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**SOCIO-ECONOMIC BACKGROUND AND INFORMAL  
SECTOR  
BUSINESS PERFORMANCE OF WOMEN  
ENTREPRENEURS IN ELDORET.**

IDS Working Paper Number 529

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WORLD ECONOMIC BACKGROUND AND INFORMATION

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## INTRODUCTION

Women have been important partners with men in the development process. They have been major actors in primary production and basic commodity exchange specially, in areas where agriculture and small scale enterprises form the base of the local economy. Besides their contribution in agriculture, women's labour sustains many family enterprises. In most Third World countries, up to 80% of the buying and selling activities of basic commodities, especially in the informal sector, are performed by women (Boserup, cited in Sithole, et al, 1995). Despite this, their contribution has in most cases gone unnoticed, been taken for granted, undocumented or just ignored (UNDP, 1993). In Zimbabwe, women represent two thirds of the informal sector and comprise 67% of micro small enterprises (Jaravaza, in Sithole et al 1995). In Kenya, the contribution of women to economic development has not been adequately highlighted (Republic of Kenya, 1994). This could be attributed to the fact that adequate statistics showing the contribution of women to the development process are lacking.

The Sessional Paper No. 2 of 1992 on Small Enterprises and "Jua Kali" Development notes that although the laws of Kenya provide for equality between men and women, in practice women are still disadvantaged. Specifically, the Employment Act restricts most women from running businesses in their homes or being hawkers. This restriction has been overtaken by effects of liberalisation as hawking is now a common feature in major urban centres. However, most women who venture into business in the informal sector lack collateral to enable them secure bank loans. Despite these odds, they are primary players in agriculture and informal sector (Republic of Kenya, 1994).

Women in the rural areas have also made great efforts in the development process through formation of self-help and income generation groups. In urban areas, very limited agricultural activities exist. Regarding formal employment, women in urban areas compete among themselves, and with men for the limited formal employment opportunities. The most promising sector for employment generation therefore, is the informal sector in which employment grows at a much higher rate (13.65%) than in the formal sector (2.5%) (Republic of Kenya, 1991, Downing, 1990). The success of those who venture into the informal sector

## DISCUSSION

Women have been important partners with men in the development of the rural sector in many developing countries. They have been major actors in primary production and basic commodity exchange especially in areas where agriculture and small scale enterprises form the base of the local economy. Besides their contribution in rural areas, women's labour sustains many family enterprises. In some Third World countries, up to 80% of the buying and selling activities of basic commodities, especially in the informal sector, are performed by women (Shah et al. 1997). Despite this, their contribution has in most cases remained unacknowledged, undocumented or just ignored (UNEP, 1997). In Zimbabwe, women represent two thirds of the informal sector and over 75% of micro small enterprises (Jachwaya, in Shah et al. 1997). In Kenya, the contribution of women to economic development has not been fully highlighted (Republic of Kenya, 1994). This could be attributed to the fact that statistics showing the contribution of women to the development of the rural sector are not readily available.

The Second Paper No. 2 of 1993 on Small Enterprises and the KAPAP report note that through the law of Kenya provide for equality between men and women in practice women are still disadvantaged. Specifically, the current Act restricts most women from owning businesses in their homes or premises. This restriction has been criticised by effects of discrimination as being in line with a common theme in major urban centres. However, most of who restrict this business in the informal sector lack collateral to enable them bank loans. Despite these odds, they are primary players in agriculture, forestry and other rural activities (Republic of Kenya, 1994).

Women in the rural areas have made great efforts in the development of their communities through formation of self-help and income generating groups. In urban areas, women have formed agricultural activities co-ops. Regarding formal employment, women in urban areas compete among themselves, and with men for the limited employment opportunities. The most promising sector for employment in the rural sector is the informal sector in which employment grows at a much faster rate (13.5%) than in the formal sector (2.7%) (Republic of Kenya, 1994). The success of these efforts requires that the informal sector



depends on the existence of an enabling business environment which is correctly lacking in major towns in Kenya (Ikiara, 1991). The success also depends on the socio-economic characteristics.

This study examined the socio-economic background of women entrepreneurs in Eldoret town and how this influenced the success of their businesses. Consequently, the study focused on answering the question: Is there a relationship between the socio-economic background characteristics and success of enterprises owned by women in the informal sector in Eldoret town? The study was carried out in five main locations namely, upper municipal market (next to the bus terminus), lower municipal market (constructed by the World Bank), west municipal market, "Jua Kali" shades and along the streets.

## LITERATURE REVIEW AND THEORETICAL FRAMEWORK

### The Urban Informal Sector.

The urban informal sector has been described variously by a number of reports and scholars (ILO Report 1972; Republic of Kenya, 1988; Hart, 1973; Hosier, 1987; Ikiara, 1991 and Mc Cormick, 1991). Generally, it comprises of semi-organised, registered or unregistered activities undertaken by self-employed persons in the open air markets, market stalls, undeveloped plots or on street pavements within urban centres with or without licenses from local authorities. The reasons why the informal sector flourishes in Kenya is the operation of businesses without much restriction or regulation, the entrepreneurs' flexibility in meeting customer needs and the goods and services provided depended on demand as perceived by entrepreneurs (Mc Cormick, 1991). The informal sector is, therefore, poised to continue existing thereby providing income-generating opportunities for those willing and able to take advantage (Sethuraman, 1977; Tokman, 1978 and Hosier, 1987).

The informal sector has greatly grown over time and plays an important role in job creation, reducing income inequalities, conserving foreign exchange, tapping small individual and family savings for investment and creation of industrial skills at a little cost (Republic of Kenya, 1986 and Ikiara, 1991). According to Mulaa (1993), nearly half of Kenya's population made a living from small scale cash crop farming, carpentry, masonry, metal working, tailoring, shoe-making, retailing, smuggling, illicit brewing, selling second-hand goods imported from Europe and

America and running 'matatus' (auto transport businesses). Of these activities, the most successful and visible are the sale of second-hand clothes ('Mitumba') and 'matatu' business, the government started charging the entrepreneurs an advance tax in January 1996 on realising the profits made by these entrepreneurs. This demonstrates the importance of the sector not only as far as employment generation is concerned, but also as a source of raising government revenue through taxation.

### **Gender Issues in Entrepreneurship**

The informal sector has existed in Africa since time immemorial. It is a known fact that there was barter trade in and along the African coast before money economy came into existence. Women were the active participants in this barter trade which mainly involved agricultural products. In Kenya, women in the present Western Kenya were involved in the exchange of goods such as pottery, basketry, grains and fish (Ogutu, 1985). With the coming of money economy and the concept of formal employment, men became active participants at the expense of women. This can be explained by the fact that colonialist preferred to use men for clerical, teaching and catechism jobs in their administration. The men who were not involved in these jobs became more active in trade. This happened while women were confined in terms of education and job opportunities at their rural homes and basically ignored (Mwatha, 1988).

Given the changing societal norms and economic environment, the traditional gender division of labour has been drastically altered and women have to work to provide for their families (Keino and Ngau, 1993). Unemployment is a problem for both men and women. However, women are more disadvantaged due to the fact that the majority have limited formal education, which denies them full participation in the socio-economic structure thus giving them a marginal position in formal employment (Adagala and Bifani, 1985). Unlike women in rural areas who are mainly engaged in agricultural activities, those in urban areas do not easily access wage employment and means of production. Consequently, women in urban areas enter the labour force through the micro-enterprise sector.

The economic background of an individual determines the kind of enterprise the person settles on. In a study of male and female entrepreneurs in Nairobi, it was found that poor women are forced into precarious and less remunerative occupations like petty trade, beer brewing or even prostitution, while poor men end up in metal work, carpentry and wood carving (Mc Cormick, 1991).

The socio-economic background of women entrepreneurs, therefore has a relationship to the type of informal sector activities they engage in. Given their position, women in urban areas have to be more enterprising in order to survive in the emerging and promising informal sector. However, to determine their success in this sector, one needs data on their socio-economic background. Such data would be useful to policy makers and other interested agencies in designing programs to assist women entrepreneurs in urban settings in Kenya.

Keino and Ngau (1993) studied the features that differentiate women entrepreneurs with regard to their socio-economic background. The study recommended the need for gender specific policies to help provide sensitivity to the needs of different women participation and performance in mainstream small and intermediate enterprises in urban areas. Kembo's study (1990) observed that government policy and action in strengthening the informal sector activities did not reach the majority of the women because more thrust was towards men. And yet women are active participants in the informal sector and constitute a large share of micro-small scale enterprises (Sithole, et al 1995). For effective functioning in this sector, entrepreneurs require an enabling business environment (Ikiara, 1991). Consequently, the theoretical framework for this study focuses on enabling women's entrepreneurial activities. Providing education, training, finance, trading facilities and a conducive business environment is viewed as responsive and enabling process of empowering women entrepreneurs in the urban informal sector.

## STUDY AREA AND DATA COLLECTION

### The study area

Eldoret is one of the fastest growing urban areas in Kenya. It is an administrative and industrial centre for the North Rift in Uasin Gishu District (Republic of Kenya, 1994). Unlike other towns of this size, this town has many large- scale industries and a number of parastatals which have emerged in recent times promising vast potential for infrastructure for growth. The presence of these large- scale industries and parastatals has had an influence on the growth and sustenance of the informal sector.

Five locations in this town were selected for this study and these were: upper municipal market, lower municipal market, west municipal market, "Jua Kali" shades and along street pavements. The choice of these locations was based on the need to capture the various informal sector activities carried out by women entrepreneurs.

**Upper Municipal Market**, next to the main bus terminus at the centre of the town, is developed with numbered stalls, roofed and a wall round with entry points securely fixed. Most women in this market were engaged in the sale of fruits and vegetables, grains, fish, seasonings, basketry and pottery crafts.

**Lower Municipal Market**, constructed by the World Bank, is situated 100 metres from the bus terminus. It has a wire fencing around and two entry points secured by burglar-proof gates. It is roofed with a few stalls developed. The number of entrepreneurs here are far in excess of the stalls and so a large number have fixed themselves in passages and any open spaces. The entrepreneurs here sell mainly fruits and vegetables, grains, fish, seasonings and tubers.

**West Municipal Market**, located west of the town, was constructed in the same fashion as the upper municipal market and is next to the main 'Mitumba' (second-hand clothes) market. It is sparsely populated due to its location, far from the town centre. Most of the women in this market network with entrepreneurs in the town centre to capture customers. They were engaged in the sale of fruits, cooked foods, tubers, seasonings, tailored clothes, and 'mitumba'.

"**Jua Kali Shades** (Open air fields) are spread all over town. The concentrations were found next to the lower and upper municipal markets. The entrepreneurs have constructed and secured 'kiosks' for their wares. The women here were engaged in the sale of clothes (both new and 'mitumba'), hardware products, handicrafts, basketry, accessories, cooked foods especially 'Githeri' (maize and beans mixture) and leather wares.

**Along street pavements** were other entrepreneurs who had securely fixed themselves in the hatch-like structures between main business buildings. These were engaged mainly in the sale of clothing (both new and used), accessories and hardware products. There were also those who operate salons, food kiosks and retail groceries.

## Data Collection

The target population was women entrepreneurs in Eldoret town. Only those operating in one permanent place in the five identified locations were involved for ease of data collection.

A census of the women entrepreneurs was carried out in the five identified locations. There were a total of 3,040 women, from which a stratification was done based on the type of business operated. From the universes, 10% of the women engaged in the various business types were picked using proportional simple random sampling. The sample size was arrived at as shown in table 1.

Table 1: The Study Sample

Business Type	Population	Sample size	% of (n)
Dress making	490	49	16.1
And Tailoring			
Vegetables and	800	80	26.3
Fruits			
Food kiosks	290	29	9.5
(small hotels)			
Saloon and	330	33	10.9
Boutique			
Retail shop	50	5	1.6
(grocers)			
Second hand	370	37	12.2
Clothes			
Street vendor	80	8	2.6
Baskets/Bags/	220	22	7.2
Sacks/pots/mat			
Cereals	210	21	6.9
(grains)			
Fish	200	20	6.6
TOTAL.	3,040	304	100.0

Data was collected from the sample identified using questionnaire, interviews and observations. The data collected focused on the socio-economic background of the women entrepreneurs and how these influenced their business performance.

## THE SOCIO-ECONOMIC BACKGROUND AND BUSINESS PERFORMANCE

Through questionnaires, interviews and observations the socio-economic background characteristics were investigated. These characteristics included: age, level of education, training received, previous occupation, marital status, number of dependants, husband's occupation and earnings. These characteristics were then related to the women's business performance in the informal sector.

The success of any business enterprise can be measured in several ways, such as ability to purchase assets from business earnings, pay school fees for children, feed the family and the mere fact that one is able to survive without closing down (Ogutu, 1985; Patel, 1986). In this study, earnings per month were used as a measure of success of the enterprises. Earnings of Ksh. 500 -10,000 was considered fairly successful; Ksh. 10001-20,000 was considered successful; Ksh. 20,001 - 40,000 was quite successful and Ksh. 40,000 and above was considered very successful. The criterion for using this scale was based on the mere fact that those who were able to survive in the business by being flexible, innovative, reaching out to find new markets and products, sourcing for raw materials and not closing down were successful to some extent. The scale as used, established how specific socio-economic background factors identified in this study affected the enterprises.

### Age and level of education

The ages of the women entrepreneurs were as shown in Table 2.

Table 2: Age of Women Entrepreneurs

Years	Frequency	Percent (%)
15 - 19	19	6.3
20 - 24	42	13.8
25 - 29	41	13.5
30 - 34	40	13.2
35 - 39	30	9.9
40 - 44	79	26.0
45 - 49	27	8.9
50 - 54	9	3.0
Above 55	17	5.6
TOTAL	304	100.0

From the findings, the women in the age bracket 15-19 years constituted only 6% of the entrepreneurs. However, 77% of the women entrepreneurs were between the age 20-44 years. There were fewer women entrepreneurs beyond age 45 years. It appears that at a young age, the women do not immediately see the informal sector as a source of income and are nursing the hopes of finding formal employment. On realising that formal employment is not forthcoming, most begin exploring the informal sector. At an older age of over 50 years, very few women are found in the informal sector as they have less responsibilities that would force them to exert themselves and aggressively look for a source of income.

The levels of education for women entrepreneurs were found to be varied as shown on Table 3.

Table 3: Level of Education of Women Entrepreneurs

Level	Frequency	Percent (%)
No education	33	10.8
Primary	148	48.7
Secondary	118	38.8
Post secondary	2	0.7
Degree and above	3	1.3
TOTAL	304	100.0

It was found that 49% of the women had only primary level of education, while 39% of them had secondary level education. A very small number of the respondents were found to have had post-secondary level of education. According to Psachropoulous and Woodhall (1985) social rates of return to lower levels of education in developing countries is quite high. This view is also supported by UNDP (1995). These levels of education were found important as they provided the basic skills of communication and numeracy in both English and Kiswahili that were important in the business operations. Of the 271 women who had primary, secondary and post-secondary education, 98% (cumulative) stated that education helped them in socialisation, communication, giving correct change and predicting the business environment. These four areas are important in the operation of any business enterprise. Specifically, socialisation and effective communication were found crucial in building and maintaining customer loyalty. It is, therefore, clear that the education received had a positive relationship to the business success. It

was however, found that 11% of the women entrepreneurs never had any formal education. These women were found to have acquired the basic skills through experience and their survival depended on their experience and good customer relations.

It was necessary to find out the relationship between the levels of education and success in business performance. Table 4 shows the findings on this aspect.

Table 4: Levels of Education and Business Success

Level of education	Earnings in Kenya Shillings per month		
	500-10,000	10,000 - 20,000	20,001- 40,000
No education (N=33)	33(100%)	0 (0%)	0 (0%)
Primary edu. (N=148)	70(47.2%)	48(32.4%)	20(13.5%)
Secondary ed.(N=118)	68(57.6%)	40(33.9%)	8(6.8%)
Post-sec.edu.(N=5)	0(0%)	1(20%)	4(80%)

The entrepreneurs earning Ksh. 500-10,000 who were considered fairly successful were mainly engaged in the sale of fruits and vegetables, foods, cereals, fish and basketry. Most of them were not employed prior to becoming entrepreneurs. Those earning Ksh. 10,000 - 20,000, considered successful, were selling second hand clothes and retailing of a variety of wares. The entrepreneurs who were earning Ksh. 20,001 - 40,000 considered quite successful, were operating salons, boutiques and dressmaking shops. On the other hand, those who were very successful earning Ksh. 40,000 and over were involved in the retailing of hardware products and a few salon and boutique operators. A number of quite successful and very successful entrepreneurs had been previously employed, but earning less than what they got from their current enterprises.

### Training Received and previous occupation

Training is an important characteristic of an individual's performance in a given occupation. According to Becker (1968) there are two types of training; general training which enables the trainee to fit into general occupation both formal and informal, and the specific training which is mainly sponsored by the employer and only tailored to the employers needs. The skills acquired will hardly be useful



in other areas. With regard to women entrepreneurs in Eldoret, Table 5 shows the types of specific training undertaken, but not necessarily sponsored by the employers. It was found that 75% of the respondents did not receive any training at all, 12% had training in Tailoring and Dressmaking and 6% had training in salon business.

Table 5: Types of Training received by women entrepreneurs

Type	Frequency	Percent (%)
Tailoring and Dressmaking	39	12.2
Salonist (Hairdresser)	18	5.9
Cookery	2	0.7
Teaching	4	1.3
Machine operator	2	0.7
Typing/computer	7	2.3
Nursing	1	0.3
Salesmanship/Marketing	1	0.3
Others	3	1.0
No training	227	74.7
TOTAL	304	100.0

Those who had training relevant to their enterprises admitted that the training had made them successful by enabling them to offer quality and efficient services. However, the finding that majority did not have any type of training supports McClelland's theory (1961) that there are born entrepreneurs who do not need any form of business training to become entrepreneurs. A number of responders possessed what Mclelland referred to as the 'n' achievement which made them highly motivated, innovative, flexible and capable of surviving in the informal sector. The fact that 12% of the responders had training in tailoring and dressmaking seems to collate with the 16% of the sample engaged in this business. This is indicative of the external efficiency of this business activity. It was found that there was high demand for dressmaking services due to wedding celebration (preferred by local residents around Eldoret town) particularly during weekends. To the contrary, very few salon entrepreneurs (6%) had training in this line to match the volume of salon enterprises in operation).

On previous occupations of the women entrepreneurs, Table 6 summarises the findings.

The table shows that 232 respondents (76%) were previously unemployed. The finding reinforces the notion that the informal sector has a strong and dynamic employment generation potential. The findings also show that 72(24%) of the

Table 6: Women entrepreneurs' previous occupations

Occupation held	Frequency	Percent (%)
General worker	27	8.9
Typist/clerk	16	5.3
Teacher	8	2.6
Machine operator	3	1.0
Nurse	1	0.3
Administrator	1	0.3
Manager	2	0.7
Field worker	1	0.3
Casual worker	13	4.3
Unemployed	232	76.3
TOTAL	304	100.0

respondents had been previously employed in some formal sector occupations. On reasons why they quit formal employment, 73% of those who had been previously employed stated that they did so due to economic reasons. This finding concurs with the evolutionist view that returns in the informal sector are relatively higher than those obtained by workers in the formal sector. The other reasons cited for quitting formal employment included voluntary retirement (3%), family commitment (7%), husband's decision (11%) and being declared redundant (1%).

### Marital Status and Number of Dependants

The marital statuses of women entrepreneurs are shown in Table 7. It was found that 47% of the entrepreneurs were married. This is an interesting finding in the sense that married women were venturing into the informal sector contrary to the popular belief that the sector was dominated by unmarried, separated, divorced or widowed women. From the findings 24% of the respondents were single (never married before) women. It was further found that most entrepreneurs who were quite successful and very successful were married. This could be due to spouse support.

On dependants, a distinction was made between biological dependants (own children) and other dependants. The findings showed that 91% of the women entrepreneurs had at least one child to feed, clothe, provide health care for and take to school. Besides their own children the entrepreneurs had other dependants (relatives) to

Table 7: Marital status of Women Entrepreneurs

Status	Frequency	Percent (%)
Married	142	46.7
Separated	15	4.9
Divorced	28	9.2
Widowed	45	14.8
Single	74	24.3
TOTAL	304	100.0

take care of. It was found that 56% of the entrepreneurs supported relatives while 44% did not. Of those who had dependants to support (biological children and others), 61% gave the response that this hindered them from expanding their businesses. The other 25% and 12% indicated that this resulted in limited savings and lack of business diversification respectively. Consequently, there existed a negative relationship between the business success and dependant support. This finding is in line with the extended family ties prevalent in African societies. However, the fact that 44% did not have other dependants appears to point to the changing trend.

On the relationship between dependant support and success of the enterprise, it was found that there was no significant relationship. A possible explanation could be that the number of dependants may affect the business indirectly and the effect may be felt in the long run when the business collapses. But it is also true that they assist in the business operation, sometimes without remuneration.

#### **Husband's occupation and earnings**

It was earlier found that 47% of the women entrepreneurs were married. Most of their spouses were teachers (42%) while 10% and 4% of the spouses were involved in business activities and farming respectively. The rest were in one way or other in some employment. However, it was also found that 11% of the spouses held no employment.

Of the married entrepreneurs, there were those whose husbands had no salaries (11%), there were those who were not aware of their husband's earnings (22%) and there were those who did not provide any response to this item (3%). It was found that most husbands (52%) earned a low salary of between Ksh. 500 and 10,000 which was lower than what the women entrepreneurs earned from their enterprises.

Of the 142 married respondents, 85% indicated that their husbands contributed to the success of the businesses by way of financial boost (28%) advice (25%) and actual operation (18%). However, 15% of the husbands did not contribute towards the success of the business enterprises. On the relationship between the husband's contribution and the success of the business enterprise, it was found that there existed a positive relationship.

### **OPERATION OF BUSINESS ENTERPRISES**

The choice of the business depends on the initial capital outlay. It was found that the entrepreneurs who had little initial capital operated such businesses as the selling of vegetables and fruits, tubers, basketry and pottery crafts, tailoring and dressmaking services, grains and cooked foods. Those who had larger amounts of capital outlay operated retail shops, salons and boutiques. The findings showed that only 1% of the women entrepreneurs got their initial capital investment from bank loans. This is in agreement with the view that most women do not have collateral to facilitate acquisition of bank loans. On the other hand, 55% of the entrepreneurs got their initial business capital from their personal savings. This is an interesting finding because only 24% of the women had been previously employed. It must be that these women had some other sources of income from which they made their savings to start off their businesses. The findings also show that 19% of the women entrepreneurs had initial capital provided by their husbands. Given the many financial hardships resulting from inflation and structural adjustment (SAPs) policies, women have been most affected. To counter these economic hardships, an emerging type of association has developed in Eldoret town, like many places in this country, known as 'Sindikisha' (which literally means to escort). In these associations, a group of women ranging between 10 to 20 organise themselves to contribute money, buy kitchen utensils and other household goods. This is often accompanied with funds. It was found that 13% of the women entrepreneurs obtained their starting capital from the 'Sindikisha' activities. On the amount of initial capital, it was also found that 40% of the entrepreneurs started their enterprises with less than Ksh. 100 while 51% started with between Ksh. 100 and

Ksh. 20,000. Few women had huge capital outlays. This finding is in agreement with the ILO (1972) assertion that one does not require large financial outlay to enter this sector and that the sector is an evolving one.

On the issues of ownership, it was found that 84% of the women entrepreneurs owned the businesses, 13% were in partnership, while 4% were employees. This is indicative of how every woman entrepreneur tries to be an owner of the business she runs. It was found that 75% of the enterprises were not registered while 25% were registered. This finding is a common characteristic of informal sector enterprises (ILO, 1972). Despite this fact, the Eldoret Municipal Council charged these enterprises various amounts of fees ranging between Ksh. 2000 to Ksh. 7220 with a concentration at Ksh/ 1800 which constituted 25% of the enterprises. The criteria for deciding on how much to be paid was uncertain and more often than not, the fees were collected by municipal 'askaris' (security personnel from the municipal council). On the other hand, 19% of the entrepreneurs admitted that they paid no fees as they had learned to evade. This indicates the unclear and lax conditions under which the entrepreneurs operate their enterprises. Although recognised by the government as crucial in the country's development (Ikiara, 1991), the conditions under which the enterprises operated were not stringent. It was noted earlier that a major problem facing the women entrepreneurs was lack of access to and control of resources. The respondents were asked to state the assets owned singly or jointly with their spouses. Such assets included land, urban plots, houses and animals, which were converted into monetary value as at the time of this study.

It was found that 44% of the respondents owned low value assets ranging between Ksh. 1,000 and 10,000 while 15% had assets valued at over Ksh. 100,000. Those with low value assets indicated they required financial assistance and a conducive business environment while those with high value assets said they only require the latter to strengthen their economic activities as they possessed the economic empowerment.

The women entrepreneurs faced a number of problems in operating their enterprises. These problems included: low sales or lack of demand, competition, water shortage, power interruptions, harassment from municipal 'askaris' and theft, shortage of raw materials, limited finances, perishability of supplies and lack of business facilities. It was found that 31% of the respondents identified harassment as their most serious problem. This is a pointer to the lack of conducive business

environment in major towns as found by Ikiara (1991). A number of coping strategies were used by entrepreneurs to counter the problems experienced. These included: maintaining good public relations, provision of quick and efficient services, flexibility in prices and services, advertising (shouting), keeping proper records, dodging 'askaris', not giving credit and never giving up. Of all these strategies, flexibility in prices and services was popular constituting 28%. Good public relations, and quick and efficient services recorded 22% and 21% respectively. This finding supports Mc Cormick's (1991) assertion that informal sector operators' survival mainly depends on their flexibility to the market needs and any changes that emerge, that is, their innovativeness. For those whose major problem was harassment (31%), their survival tactic was dodging (12%). Such entrepreneurs formed networks with those in the market stalls. At times when harassment was concentrated, they would deposit their wares with their network friends. This explains the congestion on the streets in the town centre immediately after official working hours (8 a.m. - 5 p.m.). This underscores the need for a clear policy on informal sector operators.

## CONCLUSION

The informal sector in Eldoret is quite strong, dynamic and evolving in nature absorbing large scores of unemployed women. It is open to all women who are adequately motivated to competitively perform. These women's socio-economic backgrounds play an important role in the performance and success of the enterprises besides a conducive business atmosphere.

Women of varying ages were found participating in various informal sector activities. However, most of them were found to fall in the age bracket 20-44 years. These women were found to be performing at varying levels of success. Education, especially primary and secondary levels of education were found to be more functional in business performance as it was found essential in equipping entrepreneurs with basic skills in entrepreneurship. Relevant training makes entrepreneurs provide quality and efficient services. Training in salon, tailoring and dressmaking had external efficiency as those trained in these fields ended up in these same activities in the informal sector.

Most married women were quite successful and very successful due to spouse support. Such support was in terms of finances, motivation, or encouragement, advice and actual involvement in the operation of businesses.

Dependant responsibilities of the entrepreneurs limited the opportunities for making savings, business expansion and diversification. However, there was no significant negative relationship between dependant responsibilities and the success of businesses probably due to the dependant productive assistance in business operations.

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