

**FACTORS AFFECTING SMALL BUSINESSES RECOVERY POST-DISASTER: A CASE STUDY OF FIRES IN GIKOMBA MARKET**

**By**

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## **DEDICATION**

For my loving family that has continually supported me though out my studies.

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## **LIST OF ABBREVIATIONS**

ACEPIS	Africa Centre for People Institutions and Society
BRS	Brief Resilience Scale
CD-RISC	Connor-Davidson Resilience Scale
FAO	Food and Agricultural Organization
ILO	International Labour Organization
KNBS	Kenya National Bureau of Statistics
RIMA	Resilience Index Measurement and Analysis Model
SFBT	Sustainable Family Business Theory
UNDP	United Nations Development Programme

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## **ABSTRACT**

The informal sector contributes significantly to development in developing countries. However, businesses in the sector continue to face considerable challenges threatening their survival and recovery from shocks. Notwithstanding, these businesses have displayed remarkable resilience by rebuilding their structures and resuming operations. Little is known about the factors that impact the recovery of small businesses after they experience shocks. The paper aims to determine the characteristics of small businesses that recover after exposure to external shocks. The study's objectives were to identify the level of recovery of small businesses in Gikomba market; to identify the characteristics of recovered businesses; and to understand how small businesses recover after experiencing a shock. The study used a mixed-method approach to allow for measurement and generalization as well as, delve deeper to understand why some small businesses can recover as opposed to others. The results show that there was a relationship between business recovery and the experience of the business owner, the business age, the diversification of family income, an individual's hardiness and resourcefulness. Findings also show that financial resources obtained from friends and family are instrumental in business recovery. This study concludes that a majority of the small businesses in Gikomba market were able to recover owing to their resilience and that resourcefulness and hardiness are the most important attributes that can be used to measure individual resilience. The study recommends that when studying resilience, emphasis should be on the hardiness and resourcefulness of individuals. The research also makes policy recommendations that the government should incentivize financial institutions to promote lending to small businesses and also incentivize insurance firms to design products that are accessible to small informal businesses as they are most susceptible to external shocks.

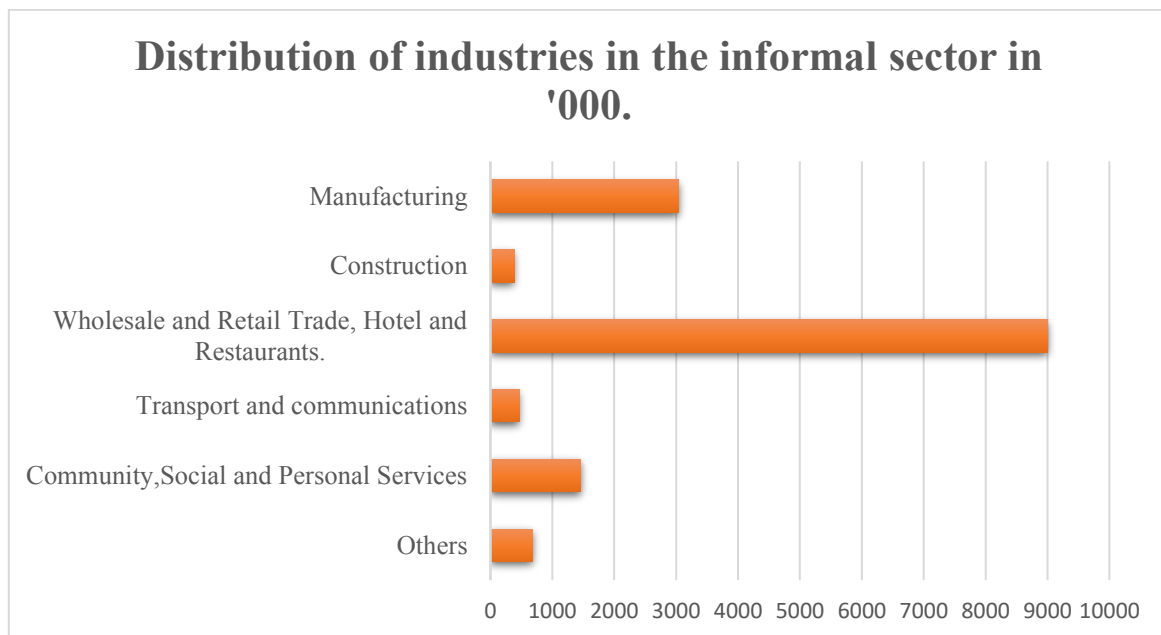
# CHAPTER I

## Background

The informal sector contributes significantly to development in developing countries. For years, it was assumed that a mix of required resources and the right economic policies by countries, would transform their traditional economies into modern economies. This would in turn lead to a shift from informal (traditional economy) to a formal economy which would grow and absorb more labour (ILO, 2013). However, as evidenced today, these assumptions by government and economists were inaccurate as many countries have been unable to provide the much-needed employment for their growing population. In Sub-Saharan Africa, for example, it has been observed that the informal sector has continued to grow providing over 70% of earnings for households (Fox and Sohnesen, 2016). In many instances, these earnings are the primary or only source of revenue for poor households (ILO, 2013), therefore, the sector aids in poverty reduction. In addition to employment creation, the informal sector has also contributed to the production of goods and services as well as low-cost labour for both formal and informal businesses. It is also debated that the sector strengthens entrepreneurship and continues to supply ideas, skills, and innovations to the economy (McCormick et al., 2020).

Similar to other developing economies, Kenya's informal sector contributes significantly to the economy by providing job opportunities for a large section of the country.

Figure 1: Estimated number of persons engaged in the informal sector in Kenya, by activity



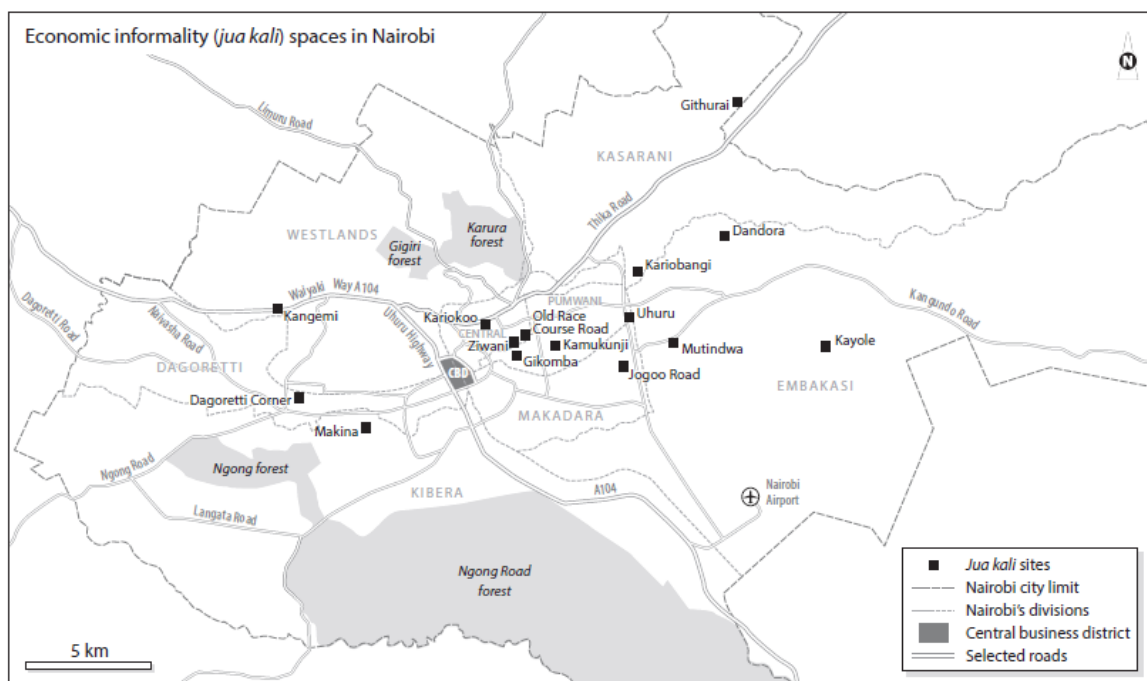
Source: Data from Economic Survey 2020 (KNBS, 2020: p.55)

The figure above (figure 1) shows the estimated number of persons in Kenya working in the informal sector and the different industries they are engaged in.

The informal sector “is characterised by small-scale activities, easy entry and exit due to fewer regulations, skills gained from vocational institutions, less capital investment, limited job security, and self-employment” (ILO, 2013: p.249). Additional features noted by Kinyanjui (2014) include household ownership of businesses, dependence on local resources, labour intensiveness, and competitive markets. The term Jua Kali, meaning ‘hot sun’ in Swahili - is used to refer to Kenya’s informal sector. Early work by scholars identified ‘Jua kali’ workers making a living by the streets and on wasteland under the hot sun with simple technology (King, 1996). Since then, the term ‘Jua kali’ evolved to include various informal Small and Medium Enterprises (SMEs) operating in either permanent spaces or open spaces (McCormick et al., 2020).

Kenya’s markets have attracted several of these businesses as they provide a conducive environment where diverse goods are traded contributing to economic growth. The country has several markets in different regions of Nairobi city where the informal traders operate. The figure below shows the different economic informality spaces in Nairobi.

Figure 2: A map showing economic informality spaces in Nairobi



Source: Kinyanjui, 2014

Businesses in this sector are increasingly susceptible to diverse shocks which disrupt normal businesses operations. Existing literature has categorized these vulnerabilities into five areas

namely: i) economic restrictions, ii) regulatory restrictions, iii) weak social protection mechanisms, iv) urban land use and spatial planning challenges, v) cross-cutting issues relating to disability, gender and security (Chisoro and Karodia, 2015). According to Macharia (1997), the informal sector has to constantly fight for space in the urban areas affecting their ability to flourish and become more profitable. A study conducted by Africa Centre for People Institutions and Society (ACEPIS) (2018), on the informal sector in Kenya, revealed that more than 55% of businesses in the study lacked a stable working site which made them vulnerable to shocks that affect business operations as they lack access to facilities such as power and water. Additional shocks that affected business included: extreme weather conditions, political violence, crime, and fire outbreaks.

### Statement of the problem

Small businesses in the informal sector continue to face considerable vulnerabilities that threaten their survival (KNBS, 2016). Gikomba market, Kenya’s largest open-air market and home to thousands of businesses, has faced several fire incidences over the years, with increasing incidences being reported. In 2020 alone, three fire incidences were reported by July 2020.

*Table 1: Summary of reported fire incidences*

<b>Year</b>	<b>Location</b>	<b>Destruction</b>
June 2017	Fish and groceries section	Property destroyed
April 2018	Line 42	Property destroyed
June 2018	Kwa Mbao section	Property destroyed and 15 people killed
October 2018	-	Property destroyed
November 2019	Line 42	Property destroyed
February 2020	Line 42	Property destroyed
April 2020	Line 42	Property destroyed
June 2020	Line 42	Property destroyed

*Source: Author’s compilation from the Daily Nation newspapers*

Research has shown that increased shocks affect business recovery and further widens existing inequalities between informal and formal businesses hence informal businesses are more vulnerable than formal businesses (Sullivan-Taylor & Branicki, 2011). Moreover, workers are excluded from social protection and formal financial service such as insurance, which would

be helpful in times of distress. Media reports highlight that fire incidences have affected businesses and lives in Gikomba and destroyed property (Daily Nation, n.d.). The fact that the fires are recurrent and nothing much in terms of policy has been done to address this issue, demands attention from various development sector players.

Notwithstanding, these businesses have displayed remarkable resilience by rebuilding their structures and resuming operations. Therefore, it is critical to recognize the factors affecting post-disaster recovery and focus “on transforming systems that are inequitable (e.g., poverty traps) or hinders individuals or communities from developing adaptive capacity” (Meerow et al., 2016, p. 46).

### **Justification**

As discussed in the previous sections, informal businesses struggle with various challenges that affect their growth and survival. This section shows that there are gaps in literature on the resilience of these businesses. Linnenluecke (2017) notes the lack of empirical literature on identifying resilience attributes that can help during future adversity. Furthermore, Sancis and Poler (2014) emphasize the importance of identifying and understanding the factors affecting business recovery among small businesses before action can be taken to promote their resilience. It is, therefore, important to understand how businesses deal with external shocks that threaten their survival, to be able to develop preventive and adaptive approaches to deal with prevailing threats.

The existing global literature on business resilience research has largely focused on formal enterprises and developed frameworks for studying resilience in such enterprises (e.g. Linnenluecke & Griffiths, 2010), while the literature on informal businesses are lacking. Furthermore, local studies focusing on resilience aspects such as firm capabilities (e.g. Wamalwa et al., 2019) have studied large firms, also creating a gap in knowledge about informal businesses. As previously mentioned, assumptions that the informal sector would be replaced by the modern economy have been inaccurate as the informal sector has continued to thrive. Kinyanjui (2014) has argued that there is a dynamic association that has formed amongst businesses in the formal economy and those in the informal economy. This is evident in our local context where formal enterprises such as Coca-Cola and Safaricom use informal distribution networks to promote the sale of their products. This study, therefore, presents a different approach to studying business recovery by focusing on the informal sector. It has been noted that “addressing urban challenges will be dependent not only on the resilience and

sustainability of the formal systems that operate within urban settings but will also depend largely on the resilience of informal systems as well, particularly in countries where these systems play a significant role in the function of the overall urban system” (Farajalla et al., 2017).

This study is centred on studying resilience in the context of market fires as the external shock. The two classifications in literature on external shocks are – idiosyncratic (shocks affecting individuals and households) and covariant shocks (those affecting a larger population such as a community) (Acepis, 2018b). Using this classification, idiosyncratic shocks and their impact on poverty levels for families in the informal sector have been studied widely (e.g. Mehrotra, 2009; Ahmad and Aggarwal, 2017). On the other hand, studies on covariant shocks in the context of small business recovery have been studied in North America, Australia and Asia (e.g. Campos, 2016; Halkos & Skouloudis, 2016; Han & Nigg, 2011) demonstrating a gap in literature from Africa. Though indeed, the continent does not face severe natural shocks, fires – which has been classified as a natural shock – can have widespread and disastrous effects affecting the lives of vulnerable individuals. This has been the case of business owners in Gikomba market hence the need to study business resilience after experiencing destruction by fire.

### **Research Objectives**

This research aims to contribute from several fronts to current discourses around business resilience in the informal economy. The key objective of this research is to establish the factors that affect the recovery of small businesses in the informal sector after they experience external shocks. The specific research objectives are:

1. To identify the level of business recovery of small businesses in Gikomba market after destruction by fires
2. To determine the characteristics of recovered businesses
3. To understand the process of small business recovery after experiencing shocks

### **Research Questions**

Drawing from the research objectives, this research seeks to address three main research questions:

1. What is the level of business recovery of small businesses in Gikomba market after destruction by fires?

2. What are the characteristics of recovered businesses in Gikomba market?
3. How do small businesses in Gikomba market recover from fires?



## CHAPTER II

This chapter discusses relevant literature reviewed by the author related to the topic of study. The first part of this chapter discusses the different approaches that attempt to explain economic informality then highlights the four schools of thought related to development thinking in Africa. The next section proceeds to examine the advancement of resilience as a concept, its different measures, and the theories applicable to this study. In the second part of this chapter, the author discusses and analyses empirical studies on the factors affecting business survival then summarizes the discussion in this chapter.

### LITERATURE REVIEW

#### Economic Informality

As mentioned in the previous chapter, economic informality is a common feature of many developing countries. Scholars have thus developed various approaches that attempt to explain economic informality. For example, Alter Chen (2012) and Brown et. al. (2014) explain economic informality using the dualist, structuralist, legalist, and voluntarist perspectives. In the dualist perspective, there is an existence of both a formal and informal sector where the formal sector is characterized by difficult entry, corporate ownership, large scale operations, formally acquired skills, reliance on overseas resources, and market protection through tariffs and quotas (Alter Chen, 2012). Alter Chen (2012) and Brown et. al. (2014) discuss these four different perspectives in their work which is summarized in Table 1 below:

*Table 2: A summary of the causal theories on the informal economy.*

SCHOOLS OF THOUGHT	CAUSAL THEORY	AUTHORS
<b>Dualist</b>	“Imbalances between the growth rates of the population and of modern industrial employment, and a mismatch between peoples’ skills and the structure of modern Economic opportunities” (Alter Chen, 2012, p. 5)	(Hart 1973; Sethuraman 1976; Tokman 1978).
<b>Structuralist</b>	“Driven by the nature of capitalism/ capitalist growth, especially the attempts by formal firms to reduce labour costs and	(Moser 1978; Castells and Portes 1989).

	increase competitiveness [...], to global competition and to the process of industrialization.” (Alter Chen, 2012, p.5)	
<b>Legalist</b>	“Excessive state regulation.” (Brown et al., 2014, p. 15)	(de Soto 1989, 2000).
<b>Voluntarist</b>	“Informal operators choose to operate informally after weighing the costs benefits of informality relative to formality.” (Alter Chen, 2012, p.5)	Levenson and Maloney (1998); Maloney (2004)

*Source: (Alter Chen, 2012; Brown et al., 2014)*

McCormick et al., (2020) have also examined four schools of thought – modernization, dependency, human development and institutional theories – and observe the shift in thinking on informality in the African contexts. The scholars show the differences in development thinking highlighting how modernization preferred formality to informality with support for regulation of the informal sector. The authors show how thinking shifts through these different phases until development thinking recognizes that both formality and informality can co-exist in a space where the institutional environment recognizes that the systems present both opportunities and challenges to various categories of individuals in the society.

In Kenya, development strategies and policies have also evolved with the evolution in development thinking. Initial national development documents such as the sessional paper no. 10 of 1965, show its link to modernisation theories that focused on rapid economic growth (McCormick et al., 2020). Subsequently, national development documents continue to mirror the development thinking of the time until 2003, when two national development documents – Economic Recovery Strategy (ERS) and Vision 2030 – emphasize the influence of the informal sector to the country’s development. These documents, however, are merely policy pronouncements and their full implementation still presents a challenge. The government has, therefore, struggled to maintain ‘order’ and manage economic informality in Kenya (Kinyanjui, 2014). This is evident in its planning which has continued to perpetuate the vulnerabilities of businesses in the informal sector.

Various scholars have examined informality and the different shifts in development thinking on informality, however, gaps exist in literature on the resilience of informal businesses. The

following section reviews existing literature on resilience and shows how the concept has evolved, then discuss the different measures of the concept.

### **Resilience: Emergence and evolution of the concept**

The term resilience has been widely used in various fields. In ecology, for example, Holling (1973: p14) initially defined resilience as “a measure of persistence of systems and their ability to absorb change and disturbance and still maintain the same relationships between populations or state variables”. Physicists define resilience as “the ability of materials return to its original shape following an external shock” (Lecoze & Capo, 2006:p.3) and in psychologist define it as the ability to “fend off maladaptive responses to risk and their potential negative consequences” (Zimmerman & Arunkumar, 1994:p.2). These various definitions across disciplines demonstrate that lack of a universal definition.

In the business environment, the term resilience was first used by two scholars Staw et al. (1981) and Meyer (1982) who both studied the response of organizations to external threats though with divergent views. On one hand, Shaw et al. (1981) argue that external threats threaten the survival of organizations causing them to display rigid responses (as opposed to flexible and adaptive responses) which have negative effects on their survival while on the other hand, Meyer (1982: p.516) uses evidence from his empirical study to argue that external threats do not necessarily place organizations at risk of survival instead organizations display alternative adaptive responses which he describes as ‘resiliency’. Meyer (1982) further concluded that an organization’s strategy and slack resources contribute to its resilience.

A further review of literature from the mid-1980s highlights the focus of scholarship of resilience in the context of external shocks. A shift is evident as we approach the 1990s when focus begins to shift to internal threats resulting from high profile disasters that emerge such as Chernobyl and Exxon Valdez oil spills. These large-scale incidences caused an interest in the cause and effects of such disasters with researchers using case studies methodologies to assist in identifying strategies that could be employed to achieve error-free operations in technological advanced environments (Linnenluecke, 2017). This period was short-lived as the 9/11 US terror attacks reverted the focus to external threats as fears of global security, terrorism and climate change were viewed as threats to the functioning of organizations.

The 2001 US terror attack had a profound effect on resilience scholarship as researchers began to focus on coping strategies and responses that emerge from external shocks. From this, three divergent research streams emerged focusing on: business models, employee strengths and how

organizations anticipate, prevent and respond to external shocks. Each of these streams have advanced in separation from each other and have very few connections additionally the conceptualization and operationalization of resilience in these studies are different (Linnenluecke, 2017). The first stream focuses on the possible influences of business models and processes on the impacts of an event such as natural disasters (e.g. Wedawatta & Ingirige 2012; Linnenluecke & Griffiths 2013) or adverse circumstances such as disruptions of supply chains (e.g. Boone et al., 2013; Brandon-Jones et al., 2014). The second is rooted in psychology and focuses on employee strengths that can be nurtured to enhance organizational resilience. These studies demonstrate a correlation between employee resilience and organizational resilience (e.g. Avey et al., 2011; Luthans et al., 2010). The third stream focuses on how organizations anticipate, prevent and respond to external shocks (e.g. Roggio, 2011).

This study is concerned with individual resilience and how it relates to business resilience therefore, focusing on the second stream of literature. The following section discusses how different studies have measured resilience.

### **Measuring Resilience**

The concept 'resilience' has gained prominence in various disciplines however, there is no consensus on the definition of the concept. The three different streams investigating business resilience have each conceptualized and operationalized the concept in different ways (Linnenluecke, 2017). The lack of consensus in the definition of the concept has contributed to various measurements being applied in an attempt to measure resilience. Other challenges in studying resilience are if the quality is visible only during times of shock – that is difficult to replicate for research – or the quality may only be seen when threshold limits are exceeded (Rudolph and Reppenning, 2002).

Various frameworks have been developed by scholars that attempt to measure resilience at a community level, individual level and organizational level. These frameworks have however been criticised, revealing the differences in conceptualization and operationalization of the concept. For example, Oxfam's Multidimensional Approach (Hughes & Fuller, 2013) that measures household and community resilience pre-disaster focuses on attributes such as innovative potential, emergency support, and social and institutional aptitude among others- has been critiqued by scholars such as Frankenberger and Nelson (2013) who critic the approach as being limited as it is not clear whether the attributes are pertinent when the shock

occurs. Moreover, the scholars argue that the approach assumes that resilience is static, which is not the case as communities and businesses evolve.

Other frameworks such as the Resilience Index Measurement and Analysis Model (RIMA) designed by FAO (FAO, 2012) and the USAID Measurement Framework for Community Resilience (USAID, 2013) both permit families and communities to describe resilience in their context and identify measurement indicators making these measures participatory inclusive and informed by local realities. The limitation of this measure is that it requires a researcher to have in-depth engagement with the group being studied (Hughes & Fuller, 2013) which can affect the reliability and objectivity of the study. Further UNDP (2014) also notes that the approach makes it difficult to make comparisons on the level of resilience displayed by different groups.

At the individual level, the Connor-Davidson Resilience Scale (CD-RISC), developed by Connor and Davidson (2003), attempts to measure how well an individual is equipped to recover after a stressful event. The measure uses a 25-item scale that assesses the personal characteristics and social resources possessed by an individual that may help in adaptation.

At an organizational level, organizational resilience is a framework that is often used by scholars to study business resilience. It suggests that organizational stability leads to the resilience and reliability of businesses (Linnenluecke & Griffiths, 2010). Varying indicators of resilience have been used to measure aspects such as situational awareness, management weaknesses and adaptive abilities (e.g. McManus et al. (2007); McManus (2008)).

This study used the Connor-Davidson Resilience Scale (CD-RISC), developed by Connor and Davidson (2003) to measure individual resilience. This measure was best suited as the study was focused on measuring the resilience of business owners.

## **Theoretical Framework**

This section discusses the two theories – entrepreneurial resilience theory and the Sustainable Family Business theory – that were used in this study.

### **a) Entrepreneurial Resilience**

Resilience is a multidimensional attribute that allows individuals to adapt in the face of difficulties or tragedy (Connor & Davidson, 2003). It is a characteristic trait among individuals that can overcome setbacks that they face in their lives. Internal and external stressors faced by an individual affects their ability to cope and be adaptive. Stressors can, therefore, cause an individual to a) develop maladaptive coping strategies or affect their functionality, b) recover

but suffer some level of internal disruption, c) overcome disturbance and return to their previous state, d) overcome disruption and grow to be more resilient.

Sutcliffe and Vogus (2003), identify resilience as an important attribute in entrepreneurs resulting from the interaction between the individual and their environment. This attribute, however, changes over time and is dependent on a range of factors such as gender, age, culture and context (Connor & Davidson, 2003). During this evolving process, entrepreneurs acquire skills, knowledge and abilities to help them overcome setbacks with creativity, optimism and positivity using mobilized resources (Ayala & Manzano, 2014).

Resilience is a fundamental factor related to success among entrepreneurs. Scholars such as Stoltz (2000), argue that successful entrepreneurs present higher Adversity Quotient (AQ) scores (a resilience measurement score used to measure personal resilience). Other authors such as Markman et al. (2005), use individual resilience measures to measure entrepreneurial success during the first years of a business – when it is difficult to use financial indicators for measurement.

Resilience is seen as a constituent of various personal and behavioural qualities that often presents a challenge in measurement. Various scholars have attempted to develop scales of measurement however, only the Connor-Davidson Resilience Scale (CD-RISC) has been validated by various studies (Ayala & Manzano, 2014). Ayala and Manzano (2013) show that hardiness, resourcefulness and optimism are distinct factors in the resilience of the entrepreneur. The term hardiness is used to refer to a person's control of themselves, meaning that an individual is not easily frustrated by a difficult situation and push through to attain their goals. Resourcefulness is described as a person's belief in their ability to influence the outcome of a situation they are facing (Powell & Baker, 2011). Resourcefulness, therefore, refers to capabilities, skills and resources in their possession. Optimism, the other component of resilience, refers to an individual's ability to maintain a positive attitude during a difficult time. It is therefore assumed that an entrepreneur's resilience is affected by their business, making the entrepreneur adopt skills and change their strategy to enable them to cope during adversity while being optimistic (Ayala & Manzano, 2014).

### **b) Sustainable Family Business Theory**

The Sustainable Family Business Theory (SFBT) is a social systems-based theory that highlights the sustainability of both the household and the business. The theory views family-firm sustainability as a function of both household functionality and success of the business

(Danes et al., 2008). The SFBT is useful as it makes a contribution to business theories by considering not only the principal business owner's resources but also other household member resources, that are used in the business indirectly. Furthermore, the theory places entrepreneurship within the social context of the household making it applicable for use when analysing both the family and the business independently, or in combination. It is also important to note that in addition to poor management, the lifespan of a small business can be affected by personal and family reasons which lead to closures (Haynes et al., 2011).

Growth in sales, gross revenue, profits, number of employees and survival are typically used as objective indicators of business success (Haynes et al., 2011). However, in the SFBT, subjective indicators of success are equally important because both the business owner's expectation and economic indicators are essential when classifying a business as successful. Danes et al. (2008), further argue that when used together, two dimensions of success are captured rather than just one. It is further argued that subjective indicators (among self-employed individuals and small businesses) have a greater significance.

SFBT has some tenets, one of them being that there is an interchange of resources between the household and the business. SFBT classifies resources into three forms of capital (financial, social and human capital) that can be derived directly from the society or indirectly from the household. According to (Danes et al., 2008) human capital is the most important form of capital and comprises abilities and skills that an individual has – which could be intellectual (acquired through gaining in-depth knowledge of a particular business) or the possession of an ability to do certain tasks. Financial capital includes cash and items that can be readily converted to cash and includes pooled cash from various sources including the family. Though financial capital is important, it is not sufficient for business sustainability unless it is coupled with both human and social capital (Danes et al., 2008). Social capital includes goodwill among family members and also the community and can be seen in relationships among people. Contrary to previous studies that have assumed that decisions made by an individual and usually made in a social vacuum, SFBT locates businesses within the community context where it provides institutions, resources and practices, among other things that can be of value to the business (Danes et al., 2008). Van Auken and Werbel (2006) suggest that family members do provide emotional, instrumental and financial support that is useful to the business owner. Haynes et al. (2011), operationalize human capital by gender and the experience of the business owner, and financial capital by the transfer of business income to the family in his study that focused on the survival of small businesses.

Another belief of SFBT is that very diffuse boundaries can threaten the family or the business. The association between the household and the business is crucial in understanding the intermingling of resources. The intermingling of resources is an important aspect as previous studies on small businesses have shown that intermingling obscures financial records. This can occur when resources are taken from the businesses and profits are understated. This makes it harder to ascertain the profitability of the business (Danes et al., 2008). According to Stafford et al., (1999), both the family and the business exchange resources during times of instability. This often affects business revenue when resources are used from the business to manage disruptions within the family, and the reverse is true. There is also an over-lap of responses during times of disruptions.

### **Empirical Literature Review**

This section reviews various studies to examine their findings on the different aspects that affect the recovery of small businesses. These aspects have been divided grouped into owner characteristics, individual resilience and resources.

#### **Owner characteristics**

##### *a) Gender*

Previous research has shown that females are susceptible to disaster and predisposed to threats due to their responsibilities as caregivers, in addition to absence of financial capital and immobility (Fothergill, 1996). A study conducted by Stafford et al. (2010), to investigate the continued existence of small businesses post-disaster, revealed that female-owned businesses are less resilient compared to those owned by their male counterparts. Haynes et al. (2011) had similar findings in a study conducted post-Hurricane Katrina, where findings showed that the likelihood of survival of businesses owned by females was lower even though their businesses had more revenue compared to their male counterparts. Haynes et al. (2011), attribute the lack of resilience in female-owned businesses to the size of the business and poor prior financial stability. The study found that male-owned businesses were more established and more likely to get help during stressful times. Another study also conducted by (Marshall et al., 2015) also observed that businesses owned by women had a greater probability of closure post-disaster which was attributed to the size of the business, financial constraints, shared responsibilities as caregivers, and their approach to business.

##### *b) Experience of the business owner*



The experience of the business owner has shown to be significant in determining the recovery of small businesses post-disaster. A study conducted by Khan and Sayem (2013) to investigate the resilience of small businesses after flooding in Bangladesh revealed that businesses whose owners had operated for 6–10 years had higher chances of recovery after the disaster.

*c) Owner household*

Disasters contribute to increased stress levels in individuals owing to the loss or destruction of property. Families can be a source of help during such times if they act as a stress buffer or boost resources but they can also drain resources adding to stress (Danes et al., 2008). It is argued that the extent of overlap between the business and the family can have an impact on either of the two systems (Danes et al., 2008). A study conducted by Stafford et al. (2010) to investigate the determinants of continued existence of businesses, found that businesses that derived more family income from their business were more resilient.

### **Individual resilience**

An individual's resilience is an important factor that determines one's ability to withstand stress after experiencing shocks (Marshall et al., 2015). Resilience literature related to post-disaster recovery is widely centred on families, communities and organizations. Studies on individual resilience are in the field of medicine and psychology with few studies emerging in disaster literature (Marshall et al., 2015). One such study by Marshall et al. (2015) found that the higher the individual's resilience, the higher the probability of the business reopening post-Hurricane Katrina.

A study conducted by Ayala & Manzano (2014) that resourcefulness, hardiness and optimism helped to predict entrepreneurial success. Resourcefulness was a predictor of success in both men and women entrepreneurs. However, predicted success using hardiness and optimism, differs for both women and men. In their results, women's optimism was more influential in their business success than it was in men. The studies used the CD-RISC scale to measure resilience.

### **Resources**

*a) Social Networks*

Social networks are an important driver of resilience. This networks can be classified into three type: binding, connecting and linking (Aldrich, 2012; Putnam, 2000). The binding aspect of social networks is viewed as an exclusive component that strengthens unity between groups

where members have similar forms and build bonds through economic and business activities and social support. The connecting aspect is viewed as inclusive and strengthening linkages between groups who have dissimilar demonstrable characteristics such as age and socioeconomic status while the linking aspect of social networks allows for connection between communities and higher-level officials, allowing for vertical connections (e.g. provision of services and resources) (Hawkins & Maurer, 2010). These three types of social networks are seen to be instrumental in providing access to resources and support when communities are faced with shocks (Aldrich, 2012; Putnam, 2000).

A study conducted in Nepal after an earthquake in 2015 found that the existence of a strong social network and collective action was important in helping the communities rebuild after the disaster (Devkota et al., 2016). The study found that communities worked together to assist in search and rescue efforts of survivors, set up temporary shelters, shared food and worked together in the reconstruction which was the driver of resilience.

A qualitative study conducted after Hurricane Katrina, purposed to understand the importance of social networks in rebuilding after a disaster, revealed that residents relied on social capital to rebuild their community. Binding aspects were important in assisting with immediate recovery (individuals were able to receive early warnings) while the connecting and linking aspects of social networks were important in assisting wider community recovery and long-term survival (Hawkins & Maurer, 2010).

According to Dynes (2005), social networks are a unique form of capital as it can be renewed and strengthened when responding to disasters and it provides the first point of community action when emergency response is required. Aldrich and Meyer (2015) identify a positive correlation the community's resilience and the magnitude and intensity of their social networks. A comparative study conducted in two sites: Kobe, Japan and Gujarat, India after an earthquake, revealed that the existence of a robust network was responsible for the quality and rate of post-disaster recovery (Nakagawa & Shaw, 2004). The study was first conducted in Kobe then a model of social capital was developed and applied to Gujarat. Results from both study sites showed the important role of community leadership in the discovery process and facilitating collective action despite the differences in the cultural and socioeconomic context.

Research has also proven that social networks are important in providing both financial and non-financial support during disasters or shocks specifically in urban settings. A study conducted in Kibera, Westlands and Embakasi South in Nairobi explored the role of social

capital in helping small traders to deal with shocks. The study revealed that 95.4% of respondents depended on social networks when they experienced a fire outbreak. Traders resorted to savings and borrowing as a coping strategy to support both themselves and their businesses (Acepis, 2008).

Undoubtedly, social networks are significant in aiding in recovery after shocks, however, research has also shown that it has some limitations in cases where the majority of the population is affected. Snowden (2005) argues that social networks can be suppressed by community distress as large-scale disasters affect levels of engagement and reciprocity affecting social practices. A study conducted in Mozambique to investigate community responses after floods in Mabalane District in 2000 revealed that there was a complex relationship between community trust and disaster resilience. Researchers noted the extent of the disaster had affected the reciprocal relationship between community members, and though community members with higher social capital provided support to others, the nature of support consisted of food items which had an impact on the broader social capital of the community (Brouwer & Nhassengo, 2006).

#### *b) Financial Capital*

The role of financial tools and services cannot be understated among vulnerable populations. These services are important in helping them acquire assets, managing cash flows for their businesses and helping them cope when they are faced with shocks. Most small businesses in the informal sector depend on informal or semi-formal loans from rotating savings, remittances and loans from family and friends. Small businesses in the informal sector are generally excluded from formal finance and they have to depend on informal finance which is more flexible and accessible to them. In times of disasters or shocks, formal finance remains more inaccessible especially in cases where physical infrastructure such as; telecommunication networks and financial services are destroyed (El-Zoghbi et al., 2017).

Evidence from research suggests that saving accounts act as a self-insurance by providing a buffer against the negative impacts of shocks (El-Zoghbi et al., 2017). A study conducted in Asia found that households with savings had a stronger recovery compared to those that did not (Hudner and Kurtz, 2015). According to El-Zoghbi et al. (2017), the role played by both formal and informal finance is increasing equally in regards to building household resilience. In the study conducted by Hudner and Kurtz (2015) in Leyte, Philippines, findings showed that

households that received informal support and finance from neighbours, employers, money lenders recovered faster and perceived themselves to have resilience in case of future shocks.

### Summary of the literature review

This chapter analyses the available literature on resilience and identifies the development of the concept over the years. The review demonstrates that the concept has no uniform definition across various disciplines including within the business resilience research which has affected its conceptualization and operationalization. This has resulted in several measures and indicators of resilience. This study then selects the entrepreneurial resilience theory as the best suited theory in addition to the SFBT theory.

The empirical literature review in this section discusses findings from various studies that investigate the study variables. Table 3 below provides a brief of the research findings discussed above.

*Table 3: Summary of empirical literature review*

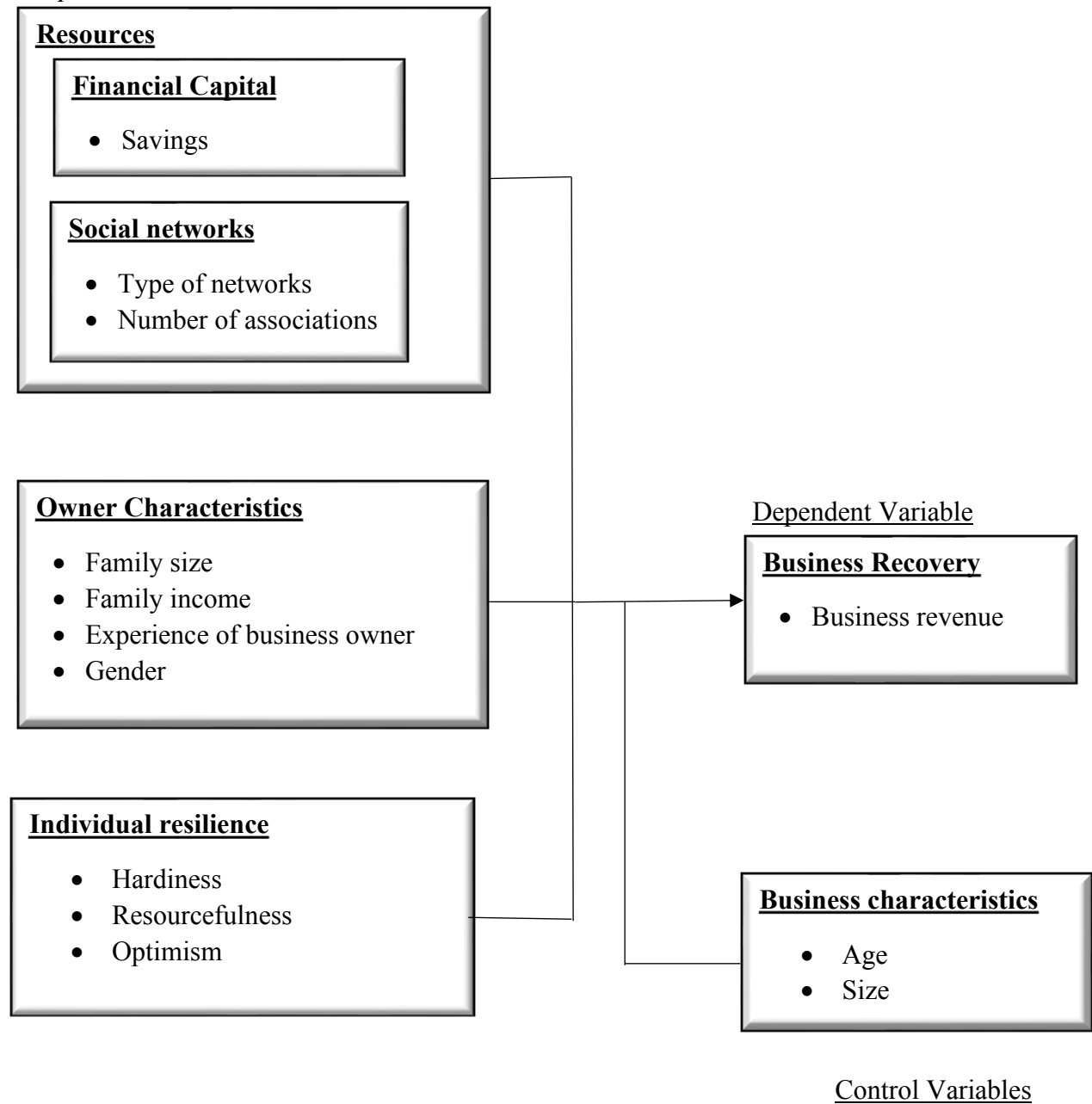
<b>VARIABLE</b>	<b>FINDINGS</b>	<b>METHODOLOGY</b>	<b>AUTHORS</b>
<b>Firm characteristics</b>			
<b>Owner characteristics</b>			
a) Gender	Gender is a significant factor affecting resilience. Male-owned businesses are more resilient compared to female-owned businesses.	Quantitative	(Haynes et al., 2011)
b) Experience of the business owner	Businesses whose owners have more experience have a higher probability of recover post disasters	Quantitative	(Khan & Sayem, 2013)
c) Owner household	Businesses whose revenues contribute to a majority of the household income are more resilient	Quantitative	(Stafford et al. 2010)
d) Individual resilience	Established is a correlation between individual resilience and post-disaster recovery	Quantitative	Marshall et al., 2015)
<b>Resources</b>			
a) Social networks	Strong social networks are important in	Qualitative and Quantitative	(Devkota et al., 2016; Hawkins and

	helping the speed and quality of business recovery		Maurer, 2010; Nakagawa & Shaw, 2004; ACEPIS, 2008; Aldrich & Meyer 2015;)
	Large scale disasters can suppress social capital	Quantitative	(Brouwer & Nhassengo, 2006)
b) Financial Capital	Finance is significant in post-disaster recovery	Quantitative	(Hudner and Kurtz, 2015)

## Conceptual Framework

This conceptual framework offers a visual representation of the interaction between selected variables for this study.

### Independent Variables



Source: The researcher's own conceptualization

## **Description of the conceptual framework**

### ***Dependent variable***

This study measured the dependent variable using the percentage change in business revenue which is a measure of business recovery.

### ***Independent variables***

Independent variables such as financial capital were measured using savings and social networks was measured by assessing the type and number of associations that the members are involved with in the market. Owner characteristics was assessed by family size, family income, gender and experience of the owner in operating the business. Individual resilience was assessed using hardiness, resourcefulness and optimism which were measured using the CD-RISC.

### ***Control variables***

#### *a) Firm size*

Firm size is often used as a proxy for firm resources. It is often measured in employee numbers and sales revenue which can indicate human capital and financial resources available for the business (Marshall et al., 2015). Small businesses are usually classified in terms of employee size (Sullivan-Taylor & Branicki, 2011), however, in this context the businesses are heterogeneous. This study, therefore, measures the firm size by sale revenue. Research shows that smaller businesses are more susceptible to disasters compared to larger businesses. This is because they have limited cash reserves, less revenue from sales as they focus on competitive retail and service sectors, and they also lack insurance which enables them to transfer risks (Sullivan-Taylor & Branicki, 2011).

According to findings from Webb et al. (2002), lasting business recovery can be predicted by the financial condition of the business prior to the disaster. The study noted that businesses that had a weaker financial situation prior to the disasters were less expected to have lasting recovery compared to those with prior stronger financial situation. These findings were similar to those of Han and Nigg (2011) who found that it more probable for businesses with higher revenue to invest in disaster readiness, however, businesses with stronger financial conditions do less to prepare for a disaster affecting their long-term business recovery.

#### *b) Age*

It is expected that newer or less experience businesses are likely to have difficult and prolonged recovery prior to experiencing a disaster in comparison to mature businesses. Research, however, is inconclusive as some studies have shown that there is no direct correlation between the age of the business and recovery. For example, findings from a study conducted by Webb et al. (2002) after Hurricane Andrew, found that the probability of newer businesses recovering after the disaster was higher than that of mature businesses. In contrast, other studies (Drabek 1991; Tierney 1997) have found that mature businesses are better prepared in the event of an external shock and hence more likely to recover.

### **Hypotheses**

This study tested two hypotheses that evolved from both the literature and variables identified from the theoretical framework.

- H1 Owner characteristics affect the level of business recovery
- H2 Individual resilience affects the level of business recovery



## CHAPTER III

### RESEARCH METHODOLOGY

This section provides a comprehensive explanation of the methodology employed in this research. The paper discusses the proposed methods for data collection and analysis of the findings.

#### Research Design

According to Levine (2014), purely quantitative studies exclude probing questions and the interpretation of facts based on an explanation which is important when studying resilience. By employing a mixed-methods approach, both qualitative and quantitative methods complement each other and enable robust analysis of the variables. This research, therefore, used a mixed-methods approach to study the factors that affect the post-disaster recovery of small businesses. The use of quantitative approaches allowed for measurement and generalization of the findings which is an important aspect that assisted in the identification of significant factors affecting post-disaster recovery. Further qualitative approaches were used to assist in understanding the recovery process of small businesses and resilience attributes, further delving deeper into the factors to understand the levels and explain the overarching question: Why are these small businesses able to recover and what is the recovery process after continuous exposure to shocks?

#### Study site

The study was conducted in Gikomba Market in Nairobi. Gikomba is located in the South-East end of Nairobi's Central Business District (CBD). The southern boundaries are the Nairobi industrial area, to the east and the northern zone lie in several middle and low-level-income residential estates of Nairobi. The Nairobi River course way forms a major physical feature. Nairobi City Council estimates show that about 65,000 people work in the market (Crowe, 2014). It is difficult to know the actual number of traders as many traders share stalls. The area has further attracted a number of banks which have since 2007, opened branches within the market. An interview with a Family bank employee revealed that according to their estimates, the market's monthly turnover was \$1.1 million (Crowe, 2014).

The frequent fires experienced in Gikomba market and the ability of the businesses to rebuild shortly after, made it the most suited study site. Gikomba market is divided into 5 sections: The Fish and groceries section, Line 42, 'Kwa Mbao', Cereals section and 'Mitumba' section.

## **Population and sampling**

This study employed a multi-stage sampling technique in the study area. In the first stage, cluster sampling was used to identify specific study areas based on historical evidence of reported fire incidences that have affected small businesses in the Gikomba market. The area that has frequently experienced fires is Line 42 which experienced the last fire incident in June 2020. This area was the best study site in the market given that it has experienced several fire incidences and the business owners have had ample time to reconstruct their stalls and return to their business at the time of the study.

In the second stage, systematic random sampling was used to select the respondents based on a set formula.

$$K = N/n$$

*where:*

*K = systematic sampling interval*

*N is the population size*

*n is the sample size*

In area 42 in Gikomba market, 394 business owners sell both clothing bails and single items to customers. The population was established by counting the businesses that are in the area. The ideal sample size for this study was 195, however, due to time and financial constraints, the study selected a sample size of 116 small businesses. This sample size was sufficient to conduct various quantitative analyses.

From the sampling frame, linear systematic sampling was used. An identified starting point was established and a linear walk pattern was employed. From the starting point, the first business was selected at random then every third business was interviewed based on the calculated sampling interval.

## **Data collection**

The study used a questionnaire (*see appendix 1 and 2*) which was also translated into a Swahili version. The questionnaire which contains both closed-ended and open-ended questions was administered face to face to respondents and the data was collected using the surveytogo tool. This allowed for real-time data collection.

## **Data analysis**

The study employed both quantitative and qualitative data analysis methods. Qualitative data was analysed using thematic analysis which assisted in identifying patterns in responses that were used to develop themes. Quantitative analysis was used to analyse responses to research questions one and two. Research question one, which was interested in the level of business recovery, was analysed using descriptive statistics to generate frequency and cross-tabulations that allowed for the comparison of responses among different groups. Research question two, which is interested in the characteristics of recovered businesses, was analysed using Spearman's rank correlation to assess the relationship between the characteristics of recovered businesses and the levels of recovery. Research question three was analysed using thematic analysis.

### **Ethical Considerations**

The study had some ethical considerations that are discussed in this section. The first consideration was verbal consent from the respondents. The study ensured that participation in the study was voluntary and this was sought before commencement of the administration of the questionnaire. The researcher also explained the study and objectives to ensure that the respondent understood why the data was collected and what it would be used for. The researcher also presented a letter of introduction from the University of Nairobi to identify themselves to the respondents.

Secondly, the research purposed to maintain confidentiality given that the research collected sensitive information including information on financials. To ensure anonymity, respondent names were not captured and data for each respondent was captured on SurveyToGo using a unique identification. Any information that would lead to the identification of the respondent was stored separately.

Table 4: Data needs table

<b>Research Question</b>	<b>Data needed</b>	<b>Type of data</b>	<b>Data Source</b>	<b>Instrument</b>
<b>What is the level of business recovery of small businesses in Gikomba market after destruction by fires?</b>	What is the change in business revenue after the destruction?	Quantitative	Business owner	Questionnaire
	What is the owner's perception of the business' performance after the destruction?	Quantitative	Business owner	Questionnaire
<b>What are the characteristics of recovered businesses in Gikomba market?</b>	What is the gender of the business owner?	Quantitative/Qualitative	Business owner	Questionnaire
	What is the size of the household of the business owner?			
	What are the sources of income for the household?			
	What is the business owner's resilience?			
<b>How do small businesses in Gikomba market recover from fires?</b>	What resources do small businesses use to recover from fires?	Qualitative	Business owner	Questionnaire

## CHAPTER IV

### FINDING AND DISCUSSION

#### Introduction

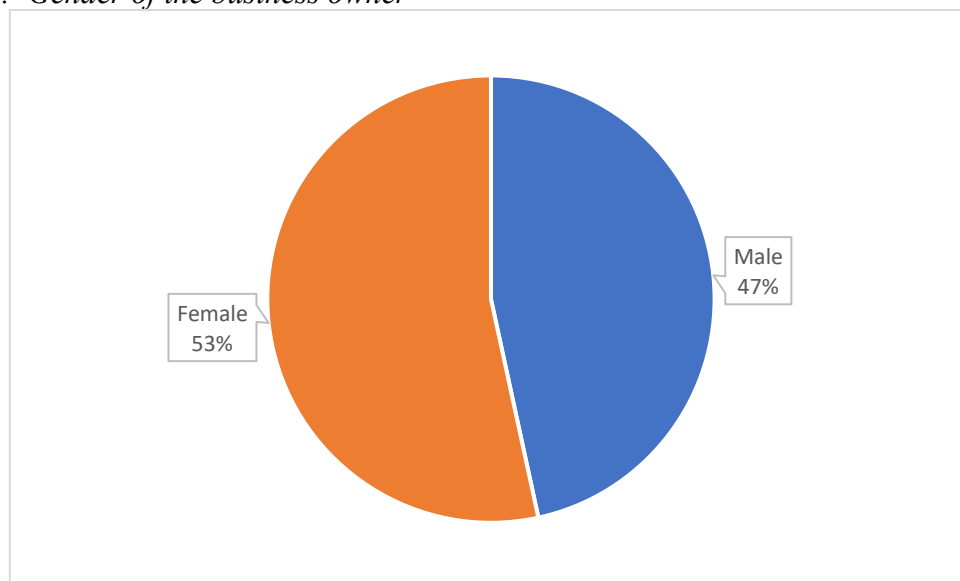
The main objective of the study is to establish the factors that affect the recovery of small businesses in the informal sector after they experience external shocks. The study sought to do so by firstly, identifying the level of business recovery of small businesses in Gikomba market after destruction by fires. Secondly, determining the characteristics of recovered businesses and finally, understanding the process of small business recovery after experiencing shocks.

The study used a mixed-methods approach to allow for a robust analysis of variables. This section summarizes the data collected from the study site and discusses the findings of the study in detail. This section is organized into sub-sections that respond to the research questions and objectives of the study.

#### 4.1 Characteristics of the sample

The study asked respondents a set of questions to gather information on the characteristics of the sample. Data was gathered on gender, age of the business, business revenue, family size, savings and resilience. The survey used ordinal and categorical scales to collect the data hence this section discusses the descriptive statistics of the sample reporting on the frequencies of the collected data.

*Figure 3: Gender of the business owner*



*Source: Survey Data (2021)*

Figure 3 shows that more than half (53%) of the business owners in Gikomba market are females and the rest are male. The study adopted a random sampling criterion that did not consider proportionate sampling for the gender of the business owners. The findings are similar to those reported by a report on economic informality that found that there were more women (48%) informal workers in urban areas compared to men (30%) (KIHBS, 2006).

*Table 5: Summary of years of experience*

	<b>Per cent</b>
Less than 2 years	.9
2 – 5 years	47.4
Above 5 years	51.7

*Source: Survey statistics (2021)*

Table 5 illustrates the age of the business in the study. A majority (51.7%) of the businesses had operated for more than 5 years and < 1% of the businesses were less than 2 years old. Business owners reported that several traders who were previously operating in the market did not return after the last fire incident and instead rented out their stalls to new traders. Empirical evidence has shown that mature businesses are better prepared in the event of a disasters and therefore more likely to recover (Drabek 1991; Tierney 1997). This would, therefore, explain why a majority of the business owners who returned and rebuilt their businesses have businesses that are more than 5 years.

*Table 6: Monthly revenue of businesses (in KES)*

	<b>Frequency</b>	<b>Percent</b>
Below 10,000	37	31.9
10,001 – 50,000	74	63.8
50,001 – 100,000	4	3.4
100,001 and above	1	.9

*Source: Survey statistics (2021)*

Table 6 shows the responses given by respondents when they were asked about how much they make each month from their business. The results show that a majority of the businesses (63.8%) make between 10,000 to 50,000 in business revenue per month and 31.9% of the businesses make below 10,000 per month. On average, urban business owners in the informal sector earn between KES 30,000 - 50,000 depending on the business location and available infrastructural facilities (KNBS, 2020b). These results are therefore consistent with the reported average monthly incomes of business owners in the informal sector.

*Table 7: Level of the contribution of the family business to household expenditure*

	<b>Frequency</b>	<b>Per cent</b>
It is the primary source	98	84.5
It contributes equally to another source of income	18	15.5
<b>Total</b>	<b>116</b>	<b>100.0</b>

*Source: Survey statistics (2021)*

Table 7 illustrates the level of contribution of the family business to household expenditure. The data shows that most small businesses (84.5%) are the primary source of income for their households while 15.5% of the businesses contribute equally to another source of income for the business owner's household. This means that a majority of the income from the businesses is used to provide for the basic needs of the households. In the event of a disaster, where the business has been destroyed the business owner's household loses their primary source of income. Empirical evidence shows that businesses that are a primary source of income for the family are more resilient (Stafford et al., 2010).

*Table 8: Family size (Number of dependants)*

	<b>Frequency</b>	<b>Percent</b>
None	1	.9
Less than 2	11	9.5
2 – 5	93	80.2
5 and above	11	9.5
<b>Total</b>	<b>116</b>	<b>100.0</b>

*Source: Survey statistics (2021)*

Table 8 shows that most of the business owners (80.2%) have 2 – 5 dependants. This range falls within the average Kenyan family size of 3.9 (KNBS, 2019). As pointed out in chapter 2, disasters contribute to increased stress levels in individuals owing to the loss or destruction of property and families can either act as a stress buffer or boost or drain resources adding to stress (Danes et al., 2008). As shown above (see table 7), 84.5% of the small businesses' households are dependent on the businesses for the primary source of income and supply of basic needs. It is likely that there is an overlap of resources from both the business and the family which empirical evidence has shown has an impact on either the business or the family (Danes et al., 2008). Subsequent analysis in the next section explores this relationship between the number of dependents and business recovery.

*Table 9: Experience of the business owner*

	<b>Frequency</b>	<b>Percent</b>
Below 2 years	1	.9
2 – 5 years	56	48.3
Above 5 years	59	50.9
<b>Total</b>	<b>116</b>	<b>100.0</b>

*Source: Survey statistics (2021)*

Table 9 illustrates the years of experience that business owners have. The study found that about half (50.9%) of the respondents have more than 5 years of experience in the trading business. Only one respondent (.9%) had less than 2 years of experience. The respondents reported that they had been engaged in the business for years with some reporting that the business stalls had been inherited from their parents and would be passed down to their children. They also reported that they had experienced several fires while trading in the market. Given that the study was interviewing businesses that have rebuilt after the fires, the findings are consistent with those reported by Khan and Sayem (2013) who found that business owners with 6–10 years of experience had a higher probability of recovery after the disaster. This also explains why the largest proportion of the interviewed businesses were above 5 years.

*Table 10: Proportion of respondents with savings*

	<b>Frequency</b>	<b>Percent</b>
Yes	98	84.5
No	18	15.5
<b>Total</b>	<b>116</b>	<b>100.0</b>

*Source: Survey statistics (2021)*

Table 10 shows responses of business owners on savings. A majority of the respondents (84.5%) reported that they have savings. These savings have been important in helping them acquire assets, managing cash flows for their businesses and helping them cope when they are faced with shocks.

*Table 11: Savings amount of business owners*

	<b>Frequency</b>	<b>Per cent</b>
Below 10,000	50	43.1
10,001 – 50,000	54	46.6
50,001 - 100,000	2	1.7
Above 100,000	1	.9
Refused to answer	9	7.8
<b>Total</b>	<b>116</b>	<b>100.0</b>

*Source: Survey statistics (2021)*

Table 11 shows that 46.6% of the business owners had savings between 10,000 – 50,000 and 43.1% reporting that they have savings of below 10,000. The respondents reported that they



had used their savings and to cope with the difficult economic conditions which were a result of Covid 19. They have, therefore, used up a majority of their savings to cope with the difficult economic times.

*Table 12: Where respondents save their money*

	<b>Frequency</b>	<b>Percent</b>
Chama	84	72.4
Sacco	14	12.1
Mobile money	2	1.7
Bank	6	5.2
I have no savings	10	8.6
<b>Total</b>	<b>116</b>	<b>100.0</b>

*Source: Survey statistics (2021)*

Table 12 displays the responses of the respondents on where they save their money. A majority (72.4%) of the respondents reported that they save with a Chama and 12.1% reported that they save in a Sacco. Few respondents (5.2%) reported that they save their money in the bank. The results show that a majority of business owners use informal financial services to save their money. These findings are consistent with empirical evidence that suggests that most small businesses in the informal sector are generally excluded from formal finance and depend on informal or semi-formal loans from rotating savings, remittances and loans from family and friends which are more flexible and accessible to them (El-Zoghbi et al., 2017).

*Table 13: Membership of groups or traders' association*

	<b>Frequency</b>	<b>Percent</b>
Yes	106	91.4
No	10	8.6
<b>Total</b>	<b>116</b>	<b>100.0</b>

*Source: Survey statistics (2021)*

Table 13 shows a majority (91.4%) of the respondents belong to a group or a traders' association within the market. Respondents mentioned that these groups were formed for different purposes such as savings, attaining shared goals and assisting each other to pay for funerals. Most of the groups were reported to be temporary and would easily be dissolved when the need arises such as when members are not able to make daily or weekly contributions.

Table 14: Number of groups the respondents belong to

	Frequency	Percent
0	9	7.8
1 – 2	93	80.2
2 – 3	12	10.3
More than 3	2	1.7
<b>Total</b>	<b>116</b>	<b>100.0</b>

Source: Survey statistics (2021)

Table 14 shows that 80.2% of the business owners belong to either 1 or 2 groups. Only 2 respondents belong to more than 3 groups.

Table 15: Characteristics of members of the group

	Frequency	Per cent
Same business that you are involved in	106	91.4
Same gender	1	.9
Same religious beliefs	3	2.6
Other	6	5.2
<b>Total</b>	<b>116</b>	<b>100.0</b>

Source: Survey statistics (2021)

Table 15 displays the characteristics of the groups that small business owners belong to. A majority (91.4%) reported that member of these groups mainly consists of people from the market who are involved in the same trading business. Less than 1% of the respondents reported that they belong to a group where individuals are of the same gender. Given that a majority of the members in a group belong to the same business, large-scale disasters (such as fires) that affect the traders would affect the individual’s ability to make contributions to the group. This also explains the temporary nature of the groups.

Individual resilience is an important aspect that is linked to business recovery. Respondents were asked a set of questions to measure hardiness, resourcefulness, and optimism which were computed to give a weighted score per variable. Negative responses received a lower value (1 or 2) while more positive scores received a higher value (4 or 5) depending on the strength of the answer. The weighted mean was calculated by

$$W = \frac{\sum_{i=1}^n w_i X_i}{\sum_{i=1}^n w_i}$$

$W$  = weighted mean

$n$  = number of terms to be averaged

$w_i$  = weights applied to x values

$x_i$  = data values to be averaged

The table below presents the results.

*Table 16: Resilience measure weighted mean*

	<b>Strongly disagree (1)</b>	<b>Dis-agree (2)</b>	<b>Neither agree nor disagree (3)</b>	<b>Agree (4)</b>	<b>Strongly agree (5)</b>	<b>Weighted mean</b>
<b>Hardiness</b>						
I tend to bounce back after facing a difficult time	4	14	57	220	155	3.88
Dealing with stress makes me a stronger person	1	30	48	172	205	3.93
I am able to adapt to change	0	4	15	184	315	4.47
<b>Resourcefulness</b>						
I know where to turn to for help	6	32	45	236	100	3.61
I have close relationships with people I can rely on	11	58	9	212	100	3.36
<b>Optimism</b>						
Sometimes God helps me when things are difficult	0	0	6	16	550	4.93
Things happen for a reason	1	4	0	28	530	4.85
<b>Total</b>						<b>4.15</b>

*Source: Survey Data (2021)*

Table 16 shows the weighted mean of responses used to measure the resilience of respondents. On average the respondents scored a mean of 4.15 out of 5.0 on the Connor-Davidson Resilience Scale (CD-RISC). This shows that on average, the respondents have a high level of resilience.

The study also analysed the resilience of each respondent and developed a resilience index. The index was developed by summing up the highest possible score for each question then dividing the total score into three equal bands. The bands were then categorized into lower resilience, medium resilience, and high resilience. The responses of each respondent were then summed up and placed in either of the three categories based on the score.

Table 17: Resilience index

	Frequency	Per cent
Lower resilience	21	18.1
Medium resilience	57	49.1
High resilience	38	32.8
<b>Total</b>	<b>116</b>	<b>100.0</b>

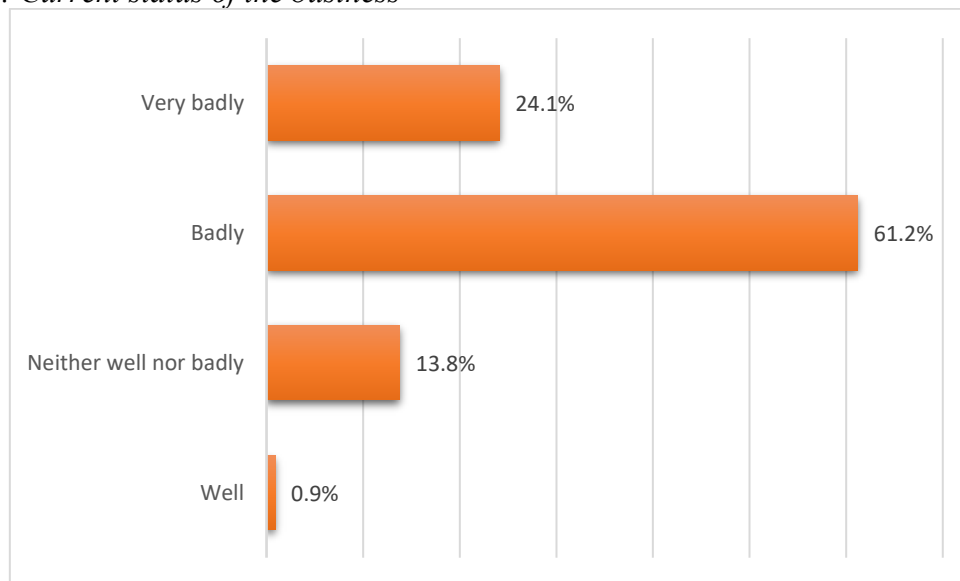
Source: Survey statistics (2021)

Table 17 shows that 49.1% of the respondents have medium resilience while 32.8% of the respondents have a high resilience measure. Overall, a higher percentage of respondents (81.9%) have a medium to high resilience score. Empirical evidence suggests the higher the individual resilience, the higher the probability of the business reopening after a disaster (Marshall et al., 2015). This could explain why a higher number of respondents who rebuilt their businesses and are operating in the market have a medium to high resilience score.

#### 4.2 Level of business recovery

The first objective of the study aimed at identifying the level of business recovery of small businesses in Gikomba market. Consequently, the study asked respondents how the business was fairing after the last fire incident, just before the COVID19 outbreak. It was important to distinguish between the current status of the business and the status of the business before the effects of COVID 19 which also affected the businesses. Data was, however, gathered on both the status of the business before COVID 19 (after the fire incident) and the current status.

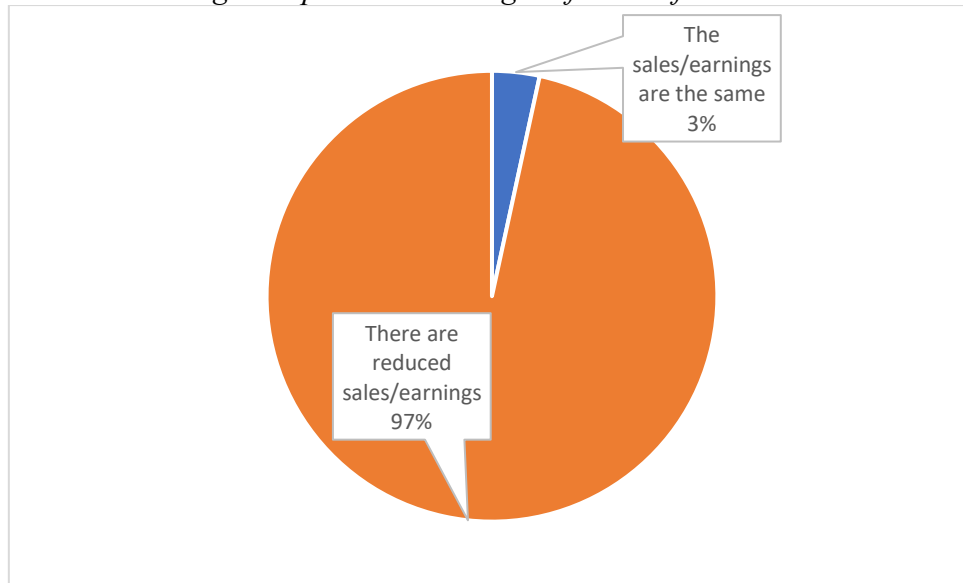
Figure 4: Current status of the business



Source: Survey Data (2021)

Figure 4 shows the current status of businesses in Gikomba market. A majority (61.2%) of the businesses reported that they were doing badly and 24.2% reported that they were doing very badly. Less than 1% reported that they were doing well. These findings are not surprising given the large-scale effect of the pandemic on individuals and businesses across the globe.

*Figure 5: Current earnings compared to earnings before the fire*

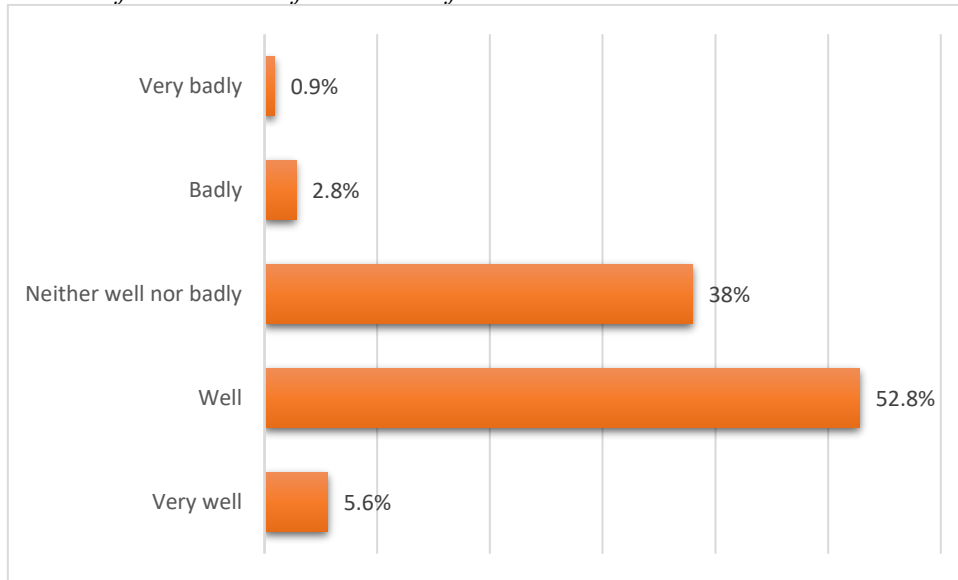


*Source: Survey Data (2021)*

Figure 5 shows the response given by respondents on their earnings compared to those before the last fire incident. The responses show that a majority (97%) of the businesses have reduced sales/earnings. Similar to the results in figure 4.2 the respondents reported on the effects of COVID 19 on their earnings which is a reflection of the effects of the COVID on small businesses.

To assess the level of business recovery after the fire respondents were additionally asked how their businesses were fairing the previous year just before the COVID-19 outbreak in Kenya. This question was intended to capture both the level of business recovery after fire and by referring to a major event, try to reduce recall bias.

Figure 6: Status of businesses after the last fire incident



Source: Survey Data (2021)

Figure 6 shows that 58.4% of the businesses reported that they were doing well while 38% of the business reported that they were neither doing well nor badly. 3.7% of the businesses reported that they were doing either badly or very badly. This shows that more than half of the businesses interviewed in the study were recovered after the last fire incident and before the COVID-19 outbreak in Kenya. Subsequent analysis therefore use figure 4.3 as a reference for the level of business recovery.

#### 4.2.1 Relationship between gender and the level of business recovery

The study further used cross-tabulations to check for differences in responses across gender and age of the business.

Table 18: Cross-tabulation between gender and level of business recovery

	Male	Female
Well and very well	61.2%	55.9%
Neither well nor badly	34.7%	40.7%
Badly and very badly	4.1%	3.4%

Source: Survey statistics (2021)

Table 18 indicates the results of the cross-tabulation between gender and business recovery. In Gikomba market, more than half of the traders were women (53%). The proportion of women who reported that their business was at least doing well after the last fire incident was 55.9% compared to 61.2% men. Further, a greater proportion of women (40.7%) compared to men (34.7%) reported that their business was neither bad nor good. This difference was, however,

not significant ( $\chi^2 = .416$ ,  $df=2$ ,  $p = .812$ ) as shown by the results of a chi-square test. These results differ from the findings of previous studies (Haynes et al., 2011) which showed that gender is a significant factor affecting resilience.

#### 4.2.2 Relationship between age and the level of business recovery

Table 19 shows the results of the cross-tabulation between the age of the business and the level of business recovery.

*Table 19: Cross-tabulation between the age of the business and level of business recovery*

	Less than 2 years	2 – 5 years	Above 5 years
Well and very well	0.0%	28.3%	88.9%
Neither well nor badly	100%	67.9%	7.4%
Badly and very badly	0.0%	3.8%	3.7%

*Source: Survey Data (2021)*

Over half of the businesses (88.9%) over 5 years in Gikomba market reported that they were at least doing well after the last fire incident compared to 28.3% who were between 2 – 5 years. Younger businesses reported that they were neither doing well nor badly or at least doing badly. Further analysis using the chi-square test showed that these differences were significant ( $\chi^2=44.29$ ,  $df=4$ ,  $p < 0.001$ ).

#### 4.3 Characteristic of recovered businesses

To establish the characteristics of recovered businesses, the study employed bivariate correlation on the variables of interest to establish if there is a relationship between the dependent and the independent variables. The study used a spearman's rank-order correlation given that the data failed to meet the assumptions of the Pearson's product correlation. Spearman's rank-order correlation was, therefore, best suited for this analysis as the data captured in this study was mainly ordinal. Negative or positive results of the correlation coefficient show the direction of the relationship which was affected by the ordering of the responses during questionnaire formulation. Each significant result is discussed independently to explain the meaning of the result. The table below shows the results of the analysis followed by an explanation of the results.

Table 20: Correlation between level of business recovery and predictors

Variable	Correlation Coefficient	P-value
Age of the business	-.592**	.000
Business revenue	.104	.282
Gender of the business owner	.048	.622
Experience of the business owner	-.523**	.000
Family size	-.019	.845
Financial capital	-.113	.244
Social capital	-.117	.229
Optimism	-.173	.074
Family income	-.326**	.001
Resourcefulness	.289**	.002
Hardiness	.206*	.032

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

Source: Survey Data (2021)

The Spearman's rank-order correlation was run to determine the relationship between the age of the business and the level of business recovery. The results showed that there was a negative correlation and that was statistically significant ( $r_s(106) = -.592, p < .001$ ). This means that the older the business the more likely it is to recover. These results are consistent with those reported by Khan and Sayem (2013) who found that businesses that had operated for 6–10 years had a greater likelihood of recovery after the disaster.

Similarly results from Spearman's rank-order correlation used to determine the relationship between the experience of the business owner and the level of business recovery revealed that there was a negative correlation and that was statistically significant ( $r_s(106) = -.523, p < .001$ ). The results show that businesses whose owners have more experience are more likely it is to recover.

Results from Spearman's rank-order correlation used to determine the relationship between family income and the level of business recovery revealed that there was a negative correlation and that was statistically significant ( $r_s(106) = -.326, p < .001$ ). The results show that households who derive their income from more than one source and are not dependent on the business as a primary source of income, are more likely to recover. These results are consistent with arguments made by Van Auken and Werbel (2006) who suggest that families provide emotional, instrumental, and financial support that is useful to the business owner.

The Spearman's rank-order correlation was run to determine the individual resourcefulness and the level of business recovery. The results showed that there was a positive correlation and that

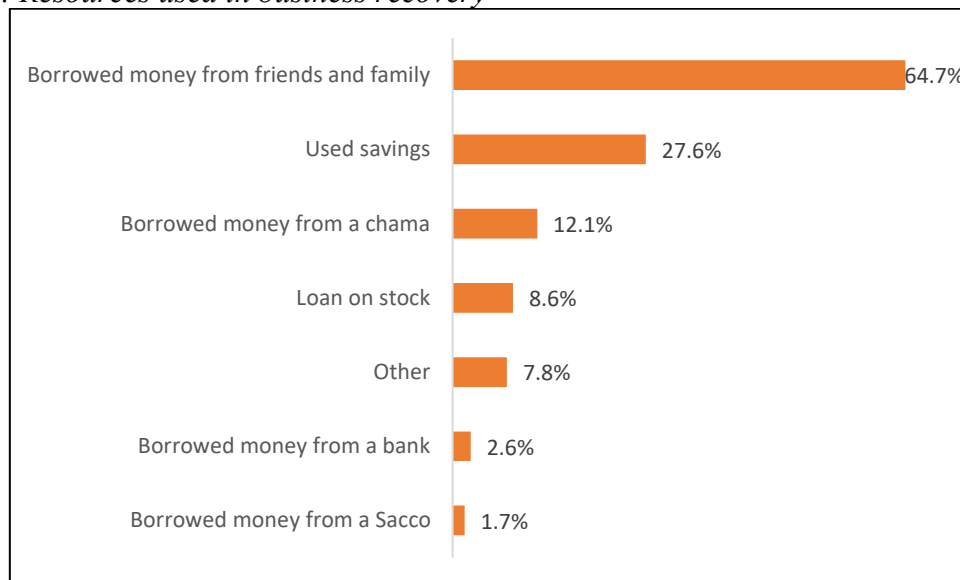


was statistically significant ( $r_s(106) = -.289, p = .002$ ). This means that the higher the level of resourcefulness the more likely the business will recover from a disaster. Similarly, results from Spearman's rank-order correlation used to determine the relationship between the individual's hardiness and business recovery revealed that there was a positive correlation and that was statistically significant ( $r_s(106) = -.206, p = .032$ ). This means that the higher the level of hardiness the more likely the business will recover from a disaster

#### 4.4 How small businesses recover from fires

The study explored the importance of financial capital (savings) and social networks in business recovery. The findings show that financial resources are instrumental in business recovery and business owners used different ways to obtain this resource.

Figure 7: Resources used in business recovery



Source: Survey Data (2021)

Figure 7 shows that 64.7% of business owners borrowed money from friends and family to use in the recovery of their business. About a quarter of the respondents (27.6%) used their savings to finance the recovery of their business. Only 2.6% borrowed money from the bank.

The study also found that only 12.1% of the business owners were able to benefit from loans from their Chama and 8.6% were able to get loans on stock from suppliers. These results show that traders' groups and associations were not as helpful as friends and family in helping the business owners recover. The business owners reported that after the fire incident, most groups were dissolved as a majority of the members were unable to make daily or weekly contributions. On one hand, the results are consistent with empirical evidence which has shown

that social networks can be suppressed by community distress as large-scale disasters affect levels of engagement and reciprocity affecting social practices (Snowden, 2005) as witnessed with the traders' groups and associations, while on the other hand, social networks from friends and family have shown to be the most important networks in helping business recovery. These results shown that it is important to assess the type of networks when studying business recovery

#### ***4.4.1 Role of individual resilience in business recovery***

Researchers identify hardiness, resourcefulness, and optimism individual resilience as distinct factors in the resilience of an entrepreneur (see chapter 2). Our results have shown that small business owners in Gikomoba have displayed high levels of these factors. To further understand what resilience means in this context, the study asked some open-ended questions to explore hardiness, resourcefulness, and optimism in the context of small businesses in Gikomba and how these factors have been significant in helping them recover from disasters.

##### ***Role of hardiness in an individual's resilience***

It was discussed in chapter 2 that, hardiness refers to an individual's control of themselves, meaning that an individual is not easily frustrated by a difficult situation and they push through to attain their goals.

It was noted that respondents referred to their previous experience with fires in Gikomba market as having helped them acclimatize to the effects of the disaster. Others viewed the fires as one of the recurring risks that are associated with the nature of the business that they do.

*This is not the first time this has happened to me in this market. I have been working here for over 10 years and have experienced many fires. We are now even used to it. (Respondent 15)*

*I was also affected by the fire last year and I still rebuilt my business. We have gotten used to these fires in Gikomba market. (Respondent 23)*

*For those of us who have been here for a long time, we at least have experienced the effects of the fires and have been able to rebuild again. We have gotten used to it [...] we face a lot of challenges in this business and you have to keep pushing on otherwise you cannot succeed. (Respondent 5)*

The business owners reported that despite the frequent and recurring fire incidences, they are forced to return to the market as it is their main income earner. The study showed that a majority of the businesses (84.5%) depend on the business for their primary source of income (see table 7).

*What else can I do? I have no other business that I can do. I have been selling clothes for years and my family depends on the money I get from this business. (Respondent 34)*

*My husband lost his job a while back and it is income from this business that has been used to support my family. We get food and fees from my business. That is what makes me return despite losing everything. (Respondent 55)*

Given that the nature of the disaster is widespread affecting several traders, business owners derive some form of comfort in the fact that they are not alone and if others can rebuild, they too can.

*I am not the only one who was affected by the fire, almost everyone you see here had to start again [...] if others can rebuild so can I. Others have even lost more than I have, so I have no reason not to continue with my business. (Respondent 101)*

*After the fire has been controlled, you find us here the next morning trying to see what we can salvage [...] immediately after, we start constructing our stalls. We sometimes come together and contribute to hiring a car to bring new construction supplies. This makes the cost cheaper. (Respondent 71)*

### ***Role of resourcefulness in an individual's resilience***

Resourcefulness is conceptualized in this study as the capabilities, skills, and resources in an individual's possession. Discussions with the respondents further revealed that loans were important in helping business owners rebuild. The loans however were obtained from family and friends as opposed to loans from Chamas. Though members of more established Saccos were able to get loans from their group.

*I was able to borrow a loan from my family and friends [...] the group was not able to help me as everyone in the group had also been affected by the fire. I had to depend on my other people. (Respondent 62)*

*In this market, you can only survive if you have a good relationship with your supplier. I was able to get a loan from my supplier as he understood that I had lost everything in the fire including what I was to sell to repay my previous loan. The advantage that I have is I have built a good relationship with my supplier and I always pay him back [...] those who don't have such relationships with their suppliers have to look for other ways to get money to buy stock. (Respondent 49)*

*My Sacco was very helpful in giving me a loan. That helped me to rebuild my business after the fire. (Respondent 70)*

Those who did not have access to credit use other alternatives to get money to buy stock for their business.

*I had to sell my cow to get money to replace my lost stock. I didn't want to do that, but I had no other option since I have to keep my business afloat. (Respondent 63)*

Other business owners used their savings to rebuild their businesses. The results displayed in table 10 show that 84.5% of the business owners have savings though saving amounts vary.

### ***Role of optimism in an individual's resilience***

This study conceptualizes optimism as an individual's ability to maintain a positive attitude during a difficult time. Respondents were found to have high optimism.

Religious beliefs and strong faith in God were found to be the main source of optimism for respondents. By believing that everything happens for a reason, respondents found comfort in the fact that through prayer, eventually, everything will work out for the better.

*I believe that God listens to my prayers and even when things go wrong, he always helps me. (Respondent 13)*

*I have been through a lot in my life and for me to be here in good health, I give all the glory to God. (Respondent 28)*

Respondents also encourage each other which has been important in helping them maintain a positive attitude.

*This is where my group has helped me. They encouraged me not to give up and rebuild my business. This is one of the things that kept me strong, I would have given up. (Respondent 54)*

Respondents also noted that entrepreneurship is about taking risks. They reported that the nature of the work they do requires someone who is not easily discouraged.

*To begin with, we are here illegally, the government can decide anytime that they do not want us here. So being here is a risk in itself. So, when disasters like fires occur, it needs a person who is not easily discouraged and can keep coming back. (Respondent 66)*

*Those of us who work in the informal sector need to be expecting anything. Every morning when I come to work, I might sell or I might not. But I have to be hopeful that even if I go home with nothing today, I will get something tomorrow. That is the only way I will show up tomorrow and work. (Respondent 3)*

## CHAPTER VI

### SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

#### Introduction

The preceding chapter discussed the findings of the research study and their interpretation. This chapter firstly provides a summary of the research then discuss the conclusions that can be drawn from the findings and lastly outline the implications of this research for both theory and practice.

#### 5.1 Summary

The objective of the study was to establish the factors that affect the recovery of small businesses in the informal sector after they experience external shocks. The gap in the literature on the resilience of businesses in the informal sector justified this study. The study, therefore, sought to identify the level of business recovery of small businesses in Gikomba market after destruction by fires, determine the characteristics of recovered businesses and, understand the process of small business recovery after experiencing shocks. It was hypothesized that both the owner characteristics and the individual resilience affect the level of recovery of small businesses.

The study used both the Sustainable Family Business Theory (Connor & Davidson, 2003) and the Entrepreneurial Resilience theory (Connor & Davidson, 2003) to study the resilience of small businesses. The Sustainable Family Business Theory is a social systems-based theory that views family-firm sustainability as a function of both family functionality and business success. The theory places entrepreneurship within the social context of the family making it applicable for use when analyzing both the family and the business independently, or in combination. The entrepreneurial resilience theory argues that hardiness, resourcefulness, and optimism are the three attributes of resilience that contribute to the resilience of an entrepreneur.

The study was carried out in Gikomba market – the frequent fires experienced in Gikomba market, and the ability of the businesses to rebuild shortly after, made it the most suited study site. The study used a mixed-method approach to help answer the research questions. Data was collected from 116 small business owners in the market. Descriptive analysis showed, that of the 116 small business owners, 53 per cent were women and 47 per cent were male. A majority - 51.7 percent - of the businesses had been in operation for more than 5 years and only <1 per

cent had been in operation for less than 2 years. The results also showed that 63.8 per cent of the business had a monthly revenue of between 10,000 and 50,000, and 31.9 per cent make less than 10,000 per month. The results also showed that 84.5 per cent of the businesses rely on their business as their primary source of income and only 15 per cent have the business supporting and contributing equally to another source of income for their families. 80.2 per cent of the businesses have 2-5 dependents. Approximately half (50.9%) of the business owners have at least 5 years of work experience and only 0.9 per cent have less than 2 years of trading experience. In regards to financial capital, 84.5 per cent of the respondents reported that they have savings and of those who have savings, 46.6 per cent have between KES10,000 and 50,000. A majority of the respondents (72.4%) save in a Chama, 12.1 per cent in a Sacco, and only 1.7 per cent in mobile money. A majority of the respondents (91.4%) reported that they belong to a group or an association. The data on the measure of resilience measure showed that 49.1 per cent of the respondents scored medium resilience while 32.8 per cent scored a high resilience score showing the level of resilience of the business owners.

In line with the first objective, the study sought to establish the level of business recovery in Gikomba market. The study found that 58.4 per cent of the business reported that their businesses were doing well shortly after the fires and 3.7 per cent reported that they were doing badly. A further analysis using cross-tabulations with the gender of the business owner found that 61.2 per cent of the male-owned businesses were doing well shortly after the fire and before COVID-19 as compared to 55.9 per cent of the female-owned businesses. These findings were, however, not statistically significant. A cross-tabulation of the level of recovery and age of the business showed that 88.9 per cent of the businesses that were more than 5 years old were doing well compared to 28.3 per cent of the businesses that were between 2-5 years of age. Further analysis showed that these differences were statistically significant.

In line with the second objective aimed at establishing the characteristics of recovered businesses, a bivariate correlation was used to establish the relationship between the dependent and independent variables. The Spearman's rank-order correlation was best suited for this analysis given that the data failed to meet the assumptions of the Pearson's product correlation – the data captured in the study was mainly ordinal. The results found a correlation that was statistically significant for the age of the business, the experience of the business owner, the level of contribution of the business to the family income, the individual's resourcefulness, and hardiness.

Finally, the study sought to understand how businesses recover after experiencing a shock. Results showed that 64.7 per cent of business owners borrowed money from friends and family, 27.6 per cent used their savings, and only 2.6 per cent borrowed money from the bank. The results also revealed that only 12.1 per cent were able to borrow money from their Chama. The study further examined the role of an individual's resilience in the recovery of the business. It was observed that previous fire experiences helped the business owners to acclimatize to the effects of the disaster which showed the role of hardiness in the business owner's lives. It was also observed that business owners were resourceful in trying to get resources to help them rebuild their business. Finally, their optimism was revealed in their ability to remain positive in the face of difficulties. For a majority, their religious beliefs and strong faith were helpful as well as encouragement from other traders was also useful in helping them remain optimistic.

The subsequent sub-section discusses the conclusions that can be drawn for the findings summarized in this section.

## **5.2 Key conclusions**

The study sought to establish the level of business recovery in Gikomba market. Based on the findings discussed in section 4.2, 58.4 per cent of the business owners reported that their business was doing at least well after the fire incident. Our study, therefore, concludes that a majority of the businesses had recovered after the fire incident. The businesses, however, experienced a further shock after the global COVID-19 pandemic which affected the business operating hours and the importation of stock which affected the revenue of the businesses. Notwithstanding, the business owners scored highly on the resilience measure with 49.1 per cent scoring medium resilience and 32.8 per cent scoring high resilience on the Connor-Davidson Resilience Scale (CD-RISC). This shows that a majority of business owners in Gikomba market are resilient. These findings were consistent with the literature that showed that there is a correlation between individual resilience and post-disaster recovery (Marshall et al., 2015)

The study also sought to determine the characteristics of recovered businesses in Gikomba market. The study found that there was a correlation that was statistically significant for the age of the business, the experience of the business owner, the level of contribution of the business to the family income, the individual's resourcefulness and hardiness (see table 20). The study concludes that the more experience a business owner had, the more likely they were to recover based on the knowledge of the business and the number of repeat shocks that have



made them acclimatize to the type of business environment. Further, business owners whose households have an additional source of income were more likely to recover after a disaster. This shows that the family is a source of emotional and financial support that is useful to the business owner in the event of shocks. In this case, families have shown to be a resource booster and stress buffer for the businesses. Additionally, the findings showed that a majority of business owners were able to use resources from family and friends to rebuild their business. The results also showed that individual business owners' resourcefulness and hardiness affect the level of business recovery. More resourceful business owners are likely to recover given that they can source for resources that they require to enable them to rebuild and continue their businesses. One's ability to control themselves and not get easily frustrated when facing a difficult situation helps an individual to withstand shock and be able to bounce back. These findings were consistent with the findings from other literature (Khan & Sayem, 2013; Van Auken & Werbel, 2006; Marshall et al., 2015) that examined the characteristics of recovered businesses.

Finally, the study sought to understand how businesses recover after they experience shock. In section 4.4, the results show that financial resources are instrumental for business recovery. The study found that 27.6 per cent of the business owners were able to use their saving to rebuild their business while the rest borrowed money from various sources. In addition, social networks (traders' groups and associations) were not as useful in helping the business owners recover. Only 12.1 per cent of the business owners were able to benefit from loans from their Chama and 8.6 per cent were able to get loans on stock from suppliers. This is because widespread shocks that affect a specific population, affect an individual's ability to offer support to members of their network. Business owners, therefore, rely on friends and family for financial support. This highlights the limitations of specific networks in helping mitigate against the effects of shocks which are consistent with findings from other studies (Brouwer & Nhassengo, 2006).

Having derived the above conclusions, the following section discusses the implications of these findings for theory and practice.

### **5.3 Recommendations**

Based on the findings of this research, this study makes some recommendations that have implications for both theory and practice. Firstly, theory suggests that hardiness, resourcefulness, and optimism are distinct factors in the resilience of the entrepreneur. This

study, however, found that hardiness and resourcefulness were the most important attributes of resilience. Though optimism is an important attribute, hardiness and resourcefulness were found to have a positive correlation with the level of business recovery. Emphasis should, therefore, be put on the importance of hardiness and resourcefulness when studying entrepreneurial resilience. This is important in our context as the nature of the informal sector and the vulnerabilities they constantly face, make entrepreneurs in this sector strengthen or develop these two important attributes. Individual hardiness is seen in their ability to withstand the shocks and keep rebuilding. Resourcefulness, on the other hand, is evident in their ability to identify different areas to source financial capital to help them rebuild their businesses.

On a policy level, the government should incentivize financial institutions to offer better lending services to small businesses. Financial resources were found to be instrumental in helping small businesses recover, therefore, small businesses should be able to have access to affordable loans if they need them. Reliance on friends and family for financial support during times of difficulties is not sustainable. Currently, loan services are unavailable to small businesses that need them most if they experience external shocks.

The government should also incentivize insurance companies to offer insurance to small businesses to enable them to recover. Currently, several small businesses are unable to pay insurance premiums. Insurance companies should work on restructuring their insurance products and include options that can insure groups to help reduce the cost of the high premiums and make insurance available to more small businesses.

Finally, businesses in the informal sector should be supported to help reduce their vulnerabilities and enhance their resilience as the sector supports a majority of the population in developing countries and is important in helping reduce poverty.

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## APPENDIX I

### Questionnaire (English version)

Good day. My name is Naomi Wanga, a Masters of Development (MDEV) student at the Institute for Development Studies (IDS) of the University of Nairobi. I am undertaking my research project on *Factors affecting the survival of small businesses post-disaster in the Gikomba market*. Your business has been selected for the survey. All the information you volunteer to give me will be treated with the utmost confidentiality and is going to be utilized purely for academic purposes. The findings of the study will be used in an MDEV project and possibly, published in an academic journal. Your valued time and cooperation are highly appreciated in advance.

#### Was your business affected by the last fire incident in the market?

	Yes
	No

If the answer is no, thank them for their time and move on to the next respondent.

#### Section A: Business Revenue

1. How well would you say your business is doing after the last fire incident?

	Very well
	Well
	Neither well nor badly
	Badly
	Very Badly

2. If you compare your earnings now and before the last fire incident, how would you say your business is fairing?

	I have increased earnings/sales
	The sales/earnings are the same
	There are reduced sales/earnings

3. How much do you make from your business each month? (business revenue)

	Below 10,000
	10,001 – 50,000
	50,001 – 100,000
	100,001 and above

4. How long has this business been in operation?

	Less than 2 years
	2 – 5 years

	Above 5 years
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**Section B: Owner Characteristics**

5. Gender of the business owner

	Male
	Female

6. How many years of experience do you have in this business?

	Below 2 years
	2 – 5 years
	Above 5 years

7. How much would you say the earnings from your business contribute to your household expenditure?

	1) It is the primary source
	2) It contributes equally to another source of income
	3) It contributes a little compared to the other primary source
	4) Other

A dependant is someone that you care for and they rely on you to provide for their basic needs such as food, shelter, clothing, and fees.

8. How many dependents do you have?

	None
	Less than 2
	2-5
	5 and above

**Section C: Resources**

Savings is any money that you keep separately to help you either in times of emergencies or use it to invest in other things.

9. Do you have savings?

	Yes
	No

10. Where do you save your money?

	Chama
--	-------

	Sacco
	Mobile money
	Bank

11. How much do you have in savings?

	Below 10,000
	10,001 – 50,000
	50,001 – 100,000
	Above 100,000

12. Did your savings help you to rebuild your business after the last fire incident in the market?

	Yes
	No

A group refers to any relationships that you have with other traders or suppliers within this area that help you in any way during times of need. An association refers to a group that may be registered and has a common purpose.

13. Do you belong to any groups or traders' associations within the market?

	Yes
	No

14. How many groups do you belong to?

	1 – 2
	2 – 3
	More than 3

15. Do members of your group or association have any of the following similarities:

	Same business that you are involved in
	Same-gender
	Same age/age set
	Same religious beliefs
	Other

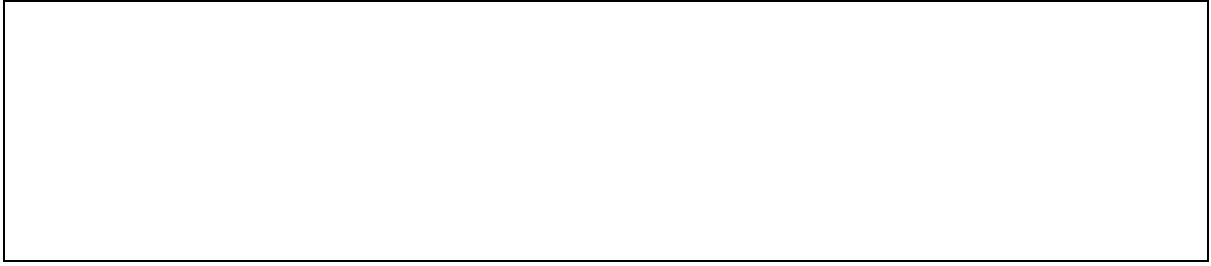
16. Did the members of your group/association help you to rebuild your business after the last fire incident in the market?

	Yes
	No

**Section D: Owner resilience**

17. Please tell me to what extent do you agree with the following sentences (1 = strongly disagree and 5 = strongly agree)

	<b>Strongly disagree [1]</b>	<b>Disagree [2]</b>	<b>Neither agree nor disagree</b>	<b>Agree [4]</b>	<b>Strongly agree [5]</b>
a) I tend to bounce back after facing a difficult time					
b) Dealing with stress makes me a stronger person					
c) I am able to adapt to change					
d) During the last fire incident, how were you able to remain calm and continue focusing on continuing your business?					
e) I know where to turn to for help					
f) I have close relationships with people I can rely on					
g) After the last fire incident, how did you manage to rebuild your business?					
h) Sometimes God helps me when things are difficult					
i) Things happen for a reason					
j) During the last fire incident, how did you manage to stay positive?					



**.....Thank you.....**

## Questionnaire (Swahili version)

**Je, biashara yako iliathirika baada ya kisa cha moto iliyotokea humu Gikomba?**

	<b>Ndio</b>
	<b>La</b>

Kama jibu ni la, mshukuru mfanyibiashara huyo na enedlea na mwingine.

### **A: Maswali kuhusu hali ya biashara**

1. Je, unaweza kusema biashara yako inaendelea vipi baada ya kisa cha moto ilichotoea?

	Vizuri sana
	Vizuri
	Sio vizuri wala sio mbaya
	Mbaya
	Mbaya sana

2. Ukilinganisha mapato yako sasa na kabla ya kisa cha moto, unaweza kusema biashara yako inaendelea vipi?

	Mapato yangu/kiasi ya bidhaa ninazouza inaongezeka
	Mapato yangu/kiasi ya bidhaa ninazouza ni sawa na hapo mbeleni
	Mapato yangu/kiasi ya bidhaa ninazouza imepunguka

3. Je, ni pesa ngapi unapata kutoka biashara yako kila mwezi?

	Chini ya 10,000
	10,000 – 50,000
	50,000 – 100,000
	100,000 na Zaidi

4. Je, umeendeleza biashara yako kwa muda gani?

	Chini ya miaka 2
	Miaka 2 – 5
	Zaidi ya miaka 5

### **B: Maswali kuhusu mfanyibiashara**

5. Jinsia ya mfanyibiashara

	Mwanamume
	Mwanamke

6. Umefanya biashara kama hii kwa muda gani?

	Chini ya miaka 2
	Miaka 2 – 5
	Zaidi ya miaka 5

7. Unaweza kusema ni kiasi gani cha pesa kutoka kwa bisahara yako inayotumika kwa matumizi ya nyumbani?

	Mapato yangu ndiyo inayotumika pekee nyumbani
	Mapato yangu inatumika kwa kiwango sawa na mapato inayoletwa na mwenzangu nyumbani
	Mapato yangu inatumika kwa kiwango kidogo ukiilinganisha na mapato inayoletwa na mwenzangu nyumbani
	Jibu nyingine (eleza)

Kwa kawaida tunao watu nyumbani ambao wanatutegema kwa vitu kadha kama vile chakula, makao, nguo na hata karo za shule.

8. Ni watu wangapi ambao wanakutegemea kwako nyumbani?

	Hakuna
	Chini ya watu 2
	2-5
	Zaidi ya watu 5

### Section C: Rasilimali

Akiba ya fedha ni pesa ambazo unaweka kando kukusaidia wakati wa shida ama pia kuwekeza na kutumia kwa kufanya vitu kadhaa ya kujiendeleza.

9. Je, una akiba ya fedha?

	Ndio
	La

10. Ni wapi umeweka pesa hizo?

	Chama
	Sacco
	Mobile money (Mpesa)
	Benki

11. Unakiwango gani ya akiba ya fedha?

	Chini ya 10,000
	10,001 – 50,000
	50,001 – 100,000

	Zaidi ya 100,000
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12. Je, pesa ambayo ulikuwa umewekeza ilikusaidi kujenga biashara yako baada ya kisa cha moto iliyotokea humu Gikomba?

	Ndio
	La

Kawaida katika soko kama hii, watu huwa na vikundi au uhusiano wa karibu ya kikazi na wauzaji wenzao inayowasidia wakati wa shida. Wakati mwingine, vikundi hivi huwa zimesajilishwa na inajulikana kuwa na wanachama fulani au wakati mwingine kutosahajilishwa.

13. Je, umeungana na kikundi yoyote/au unayo uhusiano wowote na wauzaji bidhaa wengine humu sokoni?

	Ndio
	La

14. Wewe ni mwanachama wa vikundi ngapi?

	1 – 2
	2 – 3
	Zaidi ya 3

15. Je, wanachama wa kikundi/vikundi vyako wanausawa gani:

	Wanachama wote wanafanya biashara sawa
	Wanachama wote ni wa jinsia moja
	Wanachama wote wana umri sawa/ni wa rika moja
	Wanachama wote wanadini sawa
	Nyingine (Eleza)

16. Je, wanachama au watu unaouhusiana wa karibu ya kikazi walikusaidia kwa namna yoyote badaa ya kisa cha moto?

	Ndio
	La

#### D: Udhabeti ya mfanyibiashara

17. Tafadhali nieleze ni kiwango ipi unakubalianan na sentensi hizi

(1 = nakataa kabisa and 5 = nakubali kabisa)

	<b>Nakataa kabisa</b>	<b>Nakataa [2]</b>	<b>Sikubali wala sikatai</b>	<b>Nakubali [4]</b>	<b>Nakubali kabisa</b>
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	[1]		[3]		[5]
a) Mimi huweza kurudi kwa hali yangu ya awali baada ya kupitia kwa shida					
b) Hali ya ugumu ya Maisha/dhiki hunifanya kwa mtu mwenye nguvu zaidi					
c) Mimi huweza kubadilika na jinisi maisha inabadilika					
d) Ni vipi uliweza kukaa katika hali ya utulivu na kuendelea kufikiria kuendeleza biashara yako badaa ya kisa cha moto humu sokoni?					
e) Nikikuwa na shida ninamahali naweza pata usaidizi					
f) Ninahusiano wa karibu na watu ambao wanaweza kunisaidia wakati wa shida					
g) Ni vipi uliweza kujenga biashara yako badaa ya kisa cha moto humu sokoni?					
h) Wakati nina shida ni Mungu ndiye anayenisaidia					
i) Kila kitu kinachotendeka ina sababu					
j) Ni vipi uliweza kukaa na matarajio mema badaa ya kisa cha moto iliyotokea humu sokoni?					



.....**Asante sana**.....