INFLUENCE OF KENYA INDUSTRIAL ESTATE SERVICES ON THE GROWTH OF JUA KALI ENTERPRISES IN MERU COUNTY, KENYA

BY

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DECLARATION

I hereby declare that this is my original work and it has never been submitted to any university or any examining body for an academic award of Masterõs Degree.

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DEDICATION

This research project report is dedicated to my husband Mr. Martin Munene, my son Evans and daughter Daniella.

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LIST OF ABBREVIATIONS AND ACRONYMS

BDS	Business Development Services
CBS	Central Bureau of Statistics
GDP	Gross domestic product
GEM	Global Entrepreneurship Monitor
GOK	Government of Kenya
ICDC	Industrial and Commercial Development Corporation
IFC	International Finance Corporation
KIE	Kenya Industrial Estates Ltd
MDGs	Millennium development goals
MSMEs	Micro, Small and Medium Enterprises
MSMIs	Micro, Small and Medium Industries
NBIA	National Business Incubation Association
SMIDEC	Small and Medium Industries Development Corporation
UN	United Nations
UNIDO	United Nations Industrial Development Organization

ABSTRACT

The informal sector is internationally recognized as major engine of social and economic growth in many national and local economies of developing countries. In Kenya, the informal economic sector is often referred to as *'jua kali'* enterprises (literally meaning business conducted in an open area under fierce heat from sun). The sector has been growing partly through its own momentum and partly due to support obtained from a wide range of public and private financial institutions. Kenya Industrial Estates (KIE) is a government institution, which was established to champion the development of jua kali sector throughout the country. KIE has been providing support to small and medium enterprises, including those in the Jua Kali sector in Meru County for two to three decades. However, its impact on the growth of Jua kali enterprises in the county has not been seriously assessed. The current study sought to investigate the influence of key services provided by Kenya Industrial Estates on the growth of jua kali enterprises in Meru County. The specific objectives of the research were to determine how financial services, business development services and business incubation services by KIE have contributed to increase in number of Jua Kali enterprises, growth in capital base, profitability and increase in staff working in jua kali enterprises. The study adopted a descriptive research design and target population of 150 jua kali enterprises who have acquired KIE services in Meru County. A random sample of 108 jua kali enterprises was selected from the target population using stratified random sampling strategy. Data was collected through questionnaires and direct observation. Quantitative data was entered into excel spread sheets and subsequently imported into SPSS Statistical Program used to calculate frequencies, percentages, and measures of central tendency and standard deviations of means. Analysis for relationships was conducted using regression analysis. The results were tabulated and displayed using frequency tables. The study established that the main source of initial capital for most artisans in Meru was personal savings. Further, the study established that most artisans in Meru have ever applied for a credit facility from Kenya industrial estate. The study also established that most artisans from Meru County have ever attended any of the trainings conducted by KIE. The study concludes that most Jua Kali businesses have benefitted by incubation service provided by KIE. From the study it can be deduced that great opportunities for growth of Micro and Small Enterprises such as Jua Kali Enterprises exist at Kenya Industrial Estates in terms of financing and incubation services. Jua Kali Enterprises are urged to seek incubation and financial services from the Kenya Industrial Estates to enhance their growth since there are very minimal bottlenecks that can hinder them from qualifying for such services. The researcher further recommends that in-depth research should be carried out by interested scholars and/or policy makers on how the Jua Kali Enterprises spurning across Kenya employ the funds given to them by the Kenya Industrial Estates.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

There is the global recognition that informal sector has become major driver of growth in many national and local economies. Once upon a time, economists paid no attention to economic activities carried out outside the formal framework of the economy. Only sociologists and anthropologists seemed to consider the existence of such activities. In the 1950s and 1960s, the informal dimensions of organizational life became increasingly recognized as important and were accepted as a commonplace topic for research by economists (Blau and Scott, 1963).

Studies by Hatega (2007), Kauffmann (2005) and the IFC (2006) indicate the importance of informal sector in Sub-Saharan Africa where small scale industries cover more than 95 percent of all firms in Sub-Saharan Africa. A number of factors have contributed to the rapid expansion in the sector. One of the factors is the general decline in the economic performance of the Kenyan economy as a result of recession and liberalization of the 1980ôs. This resulted in a number of large industries to adjust to the economic realities by becoming lean through retrenchment and downsizing. The effect of this was massive job losses and reduced employment opportunities in the formal sector.

Many countries across the world have used informal sector as a tool of achieving economic growth and development. New Zealand government established Small Business Unit within the Ministry of Economic Development in 2003 and a Minister of Small Business was appointed, indicating the importance of sector in the economy. Prior to 2007, the Malaysian informal sector was guided by two organizations: Small and Medium Industries Development Corporation (SMIDEC) charged with developing capable and resilient Malaysian Micro and Small Enterprises and National Micro and Small Enterprises Development Council charged with coordinating task and making policy (Harvie 2005). In 2009, the Micro and Small Enterprises corp Malaysia was established in order to coordinate small business programs across all related Agencies and Ministries and with formulating the overall policies and strategies for enterprises. This organization works towards the growth of

Enterprises through; implementing Micro and Small Enterprises policies and programs, provision of advisory and information services, management of data, dissemination and research and provision of business support services.

Survey studies done in other countries such as Malawi by McPherson and Michael (1991) and in Zimbabwe by McPherson and Michael (1998) highlight the importance of the informal sector in employment creation and income generation for the bulk of low-income workers.

The Kenya situation is no different from the rest of the world in as far as the recognition and support of informal sector is concerned. However, the emphasis on the sector which has been recognized as informal, and ñJua Kaliò did not take place until after 1972 following the international labour Organization report on the World Employment program. The informal sector in Kenya is referred to as jua kali, which literally means ófierce sunô in Swahili. The name stems from the fact that the small scale workers eke out their living by manufacturing products or providing services in open air under the tropical sun. The jua kali sector encompasses small-scale entrepreneurs and workers who lack access to credit, property rights, training and good working conditions (Orwa, 2007).

In Kenya Business incubation is regarded as an intervention measure aimed at speeding up industrialization through commercialization of inventions and innovations. The Ministry of Industrialization and enterprise development plan is to promote business incubation. Similarly, Kenyaôs vision 2030 flagship projects plans are ready to establish ICT incubators in Konza city popularly referred to as silicon savannah. Nairobi Industrial Technology Park as a joint venture with Jomo Kenyatta University of Agriculture and Technology is also underway. In addition, 47 SME parks will be established covering the 47 counties in Kenya (RoK, 2005).

In Kenya, KIE has been given support by UNIDO to improve its extension services throughout the country. It has conducted several workshops and made available a range of its support services to entrepreneurs.

KIEôs overall mandate of promoting industrialization in Kenya through the development of micro, small and medium industries focuses on ensuring that the nation becomes globally competitive and prosperous with a high quality of life by the year 2030. KIE is important catalysts in the acceleration of the socio- economic development of the country towards the attainment of the vision 2030 and implementation of the constitution in line with the devolution of economic activities to the county governments. The Government of the Republic of Kenya launched the Vision 2030 as a blueprint for economic growth and development focused on ensuring that the nation becomes globally competitive and prosperous with a high quality of life by the year 2030.

The jua kali sector in Kenya is faced with numerous challenges being amongst others: lack of affordable credit, inadequate entrepreneurial skills, poor market access, low quality of products and stiff competition from larger enterprises. Addressing these challenges, Kenya Industrial Estates ensures that the jua kali enterprises are able to get its services throughout the country. It is with this background that this study sought to investigate the influence of Kenya Industrial estates services on the growth of jua kali enterprises in Meru County.

1.2 Statement of the Problem

Jua Kali enterprises are started by people in low or medium income category. Because of their low resource input and low technological requirements, they occur in practically every urban Centre in Kenya. They also vary considerably in the resource input, capital base, income generated, number of people involved and levels of organization (Republic of Kenya, 2007).

While the contribution of Kenyan government towards jua kali sector development is generally acknowledged, the sector faces many obstacles that limit its long-term contribution to national GDP. The main problems that the jua kali sector is facing include lack of credit facilities, lack of management experience, poor location, unsupportive laws and regulations, unfavourable economic conditions as well as critical factors such as poor infrastructure, corruption, low demand for their products and services as poverty, which affects resource investment levels (Government of Kenya,1992).

Kenya Industrial Estates was established to champion the development of jua kali sector throughout the country with specific focus on clustering of industries, rural industrialization and value addition on products (ILO, 1972). KIE Meru branch was established in 1978 to promote informal sector projects. Since its establishment, it has assisted over 10,000 informal sector projects (KIE Meru Branch Registry, 2015). By May, 2015 there were 150 jua kali enterprises in Meru County with KIE services. The contribution of KIE to growth of Jua Kali enterprises is not known, yet the state agency has been in existence for almost four decades. This study sought to establish how KIE services have benefited the jua kali enterprises in Meru County and how service delivery by the state agency can be improved and made more effective.

1.3 Purpose of the study

The purpose of this study was to examine the influence of Kenya Industrial Estates services on the growth of jua kali enterprises in Meru County.

1.4 Objectives of the study

The study was guided by the following objectives;

i. To examine how financial services by KIE have influenced the growth of jua kali enterprises in Meru County.
ii. To determine how business development services by KIE have influenced the growth of jua kali enterprises in Meru County.
iii. To evaluate how incubation services by KIE have influenced the growth of jua kali enterprises in Meru County.

1.5 Research Questions

The study answered the following research questions;

i. To what extent have financial services by KIE influenced growth of jua kali enterprises in Meru County?
ii. To what extent have business development services by KIE influenced growth of jua kali enterprises in Meru County?
iii. To what extent have incubation services by KIE influenced growth of jua kali enterprises in Meru County?

1.6 Significance of the Study

The findings of this study would provide the management of Kenya Industrial Estates, the County Government of Meru and Meru Jua Kali Association as well as the artisans themselves with understanding of the importance of KIE services. The study would generate essential knowledge that can help KIE and County Government to improve services, add value to Jua Kali products and promote industrialization throughout the country. Researchers in economic and business development would also find the results useful as a source of reference for their studies. The findings of this study would be of critical importance to the Government of Kenya as it would bring into light various policies which are detrimental to the growth of jua kali sector in Kenya and address these factors according to the research recommendations.

1.7 Delimitation of the Study

The spatial scope of this study was limited to Meru County. Further, the study only focused on jua kali enterprises operating in nine sub-counties, which includes: Buuri, Igembe Central, Igembe South, South Imenti, Tigania West, Central Imenti, Igembe North, North Imenti and Tigania East. The study only sought to investigate the influence of financial services, business development services and incubation services offered by Kenya Industrial Estates on the growth of jua kali enterprises.

1.8 Limitations of the Study

This study was limited by research design used that sought to study situations as they occur in the environment. Respondents felt that they were exposing themselves too much. The researcher assured them of their confidentiality which was emphasized by requesting them not to write their names on the questionnare.The researcher also encountered a limitation where some respondents did not return the questionnaire even after frequent follow ups.However, the respondent was able to get a response rate of 80.56%.

1.9 Assumptions of the Study

The assumption of this study are that the information collected through the questionnaire is accurate and representative of all jua kali enterprises in Meru County and that the respondents have given the necessary cooperation by responding to all questions in the questionnaires.

1.10 Definitions of Significant Terms Used in the Study

Business development services: It is the service that improves the performance of the enterprise, access to market and the ability to compete. It includes an array of business services such as training consultancy, marketing, information and technology development.

Business growth ï This is the significant positive increase in cash flow and earnings, branch networks and client base. A growing business tends to have very profitable reinvestment opportunities for its own retained earnings.

Financial services are the economic services provided by the finance industry which encompasses a broad range of organizations that manage money, including banks, credit card companies among others.

Incubation services: It is a support process that accelerates the successful development of start-up and fledgling enterprises by providing entrepreneurs with an array of targeted resources and services.

Informal sector/jua kali: The term informal or jua Kali in Swahili is used in this research to refer to economic activities not recorded in the national accounts and not subject to formal rules of contract, licensing, labor inspection, reporting and taxation.

1.11 Organization of the study

Chapter one highlights background of the study, statement of the problem, purpose of the study, the objectives of the study, research questions, significance of the study, delimitations of the study, limitations of the study, assumptions and definitions of significant terms. Chapter two provides an overview of informal sector, financial services and the growth of business enterprises, business development services and growth of jua kali enterprises, incubation services and the growth of jua kali enterprises and a conceptual framework. Chapter three describes research methodology, including the research design, target population, sampling design and sample size, methods of data collection, tests of validity and reliability of the research instruments, methods of data analysis and operational definition of variables. Chapter four discusses data analysis, presentation and interpretation of findings based on background information and on the three variables under the study. Chapter five covered summary of findings, discussions of the findings, conclusions and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter explores the existing knowledge on the role of informal sector as the foundation of industrial development and a catalyst for economic growth in developing countries, especially in Kenya and Africa as a whole. It also seeks to expose the role state industrial development agencies and the constraints affecting the growth of the sectors with special reference to Jua Kali Enterprises in Kenya.

2.2 Overview of informal sector

The existence of informal sector in the developed countries is compatible with important differences in the nature of informal activities across countries. Participants in many informal activities in developing countries earn a bare minimum level of income and some of their enterprises survive times of crisis by relying and exploiting family labour (Gërxhani, 1999). In contrast, the small-scale informal sector in certain regions of some developed countries has shown a capacity for sustained growth and generation of high incomes. Small scale industries are often described as efficient and prolific job creators, sources of big businesses and fuel of national economic engines. In the developed countries, informal sector rather than the multinationals is the largest employer. This is also supported by a research done on small industries in the United States which indicated that in the U.S, small industries numbered 23 million in 2003 and employed about half of the private sector work force and also produced about half of the nationõs private sector output (Ou and Haynes, 2006).

According to International Labour Organization (2009) report, small scale industries which account for over 90% of businesses in all countries are an important source of output and employment. It further states that since poor countries have large informal economies dominated by small industries, the sector portion of total employment is much higher. In India, 86% of the Labour force is employed in the informal sector. Businesses particularly those operating in the informal sector constitute the vast majority of businesses in most developing countries. They include what are often called own-account workers, the self-employed and small family operations. Middle level industries play an important role in the European market economy representing nearly 9 million businesses providing employment to

48.3 million and producing an approximate turnover of 5,363.8 billion Euros (European Report, 2002).

China has about 60 million middle level industries accounting to 99% of the total businesses. These businesses need financing to grow but face difficulty accessing credit from formal institutions (China project profile report, 2011).

Policy-based development lending to Africa over the past 20 years, known as structural adjustment programs have not solved African problems. According to Sachs *et al*., (2004), Africa remains trapped in poverty and debt. For the reasons mentioned, poverty remains a major challenge to development and stability in Africa. In order to improve the economic conditions and poverty issues in Africa, small businesses can play a vital role because small enterprises have been generally regarded as the driving force of economic growth and poverty reduction. They have been the means through which accelerated economic growth and rapid industrialization have been achieved (Harris and Gibson, 2006; Sauser, 2005; Eeden *et al*., 2004; Arinaitwe, 2006; Kiggundu, 2002; Yusuf and Schindehutte, 2000; Monk, 2000; Goedhuys and Sleuwaegen, 2000).

According to Koshy (2011), Indiaøs informal sector has a very powerful presence of brilliant entrepreneurs who can potentially contribute much more than what they do today. Inclusive growth can only be achieved by creating an institutional mechanism for new enterprises creation, favourable business climate for enterprises to thrive and reducing regulatory burden.

As a matter of fact, the informal sector is the foundation of industrial development in most developing and developed countries. The sector is suffering from many challenges including lack of access to affordable finance, limited access to markets, lack of infrastructure, hostile business environment, weak management structures and lack of access to skilled labour. Many of the past policies were devised from the perspective of large firms and those targeting the sector were fragmented and not effective to the development of the MSMIs.

Demirguc-Kunt and Beck (2008) continued to examine obstacles to the informal sector growth and policy recommendations to overcome them. They apostrophized that in the absence of well-developed institutions, it is optimal for firms to stay small. The growth of the sector is highly constrained without institutional capacity building. Finally, he concluded that the use of factoring and leasing may be beneficial for financing. There are commonly accepted prejudices on the sector position inside the national economy that it is critically important for creating jobs, reducing poverty, encouraging the innovation process and increasing competition, that it makes industrial structure more flexible, promotes economic dynamism and finally that it adjusts to economic shocks faster with lower costs.

The business environment in which unemployed people operate was named *the informal industrial or business sector* and was introduced by Hart (Hart, 1972) and the International Labour Organizationös (ILO) Mission Report in 1972 on the basis of field studies carried out in Ghana and Kenya respectively, making Kenya an informal case in point. Pedersen (2005) stated that the changing labour markets in developing countries in Sub Saharan Africa (SSA) have been understood as results of the failed industrialization of agrarian economies. He continued to say that due to de-agrarianisation, economic push and pull factors caused waves of migration from rural to urban areas, leading to a state irreversible urbanization.

Information on this area by scholars and researchers such as Obudho (1981), Mochache (1990) and Atieno (1986) suggests that the evolution of the informal sector in Kenya can be traced back to the early 1960s, when the newly independent state introduced trade licenses, work permits and state owned monopolies, as part of the broader strategies for economic indigenization. Since then this sector has witnessed bustling activity and renewed interests, both by external agencies and the government, with desire to intervene directly, which contrasts with neglect which characterized the early years (Oyugi, 2001). Since then the development and growth of the sector has remained on the upward trajectory. Other notable landmark periods of the evolution of the sector in Kenya have been identified as the visiting of the Kamukunji informal industrial estate by the then president Daniel Moi in 1986. This visit revolutionized the view of the sector when the Moi regime restructured the policy environment to accommodate the sector through construction of the óNyayo shedsô where the industrialists were to operate, as well as possibility of security of tenure among other policy decisions (Komollo, 2010).

2.2.1 Informal sector in Kenya

In Kenya, the Jua Kali as an informal sector was traditionally run in the form of small industries in a few African homes which mainly dealt with blacksmithing activities (Maundu 1992). The advent of the Asian community to Kenya at the turn of the last century marked the gradual shift of 'home-based' Jua Kali activity to urbanised enterprises. Among the initial urban Jua Kali enterprises introduced were motor-mechanics, carpentry, masonry, tinsmithery and blacksmithery (Maundu 1992). With time, the indigenous Kenyans soon entered the market and gradually expanded the industry by producing a wide range of such items as jikos (braziers), cooking and frying pans, steel windows, tin lamps, motor spares and leather artifacts. Today the Jua Kali industry represents an enormous conglomeration of products in many towns and villages across the Republic of Kenya.

Despite the critical role played by the small enterprise sector, it faces numerous challenges and constraints that include unfavorable policy, access to financial services and markets, inadequate business know how and linkages with large enterprises, gender inequality, job quality deficits, limited access to information, impact of HIV/AIDS pandemic, unsatisfactory occupational health and safety standards. These constraints have not been well-addressed resulting in a weak base for industrial take-off and sustainable development. Nevertheless, the field of small businesses still remains attractive because the creative enterprising individual likes to be independent and be in control of action and issuing instructions (Sessional Paper No. 2 of 2005).

Nelsen (2012) in his study on young professional straddling Nairobi informal networks concluded that the thick description of the jua kali sector showed how the Kenyan patronage system has been enmeshed in the jua kali sector. Empirical studies revealed a distinct jua kali self-employment identity, which is founded on social network interdependence. A jua kali informant helped to show how graduates master the jua kali identity and to position various actors in a hierarchical order of production relationships in the jua kali sector.

Nyangute (2002) stated that the ability of the informal sector to provide employment for those of working age (15-59) is widely acknowledged as stated in the draft report prepared by the International Centre for Economic Growth (ICEG), 1999.Despite efforts to promote and develop the sector, unresolved problems continue to hinder its growth: access to credit, land and infrastructure, training and technical support, and technology and information.

The Jua kali sector to be the predominant and most important economic sector in Kenya. According to the Economic Survey published by Kenyaôs Central Bureau of Statistics, employment within the sector increased from 4.2 million persons in 2000 to 5.1 million persons in 2002, accounting for 74.2% of total employment. The sector contributes 18.4% of the gross domestic product and provides goods and services, promotes creativity and innovation, and enhances entrepreneurial culture. A common statement heard throughout Kenya is ñWe are all Jua Kali nowadaysò (King, 1996). The Kenya Economic Survey of 2008, indicate that in the year 2007, the informal sector created 426.9 thousand new jobs compared to 420.4 thousand jobs in the previous year. It was estimated that 7, 475.6 thousand people were employed in the sector during the same period.

In recognition of these potential roles of the sector, successive governments in Kenya have continued to articulate policy measures and programs to achieve industrial growth and development, including direct participation alone or jointly with the private sector, interest groups, assistance from external agencies, provision of industrial incentives and adequate finance as stated in the Kenyaôs Economic Stimulus Programme. However, the poor performance of the industrial sector, especially when emphasis was on large scale enterprises in the course of implementing the strategy of the Kenya government, led to the renewed emphasis or focus on the jua kali sector as the driving force in the industrial sector.

2.2.2. Role and objectives of Kenya Industrial Estates

Recognizing the indispensable role of jua kali sector in general economic development, many countries have instituted enterprise support networks and structures to boost the growth of these enterprises. The Kenyan government has designed and introduced measures to promote development of jua kali sector. These measures include creation of institutions that offer financial support, incubation and business development services to the jua kali sector. Several developmental institutions were established to aid these enterprises which include Kenya Industrial Estate (KIE) which offers financial, incubation and business development services to jua kali artisans across the country. In the light of these support and incentive programs, it would seem reasonable to expect that small businesses would grow and flourish in Kenya. With this goal, Kenya Industrial Estates Ltd (KIE) was established to champion the development of jua kali sector throughout the country with specific focus on clustering of industries, rural industrialization and value addition to locally available raw materials. Initially, KIE was a subsidiary of Industrial and Commercial Development Corporation (ICDC) but in 1978 it became an independent statutory body.

2.3 Financial services and the growth of small and medium enterprises.

Finance plays a critical role for the development and growth of informal sector. Previous studies by Ligthelm and Cant (2003) highlighted the limited access to financial resources available to informal sector enterprises compared to large organizations. Informal sector development is always constrained by the limited availability of financial resources to meet a variety of operational and investment needs. Financial services play a critical role in the development of the country by providing intermediate on between saving and investments.

Insufficient capital or lack of financial sources is the major obstacle for informal sector and usually entrepreneurs need to utilize personal financial sources to start up their business and to expand their operations since the internal financial sources are normally insufficient (Sleuwaegen and Goedhuys, 2002). According to Arinaitwa (2002), research done on informal sector development has shown that the rate of failure in developing countries is higher than in the developed world.

According to Nichter and Goldmark (2009) explicably informal in developing countries generally do not get access to formal bank loans because of perceived high risk of default, low profitability and incapability to demonstrate required physical collateral.

The International Finance Corporation (IFC) (2011) identified various challenges faced by informal sector among the challenge that was identified by the report was lack of access to credit. Wanjohi and Mugure (2008) in their study cited lack of access to finance as almost universally identified key challenge for jua kali enterprises .Abedian (2001) in his study, concluded that factors that have led to limited finances for enterprises include poor management and accounting practices which have hampered the ability of enterprises to raise finances. Additionally, most formal financial institutions are also reluctant to lend to jua kali enterprises as they lack proper collaterals. They are also discouraged from accessing credit facilities from formal financial institutions due to high interest rates that are charged. Due to the persistent gap in financing jua kali enterprises, many interventions have been launched by the government and development partners to stimulate the flow of financing to jua kali enterprises over and above what is available from existing private sector financial institutions.

Atieno (2001) in her study to assess the role of institutional lending policies among formal and informal credit institutions in determining the access of small-scale enterprises to credit in Kenya found that the limited use of credit reflects lack of supply, resulting from the rationing behaviour of both formal and informal lending institutions. The study concludes that given the established network of formal credit institutions, improving lending terms and conditions in favour of small-scale enterprises would provide an important avenue for facilitating their access to financial resources.

Temtime and Pansiri (2004) suggested that governments and private enterprises of developing countries are doing much to facilitate participation for all in terms of establishing and support for jua kali enterprises, but economic forces are negatively influencing these efforts and cannot be easily controlled.

Kiraka, *et al.,* (2013) postulated that in Kenya, it is the small business enterprises that have both the potential and the historic task of bringing millions of people from the survivalist level including the informal economy to the mainstream economy. They also continued to state that by recognizing the crucial role small businesses play in the Kenya economy, the Government through Kenya Vision 2030 envisages the strengthening of jua kali enterprises to become the key industries by improving their financial access, productivity and innovation.

Gitari (2012) in a study on factors affecting the financial performance of women entrepreneurs in Kenya at Ngara Market in Nairobi found out that lack of information on who is offering credit and the cost of obtaining financial services limit them and high inventory costing are some of the major drawbacks for success in women entrepreneurship. The high cost of running the entrepreneurs is a big threat to the women development due to lack of adequate capital and on the other hand lack of information on how to access finances to boost the business also is a major threat. Ntakobajira (2013) conducted a study on factors affecting the performance of small scale businesses at City Park hawkers market in Nairobi County, Kenya. The study concluded that access to finance affected performance of enterprises to a great extent because it limited the entrepreneursô ability to take advantage of opportunity when they arose. Makena *et al.,* (2014), in their study on challenges facing women entrepreneurs in accessing business finance in Kenya, cited lack of collateral as a greater hindrance to finance accessibility by women entrepreneurs. This is due to lack of tangible assets like land which are used as assets to secure credits. Among their recommendations is that the government should play its role of enabling entrepreneurs to obtain finance from financial institutions.Nalyanya (2012) in his study on investigation into factors affecting the performance of small scale enterprises Hola Town recommended that the government could consider giving cheap loans to small scale enterprises.

Afande (2015) on his study on Factors Influencing Growth of Small enterprises in Nairobi Central Business District concluded that there is a strong demand for the government to elaborate and implement policies and strategies for financing enterprises as well as for developing and improving financial institutions and financial instruments. He continued to say that there is a need to harmonize those policies and strategies as well as the instruments for implementing them and the legal framework plays an important role in the creation and successful operation of enterprises and should encourage a simplification of the procedures involved in the creation, financing, training and other aspects of the sector.

Atieno (2009) conducted a study on Institutional Arrangements and the Performance of Small-Scale Clothing Enterprises in Kenya concluded that there is need for deliberate policy measures to strengthen the institutional networks among entrepreneurs which will enable them access resources as a way of overcoming some of their constraints thereby enhancing their contribution to economic growth. Veena, Venakatachalam and Joshi (2012) conducted a study on Challenges Faced by Women Entrepreneurs running Fashion and Apparel business which concluded that important challenges faced by women entrepreneurs in establishing and growing the business were access to finance. Macharia and Wanjiru (2004) on their study on factors that inhibit credit availability to women cited lack of awareness of existing financing schemes, high interest rates, lengthy and vigorous procedures for loan applications and lack of collateral for securing loan as major constraints in accessing finance. They further argues that though commercial banks and development Finance Institutions (DFIs) have vast financial resources, their impact is yet to be felt among small scale enterprises.

The scholars, in their study, further argued that the success of jua kali enterprises is in their ability to apply finances appropriately to support innovative initiatives that can grant them a competitive edge in the market, thereby spurring their growth. In a study of credit and employment growth among small enterprises in Kenya, Moyi (2013) alleged that policy makers in Kenya expect jua kali enterprises to provide the bulk of new jobs created in the economy yet these enterprises face significant credit constraints.

2.4 Business development services and the growth of small and medium enterprises.

Business Development Services (BDS) may be defined as those services and products offered to entrepreneurs at various stages of their business development journey, from business idea development all the way to growth and maturity of the business (UNDP, 2004). These services are mainly aimed at skills transfer or business advice services that improve the growth of the enterprise, its access to markets and its ability to compete. The definition of business development service includes an array of business services such as training, consultancy, feasibility studies, marketing, information, technology development and transfer, business linkage promotion among others. Most Scholars in the informal sector agree that on job training and apprenticeship is the largest source of training in the informal sector. Technical and vocational education and training (TVET) is broadly defined as education which is mainly to lead participants to acquire the practical skills, know-how and understanding necessary for employment in a particular occupation, trade or group of occupations (Atchoarena and Delluc, 2001).

Deraedt, *et al,* (2009) on their study on International examples of Business Development Service (BDS) products targeting small social enterprises concluded that the majority of available BDS focus on the dimension of organisational and institutional capacity, BDS that are directed to strengthen the adaptive and/or developmental capacity are much more scarce, apart from civil society organizations that offer BDS, private for profit organizations and governments are pertinent suppliers of BDS and the target group will highly determine the nature and functional mode of the offered.

According to McVay and Miehlbradt (2001), for three decades, governments, development practitioners and researchers have recognized the importance of small business development in increasing employment and income among poor and low-income people. The success enterprises and institutions have demonstrated that services tailored to meet the needs of very small businesses can be financially viable and effective in reducing poverty. It is equally evident, however, that small businesses are constrained by non-financial factors such as lack of education, inadequate technical skills, poor access to markets, lack of information and unreliable infrastructures.

Gavin (2000) in his research into Commercial BDS Provision to Micro and Small Enterprises in Vietnam and Thailand found that BDS were delivered to MSEs in four ways: fee for service, commission basis, through business relationships, through the business environment. The study focused on services to micro enterprises; 84% of the sample businesses employed less than 7 people. The study found few services were provided by service companies on a fee for service basis. Sales services were typically provided on a commission basis. The channel through which the widest variety of services was delivered was through business relationships. Services delivered through this channel included training, marketing, product design and market information. Some types of business information were also offered through the media and customers. The study shows that even the smallest businesses are currently obtaining business services through private sector channels.

Ronge, *et al* (2002) on their discussion paper on Review of Government Policies for the Promotion of Micro and Small-scale Enterprises recommended creation of a conducive environment and incentives for the formation of industrial structures rich in linkages among small enterprises and between large enterprises. Additionally the paper notes that efforts towards the promotion of the sector and poverty reduction need to go hand in hand with other policies of raising rural incomes. Business development services would have to increasingly adjust their supply to rural-based enterprises. Although the cost of such interventions may be high, sustained growth of the sector can only be achieved by creating conditions that increase the productivity of the rural areas.

Bowen, Morara and Mureithi (2009), researched on Management of business challenges among businesses in Nairobi Kenya. The findings of the research indicated that over 50% of businesses continue to have a deteriorating performance with 3 in every 5 businesses failing within months of establishment. Only 2.5% respondents saying their businesses were very successful. The results also showed that 49.5% of those who had received training in their areas of business reported that their businesses were doing well. He recommended that there is need to get trained in an area that is relevant to the type of business.

Sessional Papers No.2 of 2005 has outlined a range of policies and strategies aimed at promoting non-financial services.The following problems have been encountered in regard to these services: lack of enterprise culture, poor quality programmes, non-coordination of programmes, high cost of non-financial promotional programmes, inadequate involvement by private sector, lack of sub-contracting and inability to exploit market opportunities (Gok, 2005).

Findings from the 1999 Micro and Small Enterprises Base line survey in Kenya indicated that there were over 1.3 million enterprises employing over 4.6 million people; the sector also accounted for over 75% of new jobs created in the country besides contributing at least 18.4% of the countryǿs output. For this trend to continue, the key players need to be given the relevant skills for effective and efficient management and use of technology. Such issues as high rate of closures due to limited skills in management, innovation in product features, product differentiation, and marketing are being addressed through various forms of capacity building and training (Parker and Torres, 1994).

Kibas (2001) on his study found that Entrepreneurs in the Informal and Small enterprise sector have differing levels of education and training. Studies have shown that the majority (over 65%) of entrepreneurs in the sector have at most, Primary education and very limited training.

2.5. Incubation services and the growth of small and medium enterprises.

Developing of incubation centres is an important segment of the support of jua kali enterprises for business start-ups. Business incubators are defined as special facilities intended to provide new developing Enterprises with office space, infrastructure and a comprehensive range of services and amenities to enhance their business skill during the early period of their development. Business incubation is an economic development tool that is widely used to stimulate the growth of small to medium sized enterprises. This concept has been attracting substantial attention from policy makers and researchers due to the significance attributed to new business formation and supporting the growth oriented firms as determinants of the economic and social development.

The development of business incubation practices has been a subject of significant interest because of its proven ability in stimulating economic growth through job and wealth creation as seen for example in the United States and the United Kingdom. The reported impacts of business incubation have largely been realized in the increased number of enterprises as well as increased competitiveness in new venture creations. Sundararajan *et al* (2004) stated that business incubators are also known to create employment opportunities and have impacted gross domestic product (GDP) of countries such as the US and China. NBIA (1997) shows that North American business incubators alone have reportedly created more than 250,000 jobs over a ten year period up to 2004 .Moreover, several researches by CSES, 2002; Hung-Shun *et al* 2006; UKBI, 2003 shows that Job creation from activities related to business incubation is an indicator of the positive growth in economic performance in some parts of the world. Various agencies from the public and private sectors as well as research institutes and universities have taken keen interest in business incubation, leading to an increasing breadth of literature on the subject.

Yasin and Omer (2013) on their study on the Impact of Business Incubation on Firm Performance during Post Graduation Period found that incubated firms outperform the non-incubated firms both in the employment and sales growth.

Atherton and Hannon (2006) state that incubators are known to accelerate the growth of new businesses and to create significant employment opportunities through the generation of new businesses.Additionally,international benchmarking studies such as the Global Entrepreneurship Monitor (GEM) concur with the notion that new businesses facilitated by incubators play an important role in advancing a nationǿs competitiveness through enhanced innovativeness and the exploitation of new knowledge and technology. Moreover, incubators have also been observed to reduce new business failures (Feng-Ling *et al*., 2004).

The Malaysian government in line with the country's aspirations to become a developed nation by the year 2020 has established its own incubation programs to catalyze the growth of enterprises. Fararishah *et al.* (2012) in their study on Third-generation Business Incubation Practices in Malaysian conducted a survey where a total of 118 incubatees from ICT incubators in Malaysia responded to an online survey questionnaire to measure four constructs namely; Selection Performance, Monitoring and Business Assistance Intensity, Resource Allocation and Professional Management Services. Principal component analysis and multinomial logistic regression analysis were used to determine the components of business incubation process and test their relationships with Business Incubation Performance. Results show that all four constructs and their respective components are significant predictors of Business Incubation Performance. The findings provide valuable information for policy-makers, business incubator managers and potential incubatees regarding better incubation management practices thus driving incubator development towards best-practice, third-generation incubators.

Lyles *et al.* (2004), further evaluate managerial competencies as measured by the education of the founder, entrepreneurial experience, start-up experience and functional area experience versus new venture growth. The results show that relative profits tend to be high when an entrepreneur has more education and experience in the line of business. On the other hand, profitability tends to be low when the entrepreneur has only start up and managerial experience but lacks an educational background. Other empirical studies, such as Smallbone and Welter (2001), found that managerial competencies as measured by education, managerial experience, start-up experience and knowledge of the industry positively impact on the growth of new informal sector enterprises.

Adegbite (2001) conducted a study on business incubation in Nigeria and found that one of the major constraints on incubator performance was chronic tenant overstay.

Ruhiu *et al.* (2014) on their study on the effects of managerial skills on the growth of incubated micro and small enterprises recommends that the Kenyan government supports business development through provision and dissemination of relevant industry data and publications that enhance innovation in the industry. The study findings show that technical skills contribute to a moderate and to a very great extent on the growth of businesses in

Kenya. In addition the Business Incubators should act as entrepreneurship and managerial training hubs and consider themselves as service providers. The incubators should further be important partners with the academia, NGOs, churches and youth entrepreneurship programs that should act as the pre-incubator phase in the incubation process. In addition, the Kenya Government should come up with a business incubation policy and encourage involvement of all relevant actors in the process of development of business incubators including existing big companies in operations and exchanging management experiences.

Wanyoko, (2013) in his study on influence of business incubation services on growth of Small and Medium Enterprises in Kenya shows that business incubation services strongly and can positively influence the growth of enterprises in Kenya. He also recommends that both the National and County governments should collaborate with and support business incubators. In this, the governments should facilitate incubation program success through funding with both financial and technical requirements. Through this, the incubatorsô availability, accessibility and capacity will be increased, which will in turn increase the number of incubation graduates in the economy.

Developing of incubation centres is an important segment of the support of jua kali enterprises for business start-ups. Business incubators are defined as special facilities intended to provide new developing enterprises with office space, infrastructure and a comprehensive range of services and amenities to enhance their business skill during the early period of their development. Since 1980s business incubators have become a popular policy instrument to foster entrepreneurship, innovation and regional development (OECD, 1997).

Studies by National Business Incubation Association (NBIA) showed that business incubation reduce the risk of small businesses failures. NBIA member incubators report 87% of all firms that graduate from incubators are still in business. The NBIA also reports that start-up firms served by NBIA member incubators, annually increased sales by $240,000 each and added an average of 3.7 full and part time jobs per firm.

According to Kinoti and Miemie (2011), incubation services provided by innovation incubators in Kenya fall short of innovators expectations. Disparities of services exists form one incubator to another mainly driven by need for incubator profit. In Kenya, study show that 53.2% of incubated businesses had started from outside the incubator; 36.3% had begun as start-ups in the incubator. Further analyses of the findings, showed that at the time of the field study, 79% of the businesses were residing in the incubator.

2.6 Theoretical Framework

This study was based on the following theories;

2.6.1 Passive Learning Model

In the Passive Learning Model (PLM) a firm enters a market without knowing its own potential growth. Only after entry does the firm start to learn about the distribution of its own profitability based on information from realized profits. By continually updating such learning, the firm decides to expand, contract, or to exit. This learning model states that firms and managers of firms learn about their efficiency once they are established in the industry. Firms expand their activities when managers observe that their estimation of managerial efficiency has understated actual levels of efficiency. As firm ages, the ownerȏs estimation of efficiency becomes more accurate, decreasing the probability that the output will widely differ from one year to another. The implication of this theoretical model is that smaller and younger firms should have higher and more viable growth rates (Stranova, 2001, Cunningham and Maloney 2001 and Goedhuys, 2002).

2.6.2 Stochastic and deterministic Approaches.

The stochastic model, which is also known as the Gibrat's Law, argues that all changes in size are due to chance. Thus, the size and age of firms has no effect on the growth of small enterprises. According to Becchetti and Trovato (undated) empirical of the law has indicated that it only considers size and age as potential variables which may significantly affect firm growth by neglecting other explanatory variables which may significantly affect firm growth. The deterministic approach assumes, on the contrary, that differences in the rates of growth across firms depend on a set of observable industry and firm specific characteristics (Becchetti and Trovato, undated and Pier Giovanni et al., 2002).

2.7 Conceptual framework

The study was guided by the following framework;

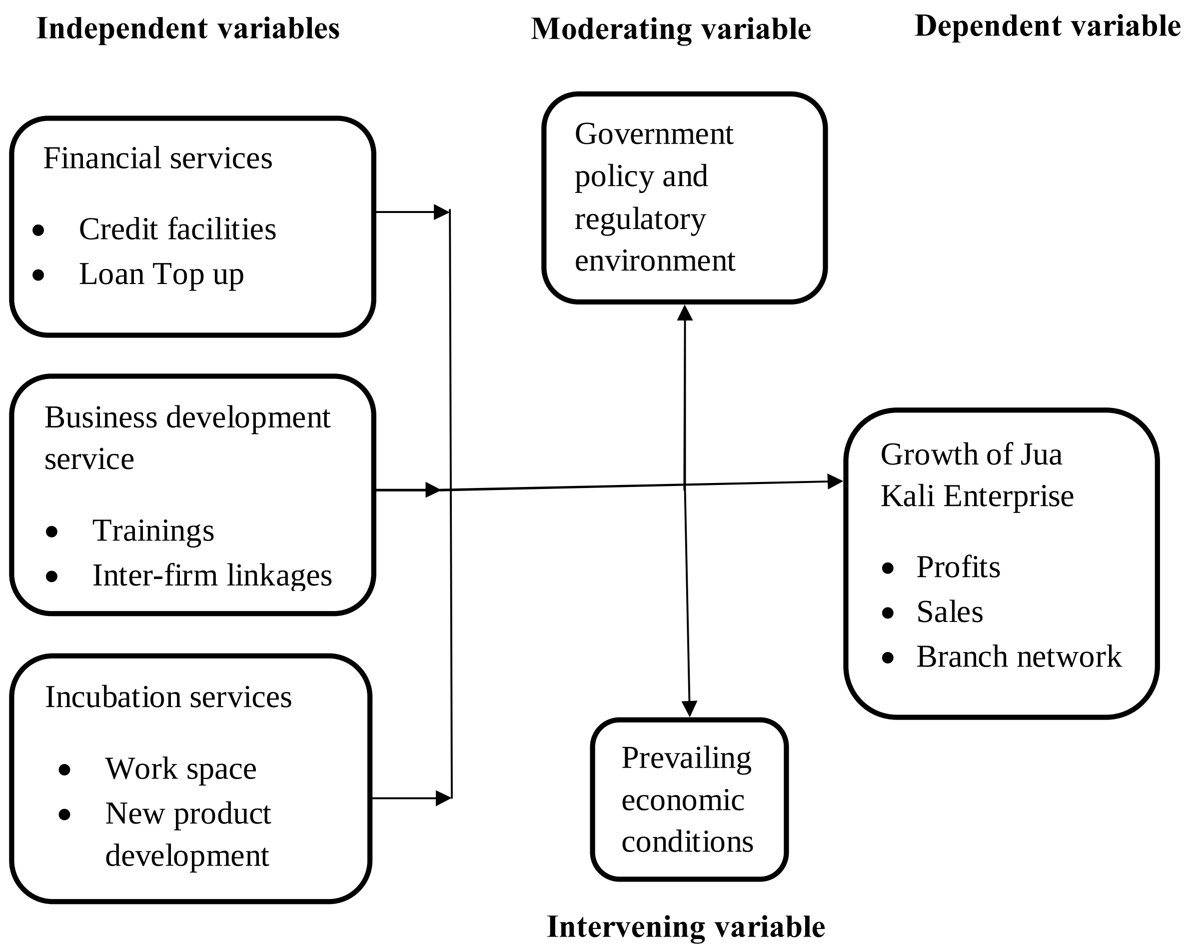

Figure 1: Conceptual framework

The conceptual framework in Figure 1 is a diagrammatic explanation of the relationships among the various variables of the study. The framework suggests an interrelationship among three groups of independent variables, namely; financial services, business development services and incubation services provided by KIE with the dependent variable; growth of jua kali enterprises. It is conceptualized that each of the services provided by KIE will have different implication for growth of jua kali enterprises.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter describes the research methodology used in this study. Specifically, the chapter presents the research design adopted by the study, the target population, sample frame, sample size and sampling technique. It also describes the data collection instruments, data collection procedures, data analysis and data presentation.

3.2 Research Design

The study adopted a descriptive research design and targeted eleven (11) types of micro-enterprises distributed in nine (9) sub-counties in Meru County as shown in Table 3.1.
Questionnaires were administered to both men and women entrepreneurs within various Jua Kali enterprises selected for this study. Both open and closed ended questions were formulated so as to allow flexibility and accommodate responses from various respondents. A descriptive study design was considered the best design for the objectives of this study as it ensured that large amount of data was collected within a short time. This method does not offer a researcher control over the data collected in terms of manipulation of the variables of the study.

Table 3.1 Study Area

Sub-counties	Area(Km^2)	No of Locations	No of Sub-Locations
Tigania East	557.6	10	25
Tigania West	567.3	19	62
Igembe North	939.7	20	34
Igembe South	1,879.3	14	45
Imenti North	569.6	12	36
Buuri	971.1	9	26
Imenti South	661.4	24	58
Meru Central	790.2	25	65
Total	**6,936.2**	**133**	**351**

3.3 Target Population

The population was drawn from all jua kali enterprises who have acquired any of KIE services in Meru County. According to KIE Master Register, there were 150 clients in Meru County with KIE services in the year, 2014. Due to the nature of the study, the population was divided according to the nature of their business as shown in the Table 3.1.

Table 3.2 Target Population

Business	Total	Men	Women
Tailors & dress makers	30	20	10
Carpenters & Masons	25	17	8
Motor Mechanics	5	3	2
Welders	10	7	3
Leather workers	7	5	2
Radio & Electronic technicians	5	3	2
Woodworkers	2	1	1
Metal fabricators	10	7	3
Furniture builders	30	20	10
Waste recyclers	5	3	2
Agro-processors	21	14	7
TOTAL	**150**	**100**	**50**

Source: KIE Meru Branch Registry, 2015

3.4 Sample size and Sampling Procedure

Since the target population was grouped into eleven different categories, the researcher used stratified random sampling. Stratified sampling ensured proper representation of different microenterprises to enhance representation of variables related to them. The researcher used simple random sampling to select the final subjects proportionately from the different strata,

At 95% confidence level or probability of 0.05, the desired sample size (n) can be estimated using the standard normal variables as follows:

Desired sample (n) = $(Z^2.PQ/\breve{U}^2)$

Where Z =Critical value of standardized normal deviate Z at 0.05 which is equal to 1.96.

P= Accessible proportion of the target population =50%

Q= Inaccessible proportion of the target population =50%

The statistically tolerable error estimate = Ŭ

Using the above formula, the maximum sample size (n_o) required from a large population of 10,000 or more units would be 384 units. The sample size can be adjusted with respect to target population as

The adjusted sample size $n_1 = n_o / (1+n_o/ N)$. Where N is the size of the target population in the area of study.

The adjusted sample size $n_1 = 384/ (1+384/150) = 108$.

Table 3.3 Sample size computation

Business	Total	Men	Women
Tailors & dress makers	22	15	7
Carpenters & Masons	20	13	7
Motor Mechanics	5	3	2
Welders	6	4	2
Leather workers	4	3	1
Radio & Electronic technicians	5	3	2
Woodworkers	4	3	1
Metal fabricators	7	5	2
Furniture builders	20	13	7
Waste recyclers	5	3	2
Agro-processors	10	7	3
TOTAL	**108**	**72**	**36**

Source: KIE Meru Branch Registry, 2015

3.5 Methods of data collection

The study employed questionnaires to collect data. A questionnaire containing a series of questions was used to collect data from the sample of 108 jua kali artisans in Meru County. The questions were formulated according to research objectives and presented in separate sections. Questionnaires were appropriate for this study since they collect information that is not directly observable as they inquire about feelings, motivations, attitudes, accomplishments as well as experiences of individuals (Mellenbergh, 2008). The questionnaires comprised both open-ended and closed questions. Saunders (2003) stated that a questionnaire is useful in obtaining objective data because participants are not manipulated in any way by the study. Closed-ended questions used item analysis approach, which requires the use of summated attitude or Likert Type scales. This study employed scores of for agreement or disagreement with the statements provided by the researcher. The response to the various statements ranged from 1 (least favourable) to 5 (most favourable). The total scores were arrayed so as to determine the statements with highest discriminatory power. The research instrument was divided into sections where the first section addressed the general information about the respondents while the second section addressed the three research objectives. The questionnaires were administered using drop and pick method. Interviews were conducted or questionnaires administered to interviewees who may not be able to understand the English language and to interpret the questions in the questionnaire due to their low educational level.

3.6. Reliability of research instruments

Reliability is a measure of the degree to which a research instrument yields consistent results or data after repeat trials. Prior to starting data collection, the research instruments were checked for reliability by test-retest technique while data triangulation ensured credibility of the research findings. In the test retest technique, the questionnaire was administered twice on the same group of respondents during the pilot study. The researcher selected a group to administer questionnaires then after a week administer the same tool after ensuring that all conditions remain relatively the same. The scores from both were correlated to establish the reliability of the research tool.

3.7 Validity of data collected

Validity refers to the extent to which instrument measures what it is supposed to measure. The research instruments were validated through application of content validity procedures. Moses and Kalton (1997) assert that content validity is a matter of judgment by professionals or team of experts. The researcher synchronized the supervisorsô discussions, relevant comments and suggestions into expert judgments. The comments from the professionals was used to improving the research instruments and by so doing establish the instrument and content validity.

3.8 Data Analysis

Data obtained from the field in raw form are difficult to interpret unless it is organized in a suitable manner (cleaned, coded and systematically organized). Qualitative analysis consisted of examining, categorizing, tabulating and recombining evidence to address the research questions. Qualitative data was grouped or tabulated into meaningful categories and themes so as to help in the exploration of the data. Data was explored through summarizing, displaying and transforming the data so as to permit quantitative analysis. Quantitative analysis was conducted through the use of computerized statistical techniques as to calculate descriptive measures, such as frequencies, percentages, measures of central tendency (means, medians) and standard deviations of means. The results were displayed using histograms, pie charts and tables so as to show differences detected. Statistical Package for Social Sciences (SPSS) was used to aid in coding, entry, analysis and display of quantitative data obtained from the closed-ended questions. A regression analysis was used to establish the relationship between the variables.

3.9 Ethical Considerations

The researcher enhanced ethics by keeping the information shared by the respondents confidential and assuring them of the same. The study avoided asking personal questions that may invade into the respondentsô privacy. After successful completion of the study, questionnaires were kept in a safe archive for future reference should there be need.

3.10 Operational definitions of variables

The independent and dependent variables were operationalized according to the objectives of the research, the adopted study design, techniques of data analysis, operational definitions and measurable indicators.

Table 3.3 Operational definitions of variables

Objective	Variables	Indicator	Measurement	Level of scale	Data collection	Approach of analysis	Type of analysis	Level of analysis
Influence of KIE services on the growth of jua kali enterprises.	**Dependent** Enterprise growth	• Profits • Sales • Employees • Branch network • Capital base	• How much the business is able to make as profit • Monthly sales volume • Number of employees • Number of business branches • How capital has increased	• Interval scale • Ratio	• Secondary data sources • Questionnaires/Interviews	• Quantitative • Qualitative	Non-parametric	Descriptive
	Independent KIE services	• Types of services • Availability of services • Qualification for services	• Different types of KIE services • Ways of accessing the service • What services are available • How do one qualify for a service	• Nominal • Interval	• Secondary data sources • Questionnaires/Interviews	• Quantitative • Qualitative	Non-parametric	Descriptive
To examine how financial services by KIE have influenced the growth of jua kali enterprises in Meru County.	**Independent** Financial services	• Credit facilities • Top up facilities • Group guarantee scheme • Interest rates	• Difference ways of accessing credit facility • Number of top up loans • Number of group guarantee loans • Interest rates charged by KIE	• Nominal • Interval scale	• Secondary data sources • Questionnaires/Interviews	• Quantitative • Qualitative	Non-parametric	Descriptive

		• Repayment period • Loan processing fees	• Time taken to acquire credit facility • Requirements to be met before credit are awarded. • Loan application procedures • Amount charged to process loan					
To determine whether business development services by KIE influence the growth of jua kali enterprises.	**Independent** Business development services	• Business management training • Business plan • Feasibility study • Inter firm linkages	• Number of trainings attended • Number of training on business plan • Number of feasibility study • Number of inter-firm linkages	• Nominal • Interval scale	• Secondary data sources • Questionnaire s/Interviews	• Quantitative • Qualitative	Non-parametric	Descriptive
To evaluate how incubation services by KIE influence the growth of jua kali enterprises.	**Independent** Incubation services	• Networking • Innovation and Knowledge • Management capacity • New product development	• Number of networking • Type of innovation • Type of management capacity • Number of new products development	• Nominal • Interval scale	• Secondary data sources • Questionnaire s/Interviews	• Quantitative • Qualitative	Non-parametric	Descriptive

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter discusses the interpretation and presentation of the findings. This chapter presents analysis of the data on the influence of Kenya Industrial Estates services on the growth of jua kali enterprises in Meru County. The chapter also provides the major findings and results of the study.

4.1.1 Response Rate

The study targeted a sample size of 108 respondents from which 87 filled in and returned the questionnaires making a response rate of 80.56%. This response rate was good and representative and conforms to Mugenda and Mugenda (1999) stipulation that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent.

4.2 Demographic Characteristics

The researcher sought to establish the background information of the respondents and the companies including respondentsô gender, age, marital status, highest level of educational qualification, dependents the respondents have, business experience, purpose of joining jua kali sector and the legal ownership of their firm.

4.2.1 Gender of the respondents

The study sought to establish the gender of the respondents. The responses are presented in Table 4.1.

Table 4. 1: Gender of the respondents

	Frequency	**Percent**
Male	58	66.7
Female	29	33.3
Total	**87**	**100.0**

From Table 4.1, 66.7% of the respondents indicated that they were male while 33.3% of the respondents indicated that they were female. This shows that the study interviewed more men than women artisans from Meru County.

4.2.2 Age of the respondents

The respondents were further asked to indicate their age bracket and they responded as shown in Table 4.2.

Table 4. 2: Age of the respondents

	Frequency	Percent
31-40	38	43.7
41-50	32	36.8
Above 51	17	19.5
Total	**87**	**100.0**

From Table 4.2, 43.7% of the respondents indicated that they were aged between 31 and 40 years, 36.8% indicated that they were between 41 and 50 years while 9.5% indicated above 51 years. It can be concluded that most artisans were aged between 31-40 years of age.

4.2.3 Marital status of the respondents

The respondents were further asked to indicate their marital status. Their responses were as shown in Table 4.3.

Table 4.3: Age of the respondents

	Frequency	Percent
Married	52	59.8
Separated	33	37.9
Divorced	2	2.3
Total	**87**	**100.0**

From Table 4.3, 59.8% of the respondents indicated that they were married, 37.9% indicated they were separated while 2.3% indicated they were divorced. It is concluded that most of the artisans interviewed were married.

4.2.4 Highest level of educational qualification

The respondents were additionally asked to indicate their highest level of educational qualification. Their responses were as shown in Table 4.4

Table 4. 4: Highest level of educational qualification

	Frequency	Percent
None	15	17.2
Primary	22	25.3
Secondary	34	39.1
Tertiary College	15	17.2
University	1	1.1
Total	**87**	**100.0**

From Table 4.4, 39.1% of the respondents indicated that their highest level of educational qualification was the secondary level, 25.3% indicated the primary level, 17.2% indicated tertiary college level with the same percentage indicating none. Additionally, 1.1% of the respondents indicated the university level. It can be deduced that 57.4% of the artisans interviewed had basic education.

4.2.5 Dependents of the respondents

The respondents were asked to indicate the number of dependents on them and they responded as shown in Table 4.5.

Table 4. 5: Dependents of the respondents

	Frequency	**Percent**
Less than 2	28	32.2
3-5	58	66.7
More than 5	1	1.1
Total	**87**	**100.0**

Table 4.5 shows that 66.7% of the respondents indicated that the number of dependents on them was between 3 and 5, 32.2% indicated it was less than 2 whereas 1.1% indicated it was more than 5 individuals. It can be deduced from the study that most of the respondents had 3-4 dependents.

4.2.6 Business experience

The respondents were asked to indicate their business experience in the Jua Kali sector and they responded as shown in Table 4.6.

Table 4. 6: Business experience

	Frequency	Percent
2-4 years	19	21.8
5-7years	8	9.2
Over 8 years	60	69.0
Total	**87**	**100.0**

From Table 4.6, 69% of the respondents indicated that they had a business experience in Jua Kali of over 8 years, 21.8% indicated between 2 and 4 years while 9.2% indicated between 5 and 7 years. It is deduced from the study that most artisans had business experience of over 8 years.

4.2.7 Number of employees

The respondents were asked to indicate the number of employees they have. The results were as shown in Table 4.7.

Table 4. 7: Number of employees

	Frequency	**Percent**
0-5	25	28.7
6-10	57	65.5
11-15	5	5.7
Total	**87**	**100.0**

From Table 4.7, 65.5% indicated that they have between 6 to 10 employees, 28.7% indicated they have less than 5 employees while 5.7% indicated they have between 11 and 15 employees. The study can deduce that most artisans had between 6-10 employees.

4.2.8 Purpose of joining Jua Kali Sector

The respondents were further asked to indicate their purpose for joining the Jua Kali sector and their responses are summarized in Table 4.8.

Table 4. 8: Purpose of joining Jua Kali Sector

	Frequency	**Percent**
Lack of jobs in formal sector	59	67.8
Acquired trained skills	22	25.3
Family influence	6	6.9
Total	**87**	**100.0**

From Table 4.8, 67.8% of the respondents indicated that their purpose for joining the Jua Kali sector was due to lack of jobs in the formal sector, 25.3% indicated it was due to acquired trained skills while 6.9% indicated it was due to family influence. It can be deduced from the study that most respondents joined jua kali sector due to lack of job in the formal sector. This shows that jua kali sector is important in job creation in the country.

4.2.9 Legal ownership

The respondents were further asked to indicate the legal ownership of their firm. The results were as shown in Table 4.9.

Table 4. 9: Legal ownership

	Frequency	Percent
Sole trader	78	89.7
Partnership	2	2.3
Private limited company	7	8.0
Total	**87**	**100.0**

From Table 4.9, 89.7% of the respondents indicated that their firm was a sole trader type of legal ownership, 8% indicated private limited company legal ownership while 2.3% indicated partnership type of legal ownership. The study can deduce that the legal ownership of the respondents business was sole proprietorship.

4.3 Financial services by KIE

The study sought to examine sources of capital and how financial services by KIE have influenced the growth of Jua kali enterprises in Meru County. The results obtained are presented in the following sections.

4.3.1 Sources of initial or additional capital

The respondents were queried to indicate their sources of initial capital. Their responses were as shown in Table 4.10.

Table 4. 10: Sources of initial or additional capital

	Frequency	**Percent**
Personal savings	70	80.5
Loan	8	9.2
Others (family help)	9	10.3
Total	**87**	**100.0**

From Table 4.10, 80.5% of the respondents indicated that their sources of initial capital was personal savings, 10.3% indicated their source of initial capital was family help while 9.2% indicated loans. We can deduce that the main source of initial capital for most artisans in Meru was personal savings. This could be attributed by cumbersome procedures in acquiring loan to start business from formal lending institutions like banks.

4.3.2 Start-up capital in Kenyan shillings

The respondents were queried to indicate their start-up capital in Kenyan shillings. Their responses were as shown in Table 4.11.

Table 4. 11: Start-up capital in Kenyan shillings

	Frequency	Percent
Below 50,000	7	8.0
51,000-100,000	36	41.4
101,000-200,000	17	19.5
Above 200, 0000	27	31.0
Total	**87**	**100.0**

From Table 4.11, 41.4% of the respondents indicated that their start-up capital in Kenyan shillings was between 51,000 and 100,000, 31% indicated above 200, 0000, 19.5% indicated between 101,000 and 200,000 while 8.0% indicated below 50,000. We can deduce that the start-up capital in Kenyan shillings for most artisans in Meru was between 51,000 and 100,000. This could be attributed by the fact that jua kali enterprises mostly operate in open spaces expands with time.

4.3.3 Capital adequacy

The respondents were queried to indicate whether the capital was adequate or not in relation to what they needed for the business. Their responses were as shown in Table 4.12.

Table 4. 12: Capital adequacy

	Frequency	Percent
Yes	44	50.6
No	43	49.4
Total	**87**	**100.0**

From Table 4.12, 50.6% of the respondents indicated that the capital was adequate while 49.4% indicated it was not. We can deduce that the initial capital for most artisans in Meru was adequate.

4.3.4 Credit facility application

The respondents were queried to indicate whether they had ever applied for a credit facility from Kenya Industrial Estate Limited. Their responses were as shown in Table 4.13.

Table 4. 13: Credit facility application

	Frequency	Percent
Yes	70	80.5
No	17	19.5
Total	**87**	**100.0**

From Table 4.13, 80.5% of the respondents indicated that they had applied for a credit facility from Kenya Industrial Estate Limited while 19.5% indicated they have not. We can deduce that most artisans in Meru have ever applied for a credit facility from Kenya industrial estate Limited. This was because KIE was established to support informal sectors projects through giving affordable credit.

4.3.5 Credit facility granted

The respondents were further asked to indicate whether the credit facility they applied for was granted. Their responses were as shown in Table 4.14.

Table 4. 14: Responses to credit facility grant

	Frequency	Percent
Yes	59	84.3
No	11	15.7
Total	**70**	**100.0**

From Table 4.14, 84.3% of the respondents indicated that the credit facility they applied for was granted while 15.7% indicated it was not. We can deduce that most artisans in Meru the credit facility they applied for was granted. This could be attributed to the fact that jua kali enterprises carry out value addition to locally available raw material which promoted by KIE to fulfill its mandate.

4.3.6 Alternatives to borrowing money

For those respondents who did not apply for a credit facility from Kenya industrial estate Limited, they were asked to indicate their alternate borrowing institutions. Their responses were as shown in Table 4.15.

Table 4. 15: Alternatives for borrowing money

	Frequency	**Percent**
Micro finance institutions	9	52.9
SACCOS	6	35.3
Others (shylocks)	2	11.8
Total	**17**	**100**

From Table 4.15, 52.9% of the respondents indicated that their alternate borrowing institutions was the micro finance institutions, 35.3% indicated the SACCOs while 11.8% indicated others (shyrocks). We can deduce that most artisans in Meru who did not apply for funds from credit facility their alternate borrowing institutions was the micro finance institutions. This was because microfinance institutions are very many and easily accessible.

4.3.7 Time taken for the credit to be processed from the date of application

Additionally, the respondents were asked to indicate how long did it take for the credit to be processed after the date of application. Their responses were as shown in Table 4.16.

Table 4. 16: Time taken for the credit to be processed after the date of application

	Frequency	Percent
Between two and six weeks	13	14.9
Between six and twelve weeks	45	51.7
More than twelve weeks	29	33.3
Total	**87**	**100.0**

From Table 4.16, 51.7% of the respondents indicated that it took between six and twelve weeks for the credit to be processed after the date of application, 33.3% indicated it took more than twelve weeks for the credit to be processed after the date of application while

14.9% indicated between two and six weeks. We can deduce that it took between six and twelve weeks for the credit to be processed after the date of application. This could be attributed to a lot of documentation needed and the fact that all activities are centralized.

4.3.8 Purpose of the loan given

Moreover, the respondents were asked to indicate what the purpose of the loan given was. Their responses were as shown in Table 4.17.

Table 4. 17: Purpose of the loan given

	Frequency	Percent
Working capital	47	54.2
Fixed capital	40	46.8
Total	**87**	**100.0**

From Table 4.17, 54.2% of the respondents indicated that the purpose of the loan given was to act as working capital while 46.8% indicated to act as fixed capital. We can therefore infer that the purpose of the loan given was to act as working capital. Working capital loan is meant for buying raw materials for production. Most artisans needed working capital to assist them buy raw materials.

4.3.9 Repayment period for the loan given by KIE

For those respondents granted funds by the KIE, they were asked to indicate the repayment period for the loan given by KIE. The results were as shown in Table 4.18.

Table 4. 18: Repayment period for the loan advanced by KIE

	Frequency	Percent
Less than 1 year	8	9.2
1-2 years	56	64.4
2-4 years	16	18.4
over 4 years	7	8.0
Total	**87**	**100.0**

From Table 4.18, 64.4% of the respondents indicated that the repayment period for the loan given by KIE was 1-2 years, 18.4% indicated 2-4 years, 9.2% indicated Less than 1 year while 8.0% indicated over 4 years. We can deduce that the repayment period for the loan given by KIE was 1-2 years. This was because repayment period do not require longer duration period.

4.3.10 Repayment period

The respondents were furthermore asked to indicate whether or not they were comfortable with the repayment period. Their responses are as shown in Table 4.19.

Table 4. 19: Repayment period

	Frequency	Percent
Yes	24	27.6
No	63	72.4
Total	**87**	**100.0**

According to Table 4.19, 72.4% of the respondents indicated that they were not comfortable with the repayment period while 27.6% indicated they were. We can therefore infer that the artisans were not comfortable with the repayment period. This was because artisans needed longer repayment period because their capital base is small in order to pay small loan instalments not to strain their business.

4.3.11 Interest rate charged for the loan granted by KIE

The respondents were also asked to indicate the interest rate charged for the loan granted by KIE. Their responses were as shown in Table 4.20.

Table 4. 20: Interest rate charged for the loan granted by KIE

	Frequency	**Percent**
1-10%	9	10.3
11-15%	72	82.8
Over 15%	6	6.9
Total	**87**	**100.0**

From Table 4.20, 82.8% of the respondents indicated that the interest rate charged for the loan granted by KIE was between 11 and 15%, 10.3% indicated it was between 1 and 10% while 6.9% indicated it was over 15%. We can therefore infer that the interest rate charged for the loan granted by KIE was between 11 and 15%. This could be attributed by the amount of loan borrowed by the artisans.

4.3.12 KIE interest rate comparison

The respondents were also asked to indicate whether the interest rate charged by KIE was better than other financial institutions. Their responses were as shown in Table 4.21.

Table 4. 21: KIE interest rate comparison

	Frequency	**Percent**
Yes	76	87.4
No	11	12.6
Total	**87**	**100.0**

From Table 4.21, 87.4% of the respondents indicated that the interest rate charged by KIE was better than other financial institutions while 12.6% indicated it was not. We can therefore infer that the interest rate charged by KIE was better than other financial institutions. This is because interest charged by KIE is not affected by inflation and remains the same during the loan repayment period unlike in formal banks where interest rates keep on changing depending on inflation

4.3.13 Loan Top up from KIE

The respondents were additionally asked to indicate whether they have benefitted by a loan top up from KIE. Their responses were as shown in Table 4.22.

Table 4. 22: Loan Top up from KIE

	Frequency	Percent
Yes	33	47.1
No	37	52.9
Total	**70**	**100.0**

From Table 4.22, 52.9% of the respondents indicated that they have not benefitted by a loan top up from KIE while 47.1% indicated they have. We can therefore infer that most artisans from Meru County have not benefitted by a loan top up from KIE.This is because a loan top is a new product in KIE had artisans have not embraced it.

4.3.14 Aspects of influence of financial services offered by KIE

Additionally, the respondents were asked to indicate their level of agreement with the following aspects of influence of financial services offered by KIE in enhancing the growth of Jua kali enterprises. Their responses were as shown in Table 4.23.

Table 4. 23: Likert Scale Scores for influence of financial services offered by KIE

	Mean	Std Deviation
Access to credit from KIE had influenced the growth of their business	4.4138	.63889
Interest rates on KIE loans are better than other financial institutions	3.5977	1.01683
Financial management skills by KIE influences the growth of their business	4.4598	.56660
Loan repayment period by KIE influences the growth their business	4.2874	.58881
Loan processing fee charged by KIE is low compared to other financial institutions	4.2989	.55227
Group guarantee scheme by KIE influence the growth of their business	4.5977	.49320
Loan Top up by KIE had influenced the growth of their business	4.4023	.51624

According to the findings shown above, the respondents strongly agreed that group guarantee scheme by KIE influence the growth of their business as shown by a mean score of 4.5977. Further, the respondents indicated that the financial management skills by KIE influences the growth of their business, Access to credit from KIE influences the growth of their business, loan top up by KIE influences the growth of their business, loan processing fee charged by

KIE is low compared to other financial institutions, loan repayment period by KIE influences the growth their business and that the interest rates on KIE loans are better than other financial institutions as shown by mean scores of 4.4598, 4.4138, 4.4023, 4.2989, 4.2874 and 3.5977 respectively.

4.4 Business development services

The study additionally sought to determine how business development services by KIE have influenced the growth of Jua kali enterprises in Meru County. The results obtained are as shown in the subsequent sections.

4.4.1 Choosing business management training

The respondents were first asked to indicate the factors they consider when choosing business management training from a service provider. Their responses were as shown in Table 4.24.

Table 4. 24: Choosing business management training

	Yes	**No**
Service providers reputation	66.7	33.3
Curriculum	64.4	35.6
Length of programme	62.1	37.9
Cost	69	31
Location of training/training venue from business	73.6	26.4
Attendance mode	78.2	21.8
Timing	59.8	40.2
Literacy level	39.1	60.9

From Table 4.24, 66.7% of the respondents indicated that they consider service providers reputation while 33.3% indicated they do not. Further, 64.4% of the respondents indicated that they consider curriculum while 35.6% indicated they do not. Additionally, 62.1% of the respondents indicated that they consider length of programme while 37.9% indicated they do not. Also, 69.0% of the respondents indicated that they consider cost while 31.0% indicated they do not. Further, 73.6% of the respondents indicated that they consider location of training/training venue from business while 26.4% indicated they do not. Additionally, 78.2% of the respondents indicated that they consider attendance mode while 21.8% indicated they do not. Moreover, 59.8% of the respondents indicated that they consider timing while 40.2% indicated they do not. Lastly, 60.9% of the respondents indicated that they do not consider literacy level while 39.1% indicated they do not. From these findings we can deduce that Meru artisan consider service providers reputation, curriculum, length of programme, cost, location of training/training venue, attendance mode and timing.

4.4.2 Training by KIE

The respondents were first asked to indicate if they have ever attended any training conducted by KIE. Their responses were as shown in Table 4.25

Table 4. 25: Training by KIE

	Frequency	Percent
Yes	62	71.3
No	25	28.7
Total	**87**	**100.0**

From Table, 71.3% of the respondents indicated that they have attended any of the trainings conducted by KIE while 28.7% indicated they have not. We can therefore infer that most artisans from Meru County have attended any of the trainings conducted by KIE.This was because KIE provides training to its customers before giving credit facility.

4.4.3 Type of BDS service accessed from KIE

The respondents were first asked to indicate apart from business management training, what other type of BDS services have they accessed from KIE. Their responses were as shown in Table 4.26.

Table 4. 26: Type of BDS service accessed from KIE

	Frequency	**Percent**
Business plan	34	39.1
Feasibility study	45	51.7
Inter firm linkages	8	9.2

From Table 4.26, 51.7% of the respondents indicated that apart from business management training, they accessed feasibility study from KIE, 39.1% indicated business plan while 9.2% indicated inter firm linkages. We can therefore deduce that apart from business management training, most artisans from Meru County accessed feasibility study from KIE. This was because all artisans borrowing a loan above Kshs.500,000 need a feasibity study done to show the viability of the project.

4.4.4 Aspects of business management training offered by KIE

Additionally, the respondents were asked to indicate their level of agreement with the following aspects of business management training offered by KIE in enhancing the growth of Jua kali enterprises. Their responses were as in Table 4.27.

Table 4. 27: Aspects of business management training offered by KIE

	Mean	Std. Deviation
Business Management training offered is important for their business	4.4713	.71266
Business Management training is conducted regularly	4.4138	.81486
I feel the training programme content took care of their specific needs.	4.7126	.60824
Skills and knowledge taught in the training are the same skills and knowledge needed in their business.	4.5632	.69385
The standard procedures taught in the programme are correct	4.5747	.67569
I believe that succeeding in this training programme will enhance their chance to grow their business profits	4.5747	.65826

From Table 4.27, the respondents strongly agreed that they feel the training programme content took care of their specific needs, that the standard procedures taught in the programme are correct, that they believe that succeeding in this training programme will enhance their chance to grow their business profit and that the skills and knowledge taught in the training are the same skills and knowledge needed in their business as shown by mean scores of 4.7126, 4.5747, 4.5747 and 4.5632 respectively. Additionally, the respondents agreed that the business Management training offered is important for their business and that business Management training is conducted regularly as shown by mean scores of 4.4713 and 4.4138 respectively.

4.4.5 Satisfaction with the provision of business development services

The respondents were also asked to indicate their level of satisfaction with the provision of business development services provided by KIE. Their responses were as shown in Table 4.28.

Table 4. 28: Satisfaction with the provision of business development services

	Mean	Std. Deviation
Business Management training	4.5517	.67787
Business plan	4.1724	.86545
Feasibility study	4.4483	.74332
Inter-firm linkage	4.2184	.82723

From Table 4.28, the respondents indicated that they were satisfied with business Management training to a very great extent as shown by a mean score of 4.5517. Additionally, the respondents indicated that they were satisfied with the feasibility study, Inter-firm linkage and the business plan to a great extent as shown by a mean score of 4.4483, 4.2184 and 4.1724 respectively.

4.5 Business incubation service provided by KIE

The study also sought to evaluate how incubation services by KIE have influenced the growth of Jua kali enterprises in Meru County. Their responses were as shown in in the subsequent sections.

4.5.1 Incubation service provided by KIE

Additionally, the respondents were asked to indicate if their business has benefitted by incubation service provided by KIE. Their responses were as in Table 4.29.

Table 4. 29: Incubation service provided by KIE

	Frequency	Percent
Yes	56	64.4
No	31	35.6
Total	**87**	**100.0**

From Table 4.29, 64.4% of the respondents indicated that their business has benefitted by incubation service provided by KIE while 35.6% indicated they have not. We can therefore deduce that most Jua Kali businesses have benefitted by incubation service provided by KIE. This is because KIE has industrial estate where it incubates the artisans businesses.

4.5.2 Type of benefit

Additionally, the respondents were asked to indicate the type of incubation service they benefitted with by KIE. Their responses were as in Table 4.30.

Table 4. 30: Type of benefit

	Yes	No
Space for their business	52.9	47.1
Networking with other Entrepreneurs	89.7	89.7
Stimulating Innovation and knowledge needed in their business	75.9	75.9
Improving Management Capacity	77.0	77.0
New Product Development	86.2	86.2

From Table 4.30, 52.9% of the respondents indicated that they obtained space for their business while 47.1% indicated they did not. Further, 89.7% of the respondents indicated that they obtained networking with other entrepreneurs as a benefit while 10.3% indicated they did not. Additionally, 75.9% of the respondents indicated that they obtained stimulating Innovation and knowledge needed in their business while 24.1% indicated they did not. Also, 77.0% of the respondents indicated that they obtained improving management capacity while 33.0% indicated they did not. Further, 86.2% of the respondents indicated that they obtained product development from business while 13.8% indicated they did not. From these findings we can deduce that Meru artisan obtained space for their business, networking with other entrepreneurs, stimulating Innovation and knowledge needed in their business, providing management capacity and product development from business as benefits.

4.5.3 Aspects of influence of incubation program offered by KIE

Additionally, the respondents were asked to indicate their level of agreement with the following aspects of influence of incubation program offered by KIE in enhancing the growth of Jua kali enterprises. Their responses were as shown in Table 4.31.

Table 4. 31: Aspects of influence of incubation program offered by KIE

	Mean	Std. Deviation
Availability of space for their business	3.7011	.98966
Networking with other Entrepreneurs	4.4253	.80163
Stimulating Innovation and knowledge needed in their business.	4.6667	.60361
Providing Management Capacity	4.5517	.69481
New Product Development	4.4483	.64264

From Table 4.31, the respondents strongly agreed that Stimulating Innovation and knowledge needed in their business and providing Management Capacity enhance the growth of Jua kali enterprises as shown by mean scores 4.6667 and 4.5517 respectively. Further, the respondents agreed that new product development, networking with other entrepreneurs and the availability of space for their business enhance the growth of Jua kali enterprises as shown by mean scores 4.4483, 4.4253 and 3.7011 respectively.

4.6 Growth of Jua Kali Enterprises

The purpose of this study was to examine the influence of Kenya Industrial Estates services on the growth of Jua kali enterprises in Meru County. The results in this section were as shown below.

4.6.1 Capital in Kshs before acquiring KIE services

The respondents were first asked to indicate the capital they had in Kshs before acquiring KIE services. The results were as shown Table 4.32.

Table 4. 32: Capital in Kshs before acquiring KIE services

	Frequency	**Percent**
Between 50,000-100,000	76	87.4
Over 100,000	11	12.6
Total	**87**	**100.0**

From Table 4.32, 87.4% of the respondents indicated that the capital they had in Kshs before acquiring KIE services was between 50,000 and 100,000 while 12.6% indicated over 100,000. We can therefore deduce that the capital they had in Kshs before acquiring KIE services was between 50,000 and 100,000. This could be attributed by the fact that jua kali enterprises are mostly microenterprises requiring low capital base.

4.6.2 Capital in Kshs after acquiring KIE services

The respondents were further asked to indicate the capital they had in Kshs after acquiring KIE services. The results were as shown in Table 4.33.

Table 4. 33: Capital in Kshs after acquiring KIE services

	Frequency	Percent
Between 50000 -100,000	1	1.1
Between 100,000-200,000	65	74.7
Over 200,000	21	24.1
Total	**87**	**100.0**

From Table 4.33, 74.7% of the respondents indicated that the capital they had in Kshs after acquiring KIE services was between 100,000 and 200,000, 24.1% indicated over 200,000 while 1.1% indicated between 50,000 and 100,000. We can therefore deduce that the capital they had in Kshs after acquiring KIE services was between 100,000 and 200,000.This was because the amount of loan depends on the size of business.

4.6.3 Monthly sales turn over in Kshs before acquiring KIE services

The respondents were also asked to indicate their monthly sale turn over in Kshs before acquiring KIE services. The results were as shown in Table 4.34.

Table 4. 34: Monthly sale turn over in Kshs before acquiring KIE services

	Frequency	**Percent**
Between 50,000-100,000	68	78.2
Over 100,000	19	21.8
Total	**87**	**100.0**

From Table 4.34, 78.2% of the respondents indicated that their monthly sale turn over in Kshs before acquiring KIE services was between 50,000 and 100,000, while 21.8% indicated over 100,000. We can therefore deduce that monthly sale turn over in Kshs before acquiring KIE services was between 50,000 and 100,000. This was because sales depend on the capital injected in a business.

4.6.4 Monthly sales turn over after acquiring KIE services

The respondents were also asked to indicate their monthly sale turn over in Kshs after acquiring KIE services. The results were as shown in Table 4.35.

Table 4. 35: Monthly sales turn over after acquiring KIE services

	Frequency	Percent
Between 100,000-200,000	66	75.9
Over 200,000	21	24.1
Total	**87**	**100.0**

From Table 4.35, 75.9% of the respondents indicated that their monthly sale turn over in Kshs after acquiring KIE services was between 100,000 and 200,000 while 24.1% indicated over 200,000. We can therefore deduce that monthly sale turn over in Kshs after acquiring KIE services was between 100,000 and 200,000. This was because the after KIE funding the capital base also increased and subsequently increasing sales.

4.6.5 Number of employees before acquiring KIE services

Additionally, the respondents were also asked to the number of employees they had before acquiring KIE services. The results were as shown in Table 4.36.

Table 4. 36: Number of employees before acquiring KIE services

	Frequency	Percent
1-3	2	2.3
4-5	58	66.7
over 5	27	31.0
Total	**87**	**100.0**

From Table 4.36, 66.7% of the respondents indicated that they had between 4 and 5 employees before acquiring KIE services, 31.0% indicated over 5 while 2.3% indicated between 1 and 3. We can therefore deduce that Meru artisans interviewed had between 4 and 5 employees before acquiring KIE services. This was because the expansion was not done.

4.6.6 Employees acquired after KIE services

Further, the respondents were also asked to indicate the number of employees they had after acquiring KIE services. The results were as shown in Table 4.37.

Table 4. 37: Employees acquired after KIE services

	Frequency	Percent
4-5	2	2.3
5-10	59	67.8
Over 10	26	29.9
Total	**87**	**100.0**

From Table 4.37, 67.8% of the respondents indicated that they had between 5 and 10 employees after acquiring KIE services, 29.9% indicated over 10 while 2.3% indicated between 4 and 5. We can therefore deduce that Meru artisans interviewed had between 5 and 10 employees after acquiring KIE services. This was as a result of expansion after funding.

4.6.7 Growth after accessing KIE services

Further, the respondents were also asked to indicate how their business has been growing since they started accessing KIE services based on the indicators given. The results were as shown in Table 4.38.

Table 4. 38: Growth after accessing KIE services

	Mean	**Std. Deviation**
Growth in number of business branches	3.2529	.43718
Growth in number of customers	3.3448	.54618
Growth in sales	4.8276	.46272
Growth in capital base	4.7356	.46904
Growth in profits	4.7011	.53079
Quality of products/services offered	4.7701	.52165
Business image	3.4598	1.11860
Growth in number of employees	4.1609	.56801

From Table 4.38, the respondents indicated that growth in sales, quality of products/services offered, growth in capital base and growth in profits were very good as shown by mean scores of 4.8276, 4.7701, 4.7356 and 4.7011 respectively. Additionally, the respondents indicated that Growth in number of employees, business image, growth in number of customers and growth in number of business branches were good as shown by mean scores of 4.1609, 3.4598, 3.3448 and 3.2529 respectively.

4.8 Regression Analysis

In this study, a multiple regression analysis was conducted to test the influence among financial services, business development services and incubation services provided by KIE. The research used statistical package for social sciences (SPSS V 21.0) to code, enter and compute the measurements of the multiple regressions.

Table 4.39: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.8662	0.7503	0.6902	0.7325

R-Squared is a commonly used statistic to evaluate model fitness. R-square is 1 minus the ratio of residual variability. The adjusted $R^{2,}$ also called the coefficient of multiple determinations, is the percent of the variance in the dependent variable explained uniquely or jointly by the independent variables. 69.02% of the changes in the growth of Jua kali enterprises in Meru County could be attributed to the combined effect of financial services, business development services and incubation services by KIE.

Table 4.40: **Summary of One-Way ANOVA results**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.223	3	2.306	**3.334**	0.015
	Residual	42.876	83	0.692		
	Total	52.099	86			

The probability value of 0.015 indicates that the regression relationship was highly significant in predicting how financial services, business development services and incubation services affected the growth of Jua kali enterprises in Meru County. The calculated ANOVA F at 5% level of significance was 3.334 and was significantly larger than the theoretical predicted by the model (F critical = 2.5252). This shows that the overall model was significant.

Table 4.41: Regression coefficients of the relationship between growth of Jua kali enterprises and the four predictive variables

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.053	0.217		**2.889**	5.31E-03
	Financial services	0.682	0.149	0.613	**5.309**	1.58E-06
	Business development services	0.701	0.181	0.149	**3.210**	2.10E-03
	Incubation services	0.599	0.196	0.234	**4.255**	7.19E-05

As per the SPSS generated Table 4.41, the equation ($\mathbf{Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon}$), the predicted change in the dependent variable (growth in Jua Kali Sector) can be represented by the following multiple regression equation:

$Y = 1.053 + 0.682X_1 + 0.701X_2 + 0.599X_3$

The regression equation above indicates that all the factor inputs (financial services, business development services and incubation services). Without them, the sector would have registered a low or minimum growth at 1.053. These findings also show that taking the effects of all other independent variables at zero, a unit increase in the financial services would lead to a 68.2% increase in the growth of Jua kali enterprises and a unit increase in the scores of Business development services would lead to a 70.1% increase in the growth of Jua kali enterprises. Further, the findings shows that a unit increases in the scores of incubation services would lead to nearly 60% increase in the growth of Jua kali enterprises.

Overall, business development services had the greatest effect on the growth of Jua kali enterprises, followed by financial services, while incubation services had the least effect to the growth of Jua kali enterprises. All the variables were significant ($p<0.05$).

CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presented the discussion of key data findings, conclusion drawn from the findings highlighted and recommendation made there-to. The conclusions and recommendations drawn were focused on addressing the objective of the study.

5.2 Summary of Findings

The study sought to establish the influence of financial services, business development services and incubation services on the growth of Jua kali enterprises in Meru County.

5.2.1 Financial services

The study established that the main source of initial capital for most artisans in Meru was personal savings. The start-up capital in Kenyan shillings for most artisans in Meru was between Kenya shillings 51,000 and 100,000 and most respondents considered this amount to be adequate. Further, most artisans in Meru have ever applied for a credit facility from Kenya industrial estate Limited and that the credit facility they applied for was granted. For those artisans in Meru who did not apply for a credit facility from Kenya Industrial Estate Limited, the study found that their alternate lender institutions were the micro finance institutions. It was further established that it took between six and twelve weeks for the credit to be processed after the date of application. As well, the study found that the purpose of the loan given was to act as working capital. Additionally, the study revealed that the repayment period for the loan given by KIE was 1-2 years and that the artisans were comfortable with that repayment period. The study found that the interest rate charged for the loan granted by KIE was between 11 and 15% and that it was better than other financial institutions. Also, the study found that most artisans from Meru County have not benefitted by a top up facility from KIE. Additionally, the study found that group guarantee scheme by KIE influence the growth of their business. As well, the study established that the financial management skills provided by KIE influences the growth of their business, Access to credit from KIE influences the growth of their business, top up facilities by KIE influences the growth of my business, loan processing fee charged by KIE is low compared to other financial institutions, loan repayment period by KIE influences the growth my business and that the interest rates on KIE loans are better than other financial institutions.

5.2.2 Business development services

The study established that Meru artisan consider service providers reputation, curriculum, length of programme, cost, location of training/training venue, attendance mode and timing. The study further established that most artisans from Meru County have attended any of the trainings conducted by KIE. Additionally, the study established that apart from business management training, most artisans from Meru County accessed feasibility study from KIE. Further, the study found that they feel the training programme content took care of their specific needs, that the standard procedures taught in the programme are correct, that they believe that succeeding in this training programme will enhance their chance to grow their business profit and that the skills and knowledge taught in the training are the same skills and knowledge needed in their business. Additionally, it was found that the business Management training offered is important for their business and that business Management training is conducted regularly. As well, the study established that they were satisfied with business Management training to a very great extent and also that they were satisfied with the feasibility study, Inter-firm linkage and the business plan to a great extent.

5.2.3 Incubation service provided by KIE

The study established that most Jua Kali businesses have benefitted by incubation service provided by KIE. It was also established that Meru artisan obtained space for their business, networking with other entrepreneurs, stimulating Innovation and knowledge needed in their business, providing management capacity and product development from business as benefits. It was further found that stimulating innovation and knowledge needed in their business and improving Management Capacity enhance the growth of Jua kali enterprises. Additionally, it was found that new product development, networking with other entrepreneurs and the availability of space for my business enhances the growth of Jua kali enterprises.

5.2.4 Enterprise growth

The study further established that the capital they had in Kshs before acquiring KIE services was between 50,000 and 100,000 and that the capital they had in Kshs before acquiring KIE services was between 100,000 and 200,000. The study further found that monthly sale turn over in Kshs before acquiring KIE services was between 50,000 and 100,000 and that monthly sale turn over in Kshs after acquiring KIE services was between 100,000 and 200,000 further, the study revealed that Meru artisans interviewed had between 4 and 5 employees before acquiring KIE services. Additionally, the study found that Meru artisans interviewed had between 5 and 10 employees after acquiring KIE services. Lastly, the study found that growth in sales, quality of products/services offered, growth in capital base and growth in profits were very good and that Growth in number of employees, business image, growth in number of customers and growth in number of business branches were good.

5.3 Discussion

This section sought to discuss the influence of financial services, business development services and incubation services on the growth of Jua kali enterprises in Meru County in the light of previous studies done.

5.3.1 Financial services

The study established that the main source of initial capital for most artisans in Meru was personal savings. The study further found that the start-up capital in Kenyan shillings for most artisans in Meru was between 51,000 and 100,000 and that this amount was adequate. According to Sleuwaegen and Goedhuys, (2002), insufficient capital or lack of financial sources is the major obstacle for informal sector and usually entrepreneurs need to utilize personal financial sources to start up their business and to expand their operations since the internal financial sources are normally insufficient. Meru artisans can consider themselves lucky to have sufficient funds.

Further, the study established that most artisans in Meru have ever applied for a credit facility from Kenya industrial estate Limited and that the credit facility they applied for was granted. For those artisans in Meru who did not apply for a credit facility from Kenya industrial estate Limited, the study further found that their alternate borrowing institutions was the micro finance institutions. It was further established that it took between six and twelve weeks for the credit to be processed after the date of application. As well, the study found that the purpose of the loan given was to act as working capital. Additionally, the study revealed that the repayment period for the loan given by KIE was 1-2 years and that they were comfortable. The study found that the interest rate charged for the loan granted by KIE was between 11 and 15% and that it was better than other financial institutions. Also, the study found that most artisans from Meru County have not benefitted by a loan top up from KIE. Additionally, the study found that group guarantee scheme by KIE influence the growth of their business. As well, the study established that the financial management skills by KIE influences the growth of their business, Access to credit from KIE influences the growth of their business, loan top up by KIE influences the growth of my business, loan processing fee charged by KIE is low compared to other financial institutions, loan repayment period by KIE influences the growth my business and that the interest rates on KIE loans are better than other financial institutions. These findings serve to show that finance plays a critical role for the development and growth of informal sector. Previous studies by Ligthelm and Cant (2003) highlighted the limited access to financial resources available to informal sector enterprises compared to large organizations as these findings have reiterated.

5.3.2 Business development services

The study established that Meru artisan consider service providers reputation, curriculum, length of programme, cost, location of training/training venue, attendance mode and timing. The study further established that most artisans from Meru County have attended any of the trainings conducted by KIE. Additionally, the study established that apart from business management training, most artisans from Meru County accessed feasibility study from KIE. In conformance, Deraedt, *et al,* (2009) on their study on International examples of Business Development Service (BDS) state that products targeting small social enterprises concluded that the majority of available BDS focus on the dimension of organisational and institutional capacity, BDS that are directed to strengthen the adaptive and/or developmental capacity are much more scarce, apart from civil society organizations that offer BDS, private for profit organizations and governments are pertinent suppliers of BDS and the target group will highly determine the nature and functional mode of the offered.

Further, the study found that they feel the training programme content took care of my specific needs, that the standard procedures taught in the programme are correct, that they believe that succeeding in this training programme will enhance my chance to grow my business profit and that the skills and knowledge taught in the training are the same skills and knowledge needed in their business. Additionally, it was found that the business Management training offered is important for their business and that business Management training is conducted regularly. As well, the study established that they were satisfied with business Management training to a very great extent and also that they were satisfied with the feasibility study, Inter-firm linkage and the business plan to a great extent. In this regard, Bowen, Morara and Mureithi (2009), researched on Management of business challenges among businesses in Nairobi Kenya. The findings of the research indicated that over 50% of businesses continue to have a deteriorating performance with 3 in every 5 businesses failing within months of establishment. Only 2.5% respondents saying their businesses were very successful. The results also showed that 49.5% of those who had received training in their areas of business reported that their businesses were doing well. He recommended that there is need to get trained in an area that is relevant to the type of business.

5.3.3 Incubation service provided by KIE

The study established that most Jua Kali businesses have benefitted by incubation service provided by KIE. Developing of incubation Centers is an important segment of the support of Jua kali enterprises for business start-ups. Business incubators are defined as special facilities intended to provide new developing Enterprises with office space, infrastructure and a comprehensive range of services and amenities to enhance their business skill during the early period of their development according to Sundararajan *et al* (2004).

It was also established that Meru artisan obtained space for their business, networking with other entrepreneurs, stimulating Innovation and knowledge needed in their business, improving management capacity and product development from business as benefits. It was further found that stimulating innovation and knowledge needed in their business and improving Management Capacity enhance the growth of Jua kali enterprises. Additionally, it was found that new product development, networking with other entrepreneurs and the availability of space for my business enhances the growth of Jua kali enterprises. These findings agree, more or less, to Yasin and Omer (2013) study on the Impact of Business

Incubation on Firm Performance during Post Graduation Period that incubated firms outperform the non-incubated firms both in the employment and sales growth.

5.3.4 Enterprise growth

According to Nichter and Goldmark (2009) explicably informal in developing countries generally do not get access to formal bank loans because of perceived high risk of default, low profitability and incapability to demonstrate required physical collateral. The study established that the capital they had in Kshs before acquiring KIE services was between 50,000 and 100,000 and that the capital they had in Kshs before acquiring KIE services was between 100,000 and 200,000. The study further found that monthly sale turn over in Kshs before acquiring KIE services was between 50,000 and 100,000 and that monthly sale turn over in Kshs after acquiring KIE services was between 100,000 and 200,000further, the study revealed that Meru artisans interviewed had between 4and 5 employees before acquiring KIE services. Additionally, the study found that Meru artisans interviewed had between 5 and 10 employees after acquiring KIE services. Lastly, the study found that growth in sales, quality of products/services offered, growth in capital base and growth in profits were very good and that Growth in number of employees, business image, growth in number of customers and growth in number of business branches were good. These respective improvements are reiterated by Atieno (2001) in her study to assess the role of institutional lending policies among formal and informal credit institutions in determining the access of small-scale enterprises to credit in Kenya. The study found that the limited use of credit reflects lack of supply, resulting from the rationing behaviour of both formal and informal lending institutions. The study concludes that given the established network of formal credit institutions, improving lending terms and conditions in favour of small-scale enterprises would provide an important avenue for facilitating their access to financial resources.

5.4 Conclusions

With regard to how financial services by KIE have influenced the growth of Jua kali enterprises in Meru County, the study concludes that the main source of initial capital for most artisans in Meru was personal savings. Further, the study concludes that most artisans in Meru have applied for a credit facility from Kenya industrial estate Limited and that the credit facility they applied was granted. For those artisans in Meru who did not apply for a credit facility from Kenya industrial estate Limited, the study concludes that their alternate borrowing institution was the micro finance institutions. The study found that the interest rate charged for the loan granted by KIE was between 11 and 15% and that it was better than other financial institutions. Also, the study concludes that most artisans in Meru County have not benefitted by a loan top up from KIE. Additionally, the study concludes that group guarantee scheme by KIE influence the growth of their business. As well, the study established that the financial management skills by KIE influences the growth of their business, Access to credit from KIE influences the growth of their business, loan top up by KIE influences the growth of my business, loan processing fee charged by KIE is low compared to other financial institutions, loan repayment period by KIE influences the growth my business and that the interest rates on KIE loans are better than other financial institutions.

On how business development services by KIE have influenced the growth of Jua kali enterprises in Meru County, the study also concludes that Meru artisan consider service providers reputation, curriculum, length of programme, cost, location of training/training venue, attendance mode and timing. The study further concludes that most artisans from Meru County have ever attended any training conducted by KIE. Additionally, the study concludes that apart from business management training, most artisans from Meru County accessed feasibility study from KIE. Additionally, it was concluded that the business Management training offered is important for my business and that business Management training is conducted regularly. As well, the study concludes that they were satisfied with business Management training to a very great extent and also that they were satisfied with the feasibility study, Inter-firm linkage and the business plan to a great extent.

The study further concludes that most Jua Kali businesses have benefitted from incubation service provided by KIE. It was also concludes that Meru artisan obtained space for their business, networking with other entrepreneurs, stimulating Innovation and knowledge needed in their business, improving management capacity and product development from business as benefits. It was further concluded that stimulating innovation and knowledge needed in their business and improving Management Capacity enhance the growth of Jua kali enterprises. Additionally, it was concluded that new product development, networking with other entrepreneurs and the availability of space for their business enhance the growth of Jua kali enterprises.

5.5 Recommendations

i. The study established that great opportunities for growth of Micro and Small Enterprises such as Jua Kali Enterprises exist at Kenya Industrial Estates in terms of financing and incubation services. This study therefore recommends Jua Kali Enterprises seeks incubation and financial services from the Kenya Industrial Estates to enhance their growth since there are very minimal bottlenecks that can hinder them from qualifying for such services.
ii. The study also established that jua kali artisans are not comfortable with the loan repayment period given by KIE.This study therefore recommends that KIE management to increase the loan repayment period.
iii. The study revealed that very few artisans have benefited by a loan top by KIE.This study recommends that KIE to market this product to its customers so that they can embrace it.
iv. The study also revealed that the loan processing after date of application is between six and twelve weeks. This study recommends that KIE decentralize its lending activities so that it can compete with formal banks in terms of duration taken in loan processing.
v. The study established that incubation services provided by KIE enhance the growth of Jua kali enterprises in Meru County. This study recommends that the county government of Meru to collaborate with KIE in building more incubation Centers in Meru County.

5.6 Recommendations for Further Studies

i. Following this study, another study should be done to investigate other factors other than financial services, business development services and incubation services by the Kenya Industrial Estates that influence the growth of Jua kali enterprises.

ii. A similar study should also be done on other sectors of the economy that KIE touches since their operations are different from that of Jua Kali enterprises.

iii. The researcher further recommends that in-depth research should be carried out by interested scholars and/or policy makers on how the Jua Kali Enterprises spurning across Kenya employ the funds given to them by the Kenya Industrial Estates.

iv. Further, a study on comparison between the effects of financing rendered by the Kenya Industrial Estates and the micro-finance and mainstream financial institutions is recommended to be carried out and the research findings correlated.

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APPENDIX 1: Transmittal Letter

Purity Thuranira,

P.O Box 820-60200,

Meru.

20^{th} July 2015

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Dear Sir/Madam,

RE:RESEARCH ON THE INFLUENCE OF KENYA INDUSTRIAL ESTATES SERVICES ON THE GROWTH OF JUA KALI ENTERPRISES IN MERU COUNTY.

The researcher is a student at the University of Nairobi carrying out a study on the influence of Kenya Industrial estates Services on the growth of Jua kali enterprises in Meru County. This is an academic research that is part of partial fulfillment for the award of the degree of Master of Arts in Project Planning and Management.

I kindly request your input through filling this questionnaire. Please note that your honest responses will be in strict confidence and will purely be used for academic purpose. Any additional information you may consider relevant to this research will be most welcomed.

Your acceptance to complete this questionnaire is greatly appreciated.

Thank you in advance.

Yours Faithfully,

Purity Thuranira.

APPENDIX 2: Questionnaires to Artisans

This questionnaire is to collect data for purely academic purposes. All information will be treated with utmost confidence. Do not put your name or identification on this questionnaire. Answer all questions as indicated by either filling in the blank or ticking the options that applies.

SECTION A: GENERAL INFORMATION

1. What is your gender?

   Male ( ) Female ( )

2. Your Age (tick one)

   31-40 ( ) 41-50 ( ) Above 51 ( )

3. What is your marital status?

   Married ( ) Separated ( ) Divorced ( )

4. What is your highest level of educational qualification?

   None ( ) Primary ( ) Secondary ( ) Tertiary College ( ) University ( )

5. How many dependants do you have?

   Less than 2 ( ) 3-5 ( ) More than 5

6. How long has your business been in existence?

   2-4 years ( ) 5-7years ( ) Over 8 years.

7. How many employees do you have?

   0-5 ( ) 6-10 ( ) 11-15 ( ) Over 15

8. What made you join the jua kali sector?

   Lack of jobs in formal sector ( ) Acquired trained skills ( ) Family influence ( )

9. What is the legal ownership of your firm?

   Sole trader ( ) Partnership ( ) Private limited company ( )

   Any other (specify)é ..

10. How many employee works in your firm?

    None ( ) Less than 10 ( ) 11-20 ( ) 20-30 ( ) 30-50 ( )

11. What is the estimated value/total of assets in your business?

    é

SECTION B: Financial services

1. What are your sources of initial or additional capital?

   Personal savings ( ) Loan ( ) Others ( ) specifyé é é é é é é é ...

2. How much in Kenyan shillings was your start-up capital?

   Below 50,000 ( ) 51,000-100,000 ( ) 101,000-200,000 ( ) Above 200, 0000

3. Was the capital adequate?

   Yes ( ) No ( )

4. Have you ever applied for a credit facility from Kenya industrial estate Limited?

   Yes ( ) No ( )

5. If yes, in 4 above was the credit facility granted and how much?

   Yes ( ) KSHS. -------------------------- No ( )

6. If no, in 4 above where did you borrow the credit?

   Micro finance institutions ( ) SACCOS ( ) Others ( ) specify--------------------------------

7. If No in 5 above, why was the credit not granted?

   ----

8. How long did it take for the credit to be processed after the date of application?

   Between two and six weeks ( ) Between six and twelve weeks ( ) More than twelve weeks

9. What was the purpose of the loan given?

   Working capital ( ) Fixed capital ( )

10. What was the repayment period for the loan given by KIE?

    Less than 1 year ( ) 1-2 years ( ) 2-4 years ( ) Over 4 years

11. Were you comfortable with the repayment period?

Yes ( ) No ( )

12. What was the interest rate charged for the loan granted by KIE?

    1-10% ( ) 11-15% ( ) Over 15% ( )

13. Was the interest rate charged better than other financial institutions?

    Yes ( ) No ( )

    Comment on your answer above

    ----

14. If no what would you suggest to KIE concerning the repayment period?

    ----

15 Have you benefitted by a top up facility from KIE?

    Yes ( ) No ( )

16 If no in 15 above, give a reason.

15. Kindly indicate your level of agreement with the following aspects of influence of financial services offered by KIE in enhancing the growth of jua kali enterprises .Use a scale of 1-5, where 1- strongly disagree, 2- disagree, 3- neutral, 4- agree, 5- strongly agree.

	1	2	3	4	5
Access to credit from KIE influences the growth of my business					
Interest rates on KIE loans are better than other financial institutions					
Financial management skills by KIE influences the growth of my business					
Loan repayment period by KIE influences the growth my business					
Loan processing fee charged by KIE is low compared to other financial institutions					
Group guarantee scheme by Kie influence the growth of my business					
Top up facilities by KIE influences the growth of my business					

16 In your own opinion what can you advise KIE to do to improve its financial services?

SECTION C: Business development services

1. What factors do you consider when choosing business management training from a service provider?
    a. Service providers reputation
    b. Curriculum
    c. Length of programme
    d. Cost
    e. Location of training/training venue from business
    f. Attendance mode

g. Timing

h. Literacy level

2. Have you ever attended any training conducted by KIE?

   Yes ( )   No ( )

   Explain your answer?

   é
   é

3. If yes in 1above what type of training did you attend?

   é
   é
   é .

4. How many business management trainings have you attended by KIE?

   é
   é
   é
   é
   é
   é

5. Apart from business management training, what other type of BDS service have you accessed from KIE?
   a. Business plan
   b. Feasibility study
   c. Inter firm linkages

6. Kindly indicate your level of agreement with the following aspects of business management training offered by KIE .Use a scale of 1-5, where 1- strongly disagree, 2- disagree, 3- neutral, 4- agree, 5- strongly agree.

	1	**2**	**3**	**4**	**5**
Business Management training offered is important for my business					
Business Management training is conducted regularly					
I feel the training programme content took care of my specific needs.					
Skills and knowledge taught in the training are the same skills and knowledge needed in my business.					
The standard procedures taught in the programme are correct					
I believe that succeeding in this training programme will enhance my chance to grow my business profits					

7. Please rate your level of satisfaction with the provision of business development services provided by KIE? Base your opinion on the following indicators.
1-Least satisfied, 2-Fairly satisfied, 3- Satisfied, 4- Very satisfactory, 5-Most satisfactory.

	1	**2**	**3**	**4**	**5**
Business Management training					
Business plan					
Feasibility study					
Inter-firm linkage					

SECTION D: Incubation services

1. Has your business benefitted by incubation service provided by KIE?

   Yes ( )   No ( )

2. If yes in 1 above what kind of benefit did you get?

   a. Space for my business
   b. Networking with other Entrepreneurs
   c. Stimulating Innovation and knowledge needed in my business.
   d. Improving Management Capacity
   e. New Product Development

3. Kindly indicate your level of agreement with the following aspects of influence of incubation program offered by KIE in assisting jua kali enterprises .Use a scale of 1-5, where 1- strongly disagree, 2- disagree, 3- neutral, 4- agree, 5- strongly agree.

4.

	1	**2**	**3**	**4**	**5**
Availability of space for my business					
Networking with other Entrepreneurs					
Stimulating Innovation and knowledge needed in my business.					
Improving Management Capacity					
New Product Development					

SECTION E: Enterprise growth

1. How much was capital in Kshs before acquiring KIE services?

   Between 50,000-100,000

   Over 100,000

2. How much was your capital in Kshs after acquiring KIE services?

   Between 50000 -100,000

   Between 100,000-200,000

   Over 200,000

3. What is your monthly sale turn over in Kshs before acquiring KIE services?

   Between 50,000-100,000

   Over 100,000
4. What are your monthly sales turn over after acquiring KIE services?

   Between 100,000-200,000

   Over 200,000
5. How many employees did you have before acquiring KIE services?

   1-3 ( ) 4-5 ( ) over 5 ( )
6. How many employees did you have after acquiring KIE services?

   4-5 ( ) 5-10 ( ) Over 10 ( )
7. Please rate on the 5-point Likert scale given below how your business or the one you manage has been growing since you started accessing KIE services based on the indicators given. Use a scale of 1-5, where 1- Very poor, 2- Poor, 3-Fair, 4-Good, 5-Very good.

	1	**2**	**3**	**4**	**5**
Growth in number of business branches					
Growth in number of customers					
Growth in sales					
Growth in capital base					
Growth in profits					
Quality of products/services offered					
Business image					
Growth in number of employees					