in licensing procedures.(<http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/crafts-micro-enterprises/>)

2.2.1 Inadequate Access to Finance

The greatest barrier facing women entrepreneurs is access to finance is an issue because of requirements of collateral. In Kenya only 1% of women own property and that makes it very difficult for women to provide collateral for banks. Most women who venture into businesses in the rural areas and need financing lack the needed collateral to enable them secure bank loans Athanne (2011). The financial aspects of setting up a business are without doubt the biggest obstacles to women (Zororo, 2011;, Brush 1992).

Makokha (2006) adds that women entrepreneurs have financial social demands that compete with business capital, leading to a diversion of capital away from business needs. Some entrepreneurs feel that it is difficult to obtain loans. This is because to obtain loans they are required to show previous credit records and they do not fully understand the requirements of getting and paying loans (Kinyanjui,2006)Loans from microfinance institutions tend to be limited or small in amount, have no grace period, are short term in design and one have to pay very high interest. Consequently, most women entrepreneurs are likely to have multiple short-term loans to cater for both businesses and social needs. Loans to MSE entrepreneurs only satisfy a fraction of their financial needs (Women Entrepreneurs in Kenya, 2008). Formal financial support is seen to be too expensive for many women entrepreneurs and hence they treat this as a last resort. (Stevenson and St-Onge,2005).

2.2.2 Discrimination

Another challenge that women entrepreneurs face is discrimination. Even when women entrepreneurs do approach banks for financing, they face discrimination .Women report that bank officials tend to ignore them in meetings and prefer speaking to their husbands or male business partners. The fact that banks engage in gender bias prevents many women from even approaching them. Some women get so discouraged that they do not bother to seek bank financing and turn instead to informal saving groups.

Gray (1996) adds that the women's major problem during the start-up is the credit discrimination. Although inheritance laws were revised with the succession Act of 1981, women have rarely inherited land and other property in their own right (World Bank report, 2002). This means that they lack title deeds which are still the most commonly used form of security for

borrowing money. Entrepreneurship always involves some level of risk taking. For women in the rural areas, gender stereotyped perception of self, lack of confidence and assertiveness appear to be major barriers. The status of women in a patriarchal social structure makes women dependent on males in their lives –husbands or fathers–and family resistance is a major disincentive to business start-up. Other close male family members often make decisions for women hence going against the independent spirit of entrepreneurship. In addition, women are usually less educated than men, making them less well equipped to manage a business (Common Wealth Secretariat, 2002).

2.2.3 Dealing with the City Council

City council has proved to be a very big challenge to women entrepreneurs in Kenya. Business licensing is an issue for many women entrepreneurs who perceive the process as lengthy and complex (Athanne, 2011). Being a woman seems to exaggerate that fact since most women are harassed by the city council officials when the city council officials come to inspect the business premises. Moreover, women may be less likely to meet and negotiate bribes with the predominantly male council officials.

Bindra (2006) adds many Kenyan MSEs are covered by some formal registration, the cost of such registration is nominal but entrepreneurs find the procedures to be followed and information about offices to be visited for requisite forms and registration to be confusing. There is no “one-stop shop” to inform an aspiring entrepreneur what is required of him or her in terms of regulations to be followed for licensing.

2.2.4 Multiple Responsibilities

One other challenge is the responsibility of providing for the extended family and relatives. Most micro-enterprise financial resources are not usually isolated from personal finances and hence these family obligations are met from resources earned in the business. Their demands tend to drain the savings and income made by the business, since such finances would otherwise have been used in the enterprise for expansion and growth. Though some of them do assist in providing services in the enterprise (or in the family), the financial obligations in supporting them usually exceeds the services they provide.

Ahmad et al (2011) adds that women are overloaded with business and family responsibilities and may not have the time to join these beneficial associations and this automatically limits the women entrepreneurs' because meetings are held at a time when they are looking after their family. Comparative studies show that women start business at an older age than men, when they have had the family and children (Zororo 2011, Green and Cohen 1995), this becomes a great challenge.

The rural women appear not to be driven by profits but rather, by the need to provide for their families. They see enterprises as a means of setting them free from 'begging' from their spouses' money for the basic necessities of their families – food, clothing and health. What they earn is totally spent for the benefit of the entire family. Another key motivating force for women to become business owners has been identified as interest in helping others. Generally women entrepreneurs in small scale business receive substantial family support at start-up and in the course of running their business. Such support is however, based mainly on social rather than economic consideration.

2.2.5 Poor Access to Justice

Access to justice is essential for ensuring, smooth business operations, and it spans issues such as enforcing contracts and employment disputes. Yet women entrepreneurs in Kenya have difficulties when assessing justice. Using the formal courts in Kenya can be costly, complex and time consuming for entrepreneurs. For women who are burdened with their multiple responsibilities in the household and at work and who do not have the know-how to navigate the government process, dealing with the complicated and often corrupt bureaucracy is another challenge (Athanne, 2011).

Common wealth secretariat (2002) records that women often have few or no contacts in the bureaucracy, and there may be a bias against women's businesses. Women have little representation on policy –making bodies, partly because they tend not to belong to or reach leadership positions in mainstream business organizations.

2.2.6 Lack of Education

Lower education levels puts women entrepreneurs in Kenya at a disadvantage compared to men. While gender gap in primary education in Kenya has decreased in recent years, the gap remains high at secondary and tertiary education levels. Lower education does not emphasize entrepreneurship skills. It decreases the chances that women will have the knowledge needed to excel in business, and thereby contribute to the country's overall economic growth.

In education, preference is given to boys, thus the educational level of most women entrepreneurs is very low, creating a barrier for them in accessing training and other business developments services (Women Entrepreneurs in Kenya, 2008). Lack of sufficient education and training is therefore a major impediment to micro-enterprise success. Culturally, and especially

in the rural setting, the girl child was not given equal opportunity to study like the boys; hence they had limited education and training (if any) which makes them less well equipped to manage a business (Commonwealth Secretariat, 2002). Namusonge (2006) noted that entrepreneurial education and training play a key role in stimulating entrepreneurship and self-employment. Despite the presence of Business Development services in Kenya not many women entrepreneurs use it because of cost, access, necessity, or availability (Steven et al, 2005).

2.2.7 Competition

Whilst micro-enterprises are very often the source of innovation, they are also vulnerable to competition from counterparts who introduce new products or services, or improve their production processes. Most of these markets are not expanding and new competitors such as mini-super markets with wide varieties of products for those who were engaged in selling household products are emerging. To Jaiyeba (2010) this could be caused by lack of marketing skills.

2.2.9 Informal Enterprises

It is common knowledge that women are dominate the informal sector and are less present as owners of formal enterprises (JUDAI, 2002; ILO, 2002b). However, there has been little research as to why this is and remains to be the case. Women find it easier to start a business in the informal economy. (Zewde& Associates, 2002). Generic barriers to formalization for MSEs exist in most countries, especially in Africa where much of the legislative and fiscal frameworks relating to private enterprise are still evolving and remain fragmented and bureaucratic (UDEEC, 2002).

2.2.10 Inappropriate Premises

Women's enterprises tend to operate from inappropriate premises, if they have premises at all. MSEs, especially those operating in the informal economy, face significant problems in accessing appropriate and affordable premises. This is particularly so for certain sectors such as food preparation and food processing businesses – activities where regulations require that business accommodation should meet specific hygiene standards. In 2000, an ILO report on MSEs in Tanzania estimated that 60 per cent of informal enterprises operated on the streets (ILO, 2000d). The issue of premises had both overt and indirect gender issues for women parse. More overtly, customary practices in communities often prevent or deter women from owning or leasing premises in their own right. For example, even where women have resources to rent premises, some landlords are reluctant to make legal agreements with the women without their families' approval(UDEC 2002, Zewde & Associates, 2002).

2.2.11 Primarily Micro Rather Than Small Enterprises

Women's businesses are primarily micro rather than small enterprises. The main reasons behind this are that women are seen to have “inappropriate attitudes” to business (UDEC, 2002), are “risk averse”, and not “growth oriented” business owners (Zewde& Associates, 2002). Women are seen to have limited business vision with their main aim being to earn an income – frequently labeled as “supplementary” or “pin money” – and not to build substantial businesses. Other factors which characterize and contribute to the “micro” size of women's enterprises relate to the sectors and markets in which women entrepreneurs operate.

2.2.12 Gendered” or “Feminized” Sectors

Women tend to be found trading in certain areas of business that are often labeled as “gendered” or “feminized” sectors. These sectors are likely to be in saturated markets and or have low margins of return. Parker (1996) found that women not only dominated the informal sector but that they were concentrated in particular sectors: “trading and retailing accounted for 65 per cent of all women in the formal sector” (JUDAI, 2002; and Parker, 1996). In Tanzania: “most women entrepreneurs engage in trading, food processing, textile and clothing, and provide services for businesses” (UDEEC, 2002 a).

2.2.13 Restricted Locally-Based Markets

Closely linked to the issue of business sector and size is the fact that the majority of women operate in restricted locally-based markets which by their nature are small in size. This leads to excessive competition and under-pricing. Women engaged in business largely confine themselves to local markets where access, mobility and networks are easier for them to negotiate (Zewde & Associates, 2002).

Women’s ability to penetrate markets outside of their local area is affected not only by physical mobility issues, but also by the types of businesses women engage in (UDEEC, 2002). Women’s locally made products are increasingly in competition with a growing range of imported goods coming into the market at all levels. Issues of quality and delivery are the same for all micro enterprises, but women face additional gender-based issues concerning mobility – which in turn relate to their dual (household) and triple (community) roles which constrain their time and determine whether it is acceptable for them to travel outside of their communities (UDEEC, 2002,).

2.2.14 Limited Capital Land Low Profits

Women's businesses are under-capitalized and generate limited profits, which mean that they have little opportunity for capital accumulation and are vulnerable to the slightest changes in their business environment. Several studies referenced in the secondary research found that most women entrepreneurs used personal savings, loans from friends and family, and informal lending schemes to fund their businesses (Parker, 1996; Hadiya, 1998; UDEC, 2002). Accessing appropriate forms and levels of finance is seen as a major problem for women, and critical to the development and growth of their enterprises. This need arises as a result of explicit and tacit gender issues relating to various factors noted above, i.e. women's businesses tend to be seen as "too small", require small amounts of money, and are in sectors that do not attract funding.

2.2.15 Minimal Use of New Technology

Women also have businesses which are labour intensive and make minimal use of new technology be this information technology or production and process technology. This is so because of the women entrepreneurs' lack of know-how about technology, their limited exposure to those using such business processes, and their lack of financial resources for accessing such technology (UDEC, 2002). Several development initiatives have been set up to specifically help women improve their technology know-how and their use of appropriate technologies, especially relating to processes in the food sector, but these initiatives have had mixed results (UDEC, 2002).

2.2.16 Minimal Growth through Multiple Enterprises

Women entrepreneurs in many African countries develop businesses beyond the micro or informal level (Marcucci, 2001). Moreover how they grow their businesses, commonly by

starting multiple businesses (known as horizontal growth), is overtly or tacitly seen as a weak strategy when compared to the norm of linear growth of a single business (Olomi, 2001a). Women prefer to start a variety of microenterprises rather than develop an existing business into a SME” (UDEEC, 2002).

2.3 Theoretical Framework

2.3.1 Women empowerment framework

This study will be guided by women’s empowerment framework which was first developed by Sara Longwe (by enabling women to achieve equal control over the factors of production and participate equally in the development process (International Labour Organization, 1998).

Longwe argues that poverty arises not from lack of productivity but from oppression and exploitation. She conceptualizes five progressive levels of equality, arranged in hierarchical order, with each higher level denoting a higher level of empowerment (International Labour Organization, 1998). These are the basis to assess the extent of women’s empowerment in any area of social or economic life. The levels of equality are:

Control: Using the participation of women in the decision-making process to achieve balance of control between men and women over the factors of production, without one in a position of dominance. When women control micro enterprises they are able to improve their lives thus improving their families’ lives. Participation: Pertains to women’s equal participation in the decision-making process, policy-making, planning and administration. In development projects, it includes involvement in needs assessment, project design, implementation and evaluation. Women are able to make their own decisions on whether to take loan or not. They are able to decide what to produce and where to market at any particular time.

Conscientisation: Pertains to an understanding of the difference between sex roles and gender roles and the belief that gender relations and the gender division of labour should be fair and agreeable to both sides, and not based on the domination of one over the other. The gender division of labour is altered when women become entrepreneurs- economic empowerment increases their level of conscientisation that they can actually make it.

Access: Pertains to women's access to factors of production land, labour, credit, training, marketing facilities, and all publicly available services and benefits on an equal basis with men. Equality of access is obtained by securing equality of opportunity through legal reform to remove discriminatory provisions.

Welfare: Pertains to level of material welfare of women, relative to men, with respect to food supply, income and medical care, without reference to whether women are themselves the active creators and producers of their material needs.

Longwe also distinguishes between:

Women's issues which pertain to equality with men in any social or economic role and involving any of the levels of equality and women's concerns which pertain to women's traditional and subordinate, sex-stereotyped gender roles.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter discusses the methodology of the study; it describes the research design, target population, sample and sampling procedure, research instruments, piloting of the instruments, data collection and data analysis procedure.

3.2 Research site

This study was conducted in Mathare which is one of the informal settlements in Nairobi city county. Over 55% of Nairobi's estimated population of 3 million people live in slums. Mathare is one of the largest slums in Kenya with a total population estimate of 161,031 occupants and has one of the highest population density indices in Kenya. Mathare slum is divided into 5 different villages/sub-locations of Mabatini 28,260, Mathare 20,463, Mathare 4A 18,776, Mathare North 55,158 and Mlango Kubwa 38,374 (National Population and Housing Census, 2009).

Mathare is characterized by poor housing; from a distance one can only see rows of rusted iron sheets. Once in the slum open sewers and trenches full of dirt are everywhere one has to literally skip and jump after every step. The houses are crammed close together; most share two of their walls with the next.

In some open spaces and along the corridors some women can be spotted engaged in some activities i.e. washing clothes, plaiting hair, preparing food in big sufurias and others have set up small kiosks where they are selling a few items; both food and non-food.

Majority of the women who are residents in the area are not formally employed and have to seek alternative sources of income which are not easy to come by. These sources include operating micro enterprises. The most common micro-enterprises run by women in the Informal settlements are: retailing of food and vegetables and other commodities, general services such as hairdressing, tailoring which was the focus of this study.

3.3 Study population

The study population comprised of all women who run grocery and food kiosks in the area

3.4 Sampling procedure

The study used convenience sampling method which involves selecting participants from whatever cases that happen to be available at any given time or place. A sample of 25 female participants was selected from the study population. In the absence a proper sampling frame, convenient sampling was considered appropriate because the study was dealing with a population of unknown parameters.

3.5 Research design

This study used a cross sectional descriptive design. Cross-sectional designs involved the collection of data at one point in time. Cross-sectional studies aim to provide data on the entire population and allow the researcher to collect numerous information on the subjects of study at once (Bryman,2012).

3.6 Data collection methods

3.6.1 The Questionnaire

The main instrument used in the collection of primary data was a semi-structured questionnaire constructed to provide for both open and closed ended questions. Interviews refer to a context in which the interviewer has a series of questions that are in the general form of an interview schedule, an interview is a method that is in a position to improve vastly the quality of the data by systematic checking and cross-checking with the informants (Oke, 1990). The questionnaires were administered by the researcher at the business location of the selected study population.

3.6.2 In-depth interviews

In-depth interviews were conducted using unstructured questionnaires. The interviewees were women who have lived in Mathare for a long period of time at least for more than 15 years and have been doing business in the area for almost that long. The purpose of in-depth interviews is to gather information and document experiences that they have lived through over the years. The interviews were able to reveal information that was not available through observation or from those that are new in the area or new in business.

3.7 Data analysis and interpretation techniques

The analysis of data brings order, structure and meaning to the mass of data collected (De Vos 1998). Interpretation on the other hand involved making sense or creating meaning from the data collected. In this study, the data collected from the questionnaires was analyzed through the statistical program for social sciences (SPSS). This was then presented in form of graphs and pie charts. Qualitative data from the unstructured interviews was analyzed using thematic analysis method.

3.8 Ethical considerations

Blanche et al(2009) assert that the purpose of research ethics is to protect the welfare of the research participants. The researcher obtained a research permit from the National Council of Science which together with a letter from the University Institute of Anthropology, Gender and African studies was attached to the interview guide.

During the course of data collection, the participants were well informed that the findings would only be used for academic purposes. Participation in the research remained voluntary. Informed consent was sought form all the participants and confidentiality and anonymity were maintained during this research.

CHAPTER FOUR

FINDINGS

4.1 Introduction

This chapter presents the findings of the study using descriptive statistics. The chapter begins with a presentation of the characteristics of the respondents' review of the response rate and then reviews the frequencies of observations of the variables under study and explores the observed relationships between the variables.

4.2 Response rate

The researcher distributed a total of 25 questioners to Mathare slum women. Of the questioners distributed, 25 were returned representing a response rate of 100%. This response rate is attributable to the number of women living in the area.

4.3 Demographics

The study sought to analyze the demographics of the respondents. This would help to have a clear picture of the respondents. These were age, period of residing in the area, marital status, number of children, education, religious affiliation and main source of income.

Table 4.1: Age of the respondents

	Frequency	Percentage
21-30	9	36
31-40	7	28
41-50	5	20
51-60	3	12
61-70	1	4

Total	25	100
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The study to find out the age of the respondents. According to the findings, 36% of the respondents were aged 21-30 years, 28% were aged 31-40 years, 20% were aged 41-50 years, 12% were aged 51-60 years and 4% were aged 61-70 years.

Table 4.2: Period the respondents had been residing in the area

	Frequency	Percentage
<1yr	2	8
1-3yrs	10	40
3-5yrs	7	28
>5yrs	6	24
Total	25	100

The study sought to find out the period the respondents had been residing in the area. From the findings, 40% of the respondents had resided in the area for 1-3 years, 28% of the respondents had resided in the area for 3-5 years, 24% of the respondents had resided in the area for more than 5 years and 8% of the respondents had resided in the area for less than 1 year.

Table 4.3: Marital Status of the respondents

	Frequency	Percentage
Single	10	40
Married	7	28
Widowed	2	8
Divorced	6	24
Total	25	100

The study sought to find out the marital status of the respondents. According to the findings, 40% of the respondents were single, 28% of the respondents were married, 24% of the respondents were divorced and 8% of the respondents were widowed.

Table 4.4: Number of children of the respondents

	Frequency	Percentage
One	1	4
Two	4	16
Three	10	40
Four	7	28
Five and above	3	12
Total	25	100

The study sought to find out the number of children of the respondents. From the findings, 40% of the respondents had three children, 28% of the respondents had four children, 16% of the respondents had two children, 12% of the respondents had five children and above and 4% of the respondents had one child.

Table 4.5: Education of the respondents

	Frequency	Percentage
No Education	5	20
Primary Education	11	44
Secondary	7	28
Tertiary	2	8
Total	25	100

The study sought to find out the education of the respondents. According to the findings, 44% of the respondents had primary education, 28% had secondary education, 20% had no education and 8% had tertiary education.

Table 4.6: Religious affiliation of the respondents

	Frequency	Percentage
Protestants	13	52
Muslim	2	8
Catholic	10	40

Total	25	100
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The study sought to find out the religious affiliation of the respondents. From the findings, 52% of the respondents were Protestants, 40% of the respondents were Catholics and 8% of the respondents were Muslims.

Table 4.7: Main source of income of the respondents

	Frequency	Percentage
Employed	1	4
casual labor	9	36
self-employed	11	44
no source	4	16
Total	25	100

The study to find out the main source of income of the respondents. According to the findings, 44% of the respondents indicated that their main source of income was self-employment, 36% of the respondents indicated that their main source of income was casual labor, 16% of the respondents indicated that they had no main source of income and 4% of the respondents indicated that their main source of income was employment.

4.4 Enterprise Details

All the women entrepreneurs in area had businesses in the trade and service sectors. These included.

Table 4.8: Duration of current enterprise

	Frequency	Percentage
<6 M	18	72
1-2yrs	4	16
3-5yrs	2	8
>5yrs	1	4

Total	25	100
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The study to find out the duration of current enterprise. From the findings, 72% of the respondents indicated that their current enterprises had been in operation for less than 6 month, 16% of the respondents indicated that their current enterprises had been in operation for 1-2years, 8% of the respondents indicated that their current enterprises had been in operation for 3-5years and 4% of the respondents indicated that their current enterprises had been in operation for more than 5years.

Table 4.9: Enterprise prior to the current one

	Frequency	Percentage
YES	22	88
NO	3	12
Total	25	100

The study sought to find out the respondents had another enterprise prior to the current one. According to the findings, 88% of the respondents indicated that they had another enterprise prior to the current one while 12% did not have.

Table 4.10: Duration of the previous enterprise

	Frequency	Percentage
<6 M	9	36
1-2yrs	10	40
3-5yrs	4	16
>5yrs	2	8
Total	25	100

The study sought to find out the duration of the previous enterprise. From the findings, 40% of the respondents indicated that the previous enterprise had lasted for 1-2years, 36% of the respondents indicated that the previous enterprise had lasted for less than 6 months, 16% of the

respondents indicated that the previous enterprise had lasted for 3-5years and 8% of the respondents indicated that the previous enterprise had lasted for more than 5years.

4.5 Enterprise Assets, Liabilities and Capital

Table 4.11: Source of capital for the enterprise

	Frequency	Percentage
Bank	1	4
Family	3	12
Personal Savings	7	28
Chama	14	56
Total	25	100

The study sought to find out the source of capital for the enterprise. According to the findings, 56% of the respondents got capital from Chama, 28% of the respondents got capital from personal savings, 12% of the respondents got capital from family and 4% of the respondents got capital from the bank. The financial aspects of setting up a business are without doubt the biggest obstacles to women (Zororo 2011, Brush 1992).

Table 4.12: How accessible is credit to you

	Frequency	Percentage
Easy	1	4
Not easy	5	20
Difficult	9	36
Very difficult	10	40
Total	25	100

The study sought to find out how accessible credit was to the respondents. From the findings, 40% of the respondents indicated that it was very difficult for them to obtain loan, 36% of the respondents indicated that it was difficult for them to obtain loan, 20% of the respondents indicated that it was not easy for them to obtain loan and 4% of the respondents indicated that it

was easy for them to obtain loan. Majority of the respondents had borrowed 10 000- 20 000 shillings for the business to date. Women entrepreneurs often lack information about how to get a loan, lack the necessary collateral to obtain one and /or face discriminatory laws or practices related to finance and credit (Common wealth secretariat, 2002).

The challenges that women in the area faced in trying to access credit were they often had fewer opportunities than men to gain access to credit for various reasons. These reasons included lack of collateral, an unwillingness to accept household assets as collateral and negative perceptions of female entrepreneurs by loan officers. Formal financial support is seen to be too expensive for many women entrepreneurs and hence they treat this as a last resort. (Stevenson and St-Onge, 2005).

Table 4.13: Repayment of loans from the proceeds of the business

	Frequency	Percentage
Yes	18	72
No	7	28
Total	25	100

The study sought to find out if the respondents repaid the loans from the proceeds of the business. From the findings, 72% of the respondents indicated that they repaid the loans from the proceeds of the business while 28% did not repay the loans from the proceeds of the business but got the funds from casual labour and from spouses. Kinyanjui (2006) records that some entrepreneurs felt that it was difficult to obtain loans as they had to show credit records and they did not fully understand the requirements getting and paying loans.

Table 4.14: Owner of the business

	Frequency	Percentage
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Self	21	84
Spouse	4	16
Total	25	100

The study wanted to find out the owner of the business. According to the findings, 84% of the respondents indicated that they owned the business while 16% indicated that the business was owned by spouse.

Table 4.15: Ownership of any other business or businesses

	Frequency	Percentage
Yes	3	12
No	22	88
Total	25	100

it was important to find out if the respondents currently owned any other business or businesses. From the findings, 88% of the respondents indicated that they did not currently own any other business while 12% of the respondents indicated that they currently owned other business.

Table 4.16: Challenge in managing the business funds

	Frequency	Percentage
Yes	19	76
No	6	24
Total	25	100

The study wanted to find out if the respondents faced challenge in managing business funds. According to the findings, 76% of the respondents indicated that they faced challenge in managing business funds while 24% of the respondents indicated that they did not face challenge in managing business funds. Women are usually less educated than men, making them less well equipped to manage a business (Common wealth secretariat, 2002).

Table 4.17: Business training

	Frequency	Percentage
Yes	2	8
No	23	92
Total	25	100

Table 4.17 illustrated if the respondents had any kind of business training. From the findings, 92% of the respondents indicated that they did not have any kind of business training while 8% of the respondents had business training. The kind of training they required to run the businesses were business management course, entrepreneurship course, human resource management and business fund management. Namusonge (2006) noted that entrepreneurial education and training play a key role in stimulating entrepreneurship and self-employment. Despite the presence of Business Development services in Kenya not many women entrepreneurs use it because of cost, access, necessity, or availability (Steven et al 2005).

4.6 Family Influence on Enterprise

Table 4.18: Number of hour's respondents opened the business

	Frequency	Percentage
3-4 hours	1	4
5-6 hours	2	8
7-8 hours	3	12
9-10 hours	19	76
Total	25	100

The study wanted to find out the number of hours respondents opened the business. According to the findings, 76% of the respondents opened the business for 9-10 hours, 12% of the respondents opened the business for 7-8 hours, 8% of the respondents opened the business for 5-6 hours and 4% of the respondents opened the business for 3-4 hours. The respondents spent the rest of the time doing house chores. Ahmad et al (2011) adds that women are overloaded with business and

family responsibilities and may not have the time to join these beneficial associations and this automatically limits the women entrepreneurs' wings of exploration.

Table 4.19: Use of business funds to meet family's needs

	Frequency	Percentage
Yes	24	96
No	1	4
Total	25	100

The study sought to find out if the respondents used business funds to meet family's needs. From the findings, 96% of the respondents used business funds to meet family's needs while 4% did not use business funds to meet family's needs. Most micro-enterprise financial resources are not usually isolated from personal finances and hence these family obligations are met from resources earned in the business. Their demands tend to drain the savings and income made by the business, since such finances would otherwise have been used in the enterprise for expansion and growth (Zororo, 2011).

Table 4.20: Family assistance to run the business

	Frequency	Percentage
Yes	23	92
No	2	8
Total	25	100

The study sought to find out if the family assists to run the business. According to the findings, 92% of the respondents indicated that the family assisted in running the business while 8% indicated that the family did not assist in running the business. Generally women entrepreneurs in small scale business receive substantial family support at start-up and in the course of running

their business. Such support is however, based mainly on social rather than economic consideration (Zororo, 2011).

For all small business owners, running a business involves long hours, but because domestic duties and child-care are frequently seen as women's responsibility, many business women face conflicts in their roles as wife, mother, and business owner (Carter and Cannon 1992). The women in the area who were business owners, particularly those who were mothers, displayed the feeling of guilt because they did not fulfill the traditional female role.

Domestic responsibility may mean that the female entrepreneurs face problems allocating sufficient time to the business. The demands associated with running the business and home therefore restricts the growth and potential success of many women-owned. Lack of family support worsens the problem.

4.7 Other Specific Challenges Facing Women Entrepreneurs

The key barriers and constraints faced by respondents as woman entrepreneurs in Mathare are difficulty in obtaining loan from commercial banks, failure of business/bankruptcy, failure to convert profit back into investment, shortage of technical skills, poor managerial skills and low level of education.

Other challenges included lack of suitable location or sales outlet; stiff competition; low purchasing power of the local population; lack of marketing knowhow; seasonal nature of the business; lack of market information ;inadequate infrastructure; shortage of time (due to multiple tasks) ;shortage of raw materials and shortage of working capital.

Women entrepreneurs have difficulties accessing premises due to, among other things, a lack of property and inheritance rights; women's lack of access to titled assets that can be offered as collateral for loans adversely affects the growth of their enterprises; women entrepreneurs lack access to formal finance and rely on loans from family and community; women entrepreneurs tend to be grouped in particular sectors, particularly food processing and textiles; business development service providers do not give adequate time or effort to target women entrepreneurs they do not offer flexible arrangements in respect of the timing and location of service delivery; Women often experience harassment in registering and operating their enterprises.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS.

5.1 Introduction

This chapter summarizes the findings and discusses how the variables under the study relate. The chapter also shows if the findings accept or reject the hypothesis, draws conclusions on the findings and makes recommendations.

5.2 Summary of the findings

The study found that respondents' current enterprises had been in operation for less than 6 month. Majority had had another enterprise prior to the current one which had lasted for an average of 1-2 years.

Most of the women got capital from Chama. A few got capital from personal savings, family and bank. It was very difficult for the women to obtain loan. The challenges that women in the area faced in trying to access credit lack of collateral, an unwillingness to accept household assets as collateral and negative perceptions of female entrepreneurs by loan officers. Formal financial support proved to be too expensive for many women entrepreneurs. Most repaid the loans from the proceeds of the business. Majority owned the businesses though did not currently own any other business. They faced challenge in managing business funds. Women entrepreneurs did not have any kind of business training.

They opened the business for 9-10 hours. Small business owners, running a business involves long hours, but because domestic duties and child-care are frequently seen as women's responsibility, many business women face conflicts in their roles as wife, mother, and business owner. They used business funds to meet family's needs. The family assisted in running the business. The demands associated with running the business and home restricted the growth and potential success of many women-owned. Lack of family support worsened the problem.

Challenges facing women entrepreneurs included lack of suitable location or sales outlet; stiff competition; low purchasing power of the local population; lack of marketing knowhow; seasonal nature of the business; lack of market information ;inadequate infrastructure; shortage of time (due to multiple tasks) ;shortage of raw materials and shortage of working capital.

5.3 Discussion of findings

Most of the women got capital from Chama. A few got capital from personal savings, family and bank. It was very difficult for the women to obtain loan. Responsibility of entrepreneurs for dependants has limited opportunities to make savings or undertake business expansion and diversification Athanne (2011). The financial aspects of setting up a business are without doubt the biggest obstacles to women (Zororo 2011, Brush 1992). Formal financial support proved to be too expensive for many women entrepreneurs. Women entrepreneurs often lack information about how to get a loan, lack the necessary collateral to obtain one and /or face discriminatory laws or practices related to finance and credit (Common wealth secretariat, 2002). Kinyanjui (2006) records that some entrepreneurs felt that it was difficult to obtain loans as they had to show credit records and they did not fully understand the requirements getting and paying loans.

Gray (1996) adds that the women's major problem during the start-up is the credit discrimination.

Women entrepreneurs had very little or no education. In education, preference is given to boys, thus the educational level of most women entrepreneurs is very low, creating a barrier to them accessing training and other business developments services (Women entrepreneurs in Kenya, 2008). Namusonge (2006) noted that entrepreneurial education and training play a key role in stimulating entrepreneurship and self-employment. Women entrepreneurs did not have any kind of business training. Despite the presence of Business Development services in Kenya not many women entrepreneurs use it because of cost, access, necessity, or availability (Steven et al 2005).

The family assisted in running the business. The demands associated with running the business and home restricted the growth and potential success of many women-owned. Ahmad et al (2011) adds that women are overloaded with business and family responsibilities and may not have the time to join these beneficial associations and this automatically limits the women entrepreneurs' wings of exploration.

5.4 Conclusions

The results reveal that success of women enterprises depends on the formal education and the training received. Most the women entrepreneurs surveyed were single and married women who felt confident in starting and running the business with the support from the family members. The work-life balance is not given priority as the challenge in establishing or diversifying the business.

The important challenges faced by women entrepreneurs in establishing and growing the business were finance, managing the business and making decisions about the business. They were not able to access credit from formal institutions. This made it hard for them to expand their businesses. Women entrepreneurs also rated the assistance in business planning as a crucial factor for the success of any business growth and expansion. Most women entrepreneurs in the area had very little or no education making it hard to run the business well. They did not have sufficient training.

They were not able to manage business funds and ended up spending the funds on family needs which could lead to business bankruptcy. The demands associated with running the business and home restricted the growth and potential success of many women-owned. Lack of family support worsened the problem.

5.5 Recommendations

Basing on the desktop findings, the following is recommended:

To fight poverty in Kenya, the pivotal place of women in society (specifically in rural areas) needs to be accepted and supported. They need capacity building and training in functional areas such as finance, literacy skills, marketing, production and managerial skills. A mind shift among their spouses (and the men in general) should also be encouraged so that they give full support besides embracing the changing role of women in the homes.

Married women should be given support by their spouse in respect of finances, motivational encouragement, advice and actual involvement in the running of business.

Access to credit by women entrepreneurs at the level of micro and small-scale enterprises, should be facilitated through innovative programs and financing arrangements that go beyond the conventional approaches; which require collateral and capital among other conditional ties.

The public sector and formal financial organizations should be sensitized on the value of gender-balanced participation in the informal sector enterprises. A major goal should be to promote the social and economic empowerment of women, as they constitute a vulnerable social category that is critical in sustainable development endeavors.

Micro finance institutions should portray a non-gender based environment in order to stimulate women entrepreneurs in Kenya to do business with them

The registration officers should be more friendly and available for service to all, particularly the City council officials should refrain from harassing women in business.

Women entrepreneurs in Kenya should be taught on the value of being independent. This will stimulate them to do things on their own like acquiring property.

Strategies should be put in place with different instruments to address access to finance issues for women, like mentoring them, helping them prepare proposals for bank funding and even providing a guarantee for them.

Support Research and Development on SMEs and market information systems.

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APPENDICES

Appendix I

Respondent's questionnaire

UNIVERSITY OF NAIROBI

INSTITUTE OF GENDER AND AFRICAN STUDIES

I am Victoria Thiga, Master of Gender and Development student from the institute of Anthropology, Gender and African studies, Department of Sociology. I am conducting an academic study, which aims to investigate challenges facing women in micro enterprise in Mathare. I kindly request you to assist me by answering questions that I need to ask you. The research is voluntary and totally for academic purposes. Your participation and input will contribute greatly to the body of knowledge which may be used for any subsequent development initiatives aimed empowering and understanding urban women's need in development.

A. Personal Details

1. Age

<input type="checkbox"/>	21-30	<input type="checkbox"/>	31-40	<input type="checkbox"/>	41-50	<input type="checkbox"/>	51-60	<input type="checkbox"/>
	61-70							

70 and above

2. How long have you been a resident in the area?

<1yr 1-3yrs 3-5yrs >5yrs

3. Marital Status

Single Married Widowed Divorced

4. How many children do you in your home?

1 2 3 4 >5

5. Education

No Education Primary Education

Secondary Tertiary

6. Religious affiliation

Christian Muslim Catholic Other

7. Main source of income

Employed casual labor self-employed no source