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**SMALL SCALE ENTERPRISE IN NAIROBI:
THE SOCIO-CULTURAL FACTORS
INFLUENCING INVESTMENT
PATTERNS AMONG INFORMAL
SECTOR WOMEN ENTREPRENEURS**

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1. BACKGROUND

1.1. Introduction

Many developing countries experienced remarkable economic growth before the 1970's. In the 1970's, however, it became increasingly clear that economic growth based on support to the formal sector *per se* was of little or no benefit to the populations in question. This underscored the need to support the informal sector. By addressing such problems as limited access to land, credit, education and employment opportunities, among a host of other considerations, the informal sector tends to facilitate more access to basic needs (Kamunge, 1990).

A variety of views have been noted regarding the definition of the informal sector, but most scholars and researchers tend to agree on a number of characteristics that distinguish the informal from the formal sector. These include: use of simple technology, family ownership of the enterprise, common use of family labour in the production process, ease of entry and small-scale operation (ILO, 1972).

Attempts have also been made to differentiate the informal sector from the small scale enterprise. Masinde and Nzioki (1991), for example, have argued that while the informal sector caters for the self-employed, operating with simple hand tools and often without permanent business premises, the small scale (and micro) enterprise is frequently defined as a small industry, established as a registered/licenced business in a permanent place of business and often employing two or more individuals. This distinction may require further articulation, given that there are many "formalized businesses" falling

under the informal sector category. There are also many businesses, fitting the above description of small industry, which are by all means "small" and are yet to be registered. The consensus has been a tendency to use the two concepts interchangeably, given that, in practice, many informal sector businesses are also small scale establishments.

In Kenya there is widespread support for the informal sector, given its benefits and in view of the growing need to create more jobs. Thus the Kenya Government (GoK) has directly encouraged the promotion of the small enterprise and supported the "Jua Kali" programme through the Kenya Industrial Estates. Over-emphasis on economic aspects has, however, resulted in inadequate attention being given to some critical socio-cultural and economic constraints against expansion and growth of entrepreneurs in this sector (K-REP, 1991; K-REP/GEMINI, 1991). Yet the economic and non-economic factors have complementary functions in the development of small scale enterprise.

Some structural and gender focused efforts such as those manifest in **women in development** programs have, for instance, supported participation of women in basic income generating activities through informal sector programmes which are largely welfare-oriented, operating at the subsistence level of production and designed to cater more for enhanced confidence and awareness than to create sustainable profit centers. Such programmes are based on the premise that women can successfully develop themselves along the traditionally welfare-oriented roles.

On a more balanced presentation, however, one of the popularly cited benefits of the small enterprise development programs has been their tendency to cater equally for the needs of both men and women, on the presumption that entrepreneurs of both sexes experience similar constraints to business start-up and expansion. The Kenyan social systems are, however, known to be inherently biased against women, hence giving marginal attention to women's needs (Kariuki, 1985; Seidman & Anang, 1992). As such, women face problems that are often qualitatively different from those encountered by men, with regard, for example, to access to information, training and credit (K-REP, 1995). Studies by ILO (1984), Keino and Ngau (1996), Hay and Sticher (1991) and UNECA (1990), recognize this but fail to adequately address the existence and impact of some adverse African traditions that constitute barriers to women's participation in the informal sector enterprise, emphasizing instead, the economic forces. Design and implementation of assistance programs should thus incorporate gender-specific needs, while noting the nature and impact of the socio-cultural, economic and other institutional factors which inhibit women's participation in the informal sector.

1.2. Overview

Within the context of the foregoing substantive and gender issues, the study on which this paper is based, sought to identify and investigate the major socio-cultural and institutional characteristics and constraints facing women,

with regard to their activities and choice of investments in the small scale informal sector, as well as providing an analysis of how such factors influence women's employment opportunities.

The study focused on the socio-cultural factors relating to development of women's entrepreneurship in the informal sector, with a view to providing crucial information on the sector as well as the lending institutions that cater for the women entrepreneurs. A major goal of the study was also to highlight the structural gaps in women's empowerment efforts and make recommendations regarding pertinent policy formulation to promote their participation in business.

2.0. THEORETICAL CONSIDERATIONS

The research on which this paper is based was guided by the social change paradigm in which modernization process, viewed through economic diversification and differentiation, industrialization and urbanization result in changes in traditional norms, beliefs, values, attitudes, family systems and division of labour (Vag, 1996; McCormick and Pedersen, 1996). Prior to such outcomes of modernization, the male dominated indigenous cultures denied women critical economic rights in land and other property ownership. The onset of the capitalist system maintained similar structural productive relations in the traditional-modern and rural-urban dichotomies (Snyder and Tadesse, 1995), leaving the women marginalized in terms of access to basic

economic opportunities and security items for credit.

Until changes are realized in these structural arrangements, women will continue to face problems that are attributable to both endogenous and exogenous change processes out of which the women will only have access to limited benefits. Planned efforts aimed at improving the women's welfare have not achieved very much due to inherent biases which tend to favour the males (Seidman and Anang, 1992).

Efforts to alleviate this underprivileged status of women were seen, for example, through the many development projects which were implemented during the United Nations Decade for Women (1976 - 1985), aimed at increasing the women's economic participation in development, through provision of special support to low income women in the Third World, under the banner of "Women in Development". Little progress has, however, been recorded towards active integrating of the Kenyan women in the mainstream of economic activities (Eigen, 1994).

As observed earlier, most projects providing assistance to women have taken a welfare approach, without much success in promoting women's economic independence and growth. The projects are often incorporated in programmes that are usually very broad, encompassing such other components as family planning, maternal and child health, nutrition, and home-based appropriate technologies. Training programmes have tended to be expensive and inefficient in terms of both the costs and numbers of women to be reached (Dondo, 1990).

Subsequently and still within the social change paradigm, the "gender and development", concept was adopted as an alternative approach, meant to avoid treating women's issues as discrete and in isolation, emphasizing instead a gender balanced and equitable access to, utilization and control of economic and social resources as well as associated benefits. This approach was based on recognition that gender relations, as currently enshrined and articulated in the legal statutes, for example, regarding succession and women's access to and control of land and other factors of production, tend to institutionalize serious hurdles against women's advancement in the social, economic and political areas of concern.

It is generally recognized that the informal sector encounters difficulties in licensing procedures, and such other constraints as inadequate resources, lack of markets, exploitation by middlemen and manufacturers, poor business management skills and wanting government policies as reflected in lack of macro-economic discipline, poor and uneven enforcement of laws and regulations. Yet while such constraints affect both sexes, women are often more disadvantaged than men (K-REP, 1991).

The difficulties encountered by women entrepreneurs include inadequate working capital, small unviable and mostly duplicated projects, poor technical and management skills, few marketing opportunities, poor marketing skills, lack of work site security and basic infrastructure, limited access to resources especially land and credit, hostile business environments, poor reading and writing skills, excessive demands on their time due to their

other productive and reproductive roles, lack of appropriate project identification and implementation skills, poor project selection and planning skills and lack of information on the available support opportunities to women's enterprises (Kamunge, 1990; McVay, 1989).

In the context of the social change paradigm, these behavioral aspects can be understood within the situational approach of Thomas and Znaniecki (Ferrante, 1995) which stipulates that reality is socially constructed and reconstructed. In this case, the patriarchal system permeating the Kenyan social, political and economic structures, creates and perpetrates male-chauvinistic investment-support mechanisms that are inimical to the women's economic independence and empowerment.

3.0. STUDY METHODOLOGY, SITE SELECTION AND DESCRIPTION

The study was carried out in the Kibera slum area in Nairobi City. The Kibera slum was purposively selected due to its visibility, with respect to the small scale informal sector enterprise as well as its multi-ethnic population and the pervasiveness of the traditional lifestyles. The latter are pertinent aspects of this study, hence the observation that small scale enterprises and formal sector enterprises form a dual system along the traditional-modern dichotomy.

Kibera slum is approximately 5 Kilometres from Nairobi City Centre. The term "Kibera" is Nubian meaning "forest". The area was first settled in 1912 by ex-Sudanese (Nubian) soldiers and their families. To date, the slum has attracted the poor working class and unemployed university graduates lacking decent housing. The area is characterized by a population with low literacy levels, overcrowding, poor housing and drainage system, small scale businesses of all types, various social and economic activities such as illicit sale of traditional liquor, sex trade, video show shops, etc. This situation prevails in all the 10 Kibera villages, stretching from Mbagathi Road to Kibera Drive. Kibera is the largest single slum in Nairobi.

The researchers used a survey design and the sample was spread over the entire settlement area. Specific sampling clusters were identified through careful reconnaissance, in order to avoid the most visible and excessively studied cases among whom the guinea pig effect or respondent fatigue might have had a negative effect on the study quality and outcome. A sample of 200 informal sector women entrepreneurs was then drawn, using probability sampling. The sample drew equally from the ten villages: **Lindi, Makina, Siranga, Soweto Laini Saba, Kianda, Soweto Kianda, Mashimoni, Laini Saba, Kisumu Dogo and Katwekela**. Attempts were also made to randomly distribute the sample, by type of business, in each village. The study focused on individual women entrepreneurs in income generating enterprises. Both quantitative and qualitative methods of data collection were used. The main tool of data collection was a schedule-structured questionnaire, administered by two Research Assistants. Interviews were conducted according to the

respondents' choices of languages spoken.

Additional information was collected through key informal interviews based on semi-structured thematic guidelines based on research interests. The key informants were selected on the basis of their specialized knowledge, positions and/or experiences and were drawn from among the local communities, and "jua kali" supporting institutions such as K-REP, Undugu Society of Kenya, Institute of Cultural Affairs, Nairobi City Council and KIE-ISP. Casual discussions were held with entrepreneurs outside the sample, residents and other members of the public within the study area, all of whom provided useful data based on their personal observations and experiences regarding the study issues. Direct observation was used to supplement the data collected through other methods and provided information, for example, on the physical set-ups of the enterprises, respondents' gestures and expressions, customer flow and the items traded.

Other data collection methods were also used. Focus Group Discussions (FGDs) with participants recruited from the various types of enterprises were conducted, guided by carefully selected and pertinent discussion topics to prompt debate, consensus, attempted solutions and/or coping mechanisms. The discussions were tape-recorded, in addition to note-taking.

Case histories/studies were also recorded with selected small scale entrepreneurs in different types of enterprises, to highlight the relevance and

impact of specific factors as identified and articulated in the course of the fieldwork. The case studies provided holistic and significant data, including personal experiences more vividly bringing out the wider social and institutional constraints faced by the respondents in real life situations.

Secondary sources of data such as books, students' research dissertations, journals, newspapers, magazines, periodicals and other documents on women's participation in the informal sector enterprise were also used. Reviews of such works were useful in cross-checking and authenticating the primary data.

Once collected, the data was quantified and analyzed using the computer SPSS programme. In organization and summary of the findings, such statistics as the mean, percentages and tables were used. Data from the key informants and FGDs was analyzed qualitatively, on the basis of the salient response patterns against the guided topic discussions, and integrated in the data from the primary and secondary sources.

4.0. SOCIO-CULTURAL AND DEMOGRAPHIC FACTORS AFFECTING INVESTMENT PATTERNS AMONG THE INFORMAL SECTOR WOMEN ENTREPRENEURS

4.1. Background Characteristics

4.1.1. Age Differentials

Table 1: Respondents by Age

AGE CATEGORY	FREQUENCY	PERCENTAGE
15-19	8	4.0
20-24	66	33.0
25-29	57	28.5
30-34	34	17.0
35-39	18	9.0
40-44	9	4.5
45+	8	4.0
TOTAL	200	100.0

The respondents were found to be generally young. Table 1 shows that majority of the women belonged to the 20-24, 25-29 and 30-34 age categories, while a few were aged over 45 years. The predominance of the young women in the sample might be explained by the generally young population of Nairobi and other urban areas, given high birth rates and selective urban-ward migration, involving mainly the young and middle aged (Gilbert and Gugler (1982). A general decline in performance, by age, was also reported among the participants, many of whom said they were having difficulties performing some tasks as they grew older.

PERCENTAGE	AGE GROUP
40.0	20-24
30.0	25-29
20.0	30-34
10.0	35-39
0.0	40-44
0.0	45-49
0.0	50-54
0.0	55-59
0.0	60-64
0.0	65-69
0.0	70-74
0.0	75-79
0.0	80-84
0.0	85-89
0.0	90-94
0.0	95-99

4.1.2. Education

Table 2 indicates that most of the respondents had some formal education.

Table 2: Respondents by Level of Education

LEVEL OF EDUCATION	FREQUENCY	PERCENTAGE
None	27	13.5
Primary (1-4)	18	9.0
Primary (5-8)	81	40.5
Secondary (1-4)	72	36.0
Secondary (5-6)	2	1.0
TOTAL	200	100.0

Majority of the respondents (85.5 %) had acquired formal education, but 49.5% had only reached primary school level and a substantial number (36.0 %) attained lower secondary school education. Thus, while only 13.5 % had not attended school, none of the women had attended college or university. The FGDs indicated that many of the women were brought up in poor families and by parents who could hardly afford to pay for their education.

Illiteracy and low literacy levels, as evidenced by the cases of Anyango and Njeri had serious implications for the social mobility of the affected women.

Anyango, aged 23, was single and had a 2 year old child. She never went to school due lack of school fees. Anyango came to Nairobi in the company of a friend, to work as a house-help, and after working for two years Anyango was cheated into getting married to an elderly man. After giving birth, she had to run away due to mistreatment by the old man. A few months later, Anyango's child died, and she moved to Buruburu for another job.

Margaret Njeri (Mama Kamau) was married with five children. She was educated up to primary school standard four. All her children, except one who was in primary school standard eight at the time of our study, had attained secondary school form four education and had taken up vocational jobs. Njeri's father was reluctant to educate her. In 1957, Njeri's mother got very sick and was admitted to Kiambu Hospital. As a result, Njeri stopped going to school in order to care for her sick mother. The mother was later transferred to King George Hospital, now Kenyatta National Hospital, where she recovered. But it was then too late for Njeri to go back to school, given also her father's unwillingness to support her education. Njeri associated all her problems with little education.

These case studies also serve to illustrate the various types of violence against women, that undermine the women's opportunities to acquire formal education. The FGDs and key informant interviews, indicated that illiteracy or low levels of education among the women led to ignorance about business opportunities, credit institutions and business management, thus limiting the women's ability to take risks through informed investment choices. This is very much in agreement with observation by McVay (1989) that small scale entrepreneurs have difficulties in identifying simple quality improvements and new products to produce, mainly due to their low literacy and little training in technical skills. Similarly, McCormick and Pedersen (1996) observed that low literacy among the small scale entrepreneurs, especially women, led to difficulties in keeping records/accounts or sourcing credits.

4.1.3. Marital Status

Majority of the respondents (75.5 %) were married and only 16 % were single, while the rest were either widowed, separated or divorced. Marriage was explained in utilitarian terms, in the sense that the women saw it as a way of securing the much needed support from men. In many African patriarchal family authority structures, majority of household heads tend to be men. Thus in this study, only a few women (19%) reported being the heads of their households. This is in agreement with Seidman and Anang (1992), ROK (1996) and ROK and UNICEF (1992) that most women in peri-urban and slum areas are either not in charge of their households or do

not perceive themselves as household heads. This male-centred pattern of influence also partly explains the fact that 55.5 % of the women cited their husbands as their major sources of income, and the finding that married women also reported fewer difficulties in starting businesses than their "single" counterparts.

Most of the husbands (92.7 %) were engaged in various occupations, with majority (62 %) in paid employment, while the rest (38 %) were traders, just like their wives. The women's businesses were viewed as supplementary sources of household incomes, hence mainly located next to or near their houses. These findings confirm the orthodox theories on substantive gender relations in which men, and not the women, are assumed to shoulder responsibilities for the extra-familial occupations (Snyder and Tadesse, 1995).

5.0. THE SOCIAL CHARACTER OF WOMEN'S SMALL SCALE ENTERPRISES

5.1. Nature of Business

The women entrepreneurs ventured mainly into service-oriented businesses such as selling vegetables, fruits, grains, fuel and dressmaking/tailoring/knitting/embroidery, selling clothes, hardware, water, foods and drinks, hair care and retail consumer goods. Most of the

enterprises (83 %) had been in existence for less than five years and experienced such constraints as low returns and work pressure due to the time-off required to attend to domestic chores. The women felt that businesses started and closed soon afterwards due to frustrating environments, especially the fact that a woman's time is divided between the enterprise and her domestic duties. This view is also supported by other studies in Kibera, as K-REP (1991, 1995), for example, found that women's enterprises showed shorter lifespans than men's, hence majority of the women (62 %) depended, to a large extent, on remittances from their spouses and children.

The types of business establishments reflected pockets of ethnic differentiation in which the Luo tended to sell fish; Kikuyu, vegetables; and Kamba traded in grains. Consequently, the customers knew where to locate and tended to do business with traders they shared ethnic backgrounds with, and with whom they could also seek help or consult over other issues. Non-economic behaviour, through social networks, kinship ties and other generally affective ties, was thus used as an adaptive strategy to attract customers and cope with competition. This was much to be expected, given the duplicative nature of the businesses competing for the same customers. Under such circumstances business growth was difficult to achieve.

5.2. Business Start-up

The major reasons cited to explain why the women venture into small businesses included household requirements for food, clothing, education, and health care (see Table 4).

Table 4: Reasons for Venturing into Business

REASON	PERCENTAGE FREQUENCY
Household needs	64.5
Husband's low wages	20.5
Idleness/ No Job	29.5
Self-reliance	34.5
Husband not working	5.0
To assist family	5.0
Husband's wish	2.5

NB: Cited reasons overlapped, in some cases, leading to over 100% frequency count.

For 64.5 % of the enterprises, basic need for family subsistence was cited as the key factor behind their establishment. Initially, therefore, the enterprises were not started as pure economic entities or business growth centres. Some were started in order to cater for self-reliance and survival needs of the family; because the husbands were "not working" and others to relieve the women of "idleness". As one key informant put it: "**I started this business in 1981 because I was idle and I wanted to assist my husband in buying food for the household and paying school fees for the children**".

For many women, the businesses were thus meant to supplement household incomes at the subsistence level. It was against this predominantly subsistence oriented business mentality that 96.5% of the women entrepreneurs said they had been supported by some family member at the time of starting their businesses, for which 81% of the support came from their husbands; 16.9 % from siblings; 10.8% from parents. Others were supported by sons, daughters, uncles and aunts.

The support was mainly in form of materials (100%); financial (80%), and in some cases moral and advisory. Nearly all the respondents (99.5 %) experienced difficulties relating to finances, materials or space at the time of starting their enterprises. Only one respondent cited the husband as the greatest problem. Our findings thus contradicted the orthodox feminist conception (Seidman and Anang, 1992; Snyder and Tadesse, 1995) of men as the key barriers to the development of their wife's businesses. The husbands' overwhelming support, however, did not necessarily mean that

they allowed their wives to operate autonomously, once the businesses had taken off. The case of Alice, below, illustrates, the importance of social and, more specifically, kinship aspects in the business establishment:

Alice Muhindi, aged 28, and married with two children, was educated up to primary school standard 7. She dropped out of school due to lack of school fees, following which she was trained by her aunt as a dressmaker in 1989 but had no sewing machine to start off.

Alice moved to Nairobi in 1995 to join her husband, who worked for an Asian businessman. She got the start-up capital for her three months old dressmaking business from her husband.

She needed to start this business "because she was not doing anything", "to get her own money "and "to supplement the husband's income".

In her opinion, the business was not doing very well as customers were few. She thought that was alright as the business was still young. On average, she made Ksh.1,000 per month, which she spent on purchasing household items and one or two business materials, indicating low re-investment rate, low stocking. This behaviour perhaps explained the poor customer turn up.

According to Alice, her husband had total control over the business income and "I must tell him how much I am getting and what I intend to do with it".

Her stay in Nairobi and in her current business depended on the husband's goodwill. The husband decided where she stayed when at home in Kakamega and also in Nairobi. If the husband decided that she should go back to Kakamega, she would have to close the business and do exactly that.

It was also found that some men refused to support their *enterprising* wives for fear that the women would spend most of their time at the businesses, hence away from the households. As the men put it, this could lead to what they described as *unbecoming behaviour* on the part of the women. Some men were even said to have feared losing *authority* over their wives, if the latter succeeded in business. The men were said to have further feared that their successful business wives might start friendships with other men, which in some cases could lead to such women leaving their jealous husbands. To safeguard their interests and emotional security, therefore, men adopted various precautionary measures, some of which included prohibiting their spouses from installing telephones in their business premises, suspecting that such telephone networks could be used to keep the women in touch with their boyfriends, or even facilitate communication with bad company from their fellow women business colleagues without the husbands' knowledge. Thus while the men assisted their wives to start businesses, the need to maintain

male supremacy over the women, continued to be an overriding constraint against good performance and expansion of the women's businesses.

5.3. Networking Among the Entrepreneurs

There was substantial social networking among the entrepreneurs, involving utilitarian relationships, aimed at promoting business growth. The networking addressed such issues as business management, pricing, marketing and search for stock or capital. The entrepreneurs utilized existing friendships to further establish themselves in business. New companionships were established where necessary as survival mechanisms. Many women, however, said that their neighbours had duplicated their businesses using such contacts, and as one informant put it: **"...we cannot do anything here, if we do not assist each other in our businesses..."**

The key informants were also aware of the existence of these mutual assistance linkages, pointing out that many women also assisted one another in many other ways such as through merry-go-rounds in which the group members made financial contributions, in turns, to help individual members. Surprisingly, however, 98.5% of the entrepreneurs did not appear to know how their neighbours started businesses or even the problems faced by the neighbours. This implied absence of reported face-to-face and intimate relationships among the entrepreneurs. From the focus group discussions, it was learnt that the absence of such intimate relationships among the women

entrepreneurs could be blamed on the men's efforts to discourage the networking, fearing that greater interaction between their wives and other women, meant more exposure and empowerment of the women. As such, the men risked facing more informed wives, with reduced loyalty to their husbands.

5.4. Gender Issues and Business Start-up

On whether men and women in the area had equal opportunities for starting businesses, majority of the respondents (60%) felt that men were more favoured, as they patronized the women's activities, had more resources, more exposure to knowledge and sources of capital. From the focus group discussions, it was indicated that many women had started their businesses without significant support from the husbands.

About 40% of the respondents, however, felt that both sexes had equal opportunities and similar needs, and what was important was the individual's ability and determination to take advantage of the available opportunities. Apparently, this category comprised the relatively more educated women, implying that education had a positive role in changing the women entrepreneurs' attitudes.

On their daily activity schedules, the majority of women (92.5%) said they combined household and business tasks, as the tradition required them to

take care of the domestic chores as well. The women had, therefore, to wake up very early and before 7.00 a.m. in the morning, to satisfactorily perform household chores before opening their businesses. For similar reasons, they also closed the businesses as early as 7.00 p.m. in the evenings. This combination of roles was found to have a negative impact on business performance.

Table 5: Women's Roles and negative Effect on Business Performance

RESPONSE	FREQUENCY %
Strongly Agree	14.0
Agree	52.0
Disagree	32.0
Strongly Disagree	2.0
TOTAL	100.0

Most of the respondents (66%) were of the view that the women's domestic roles negatively affected business performance (see Table 5). Informal interviews and focus group discussions yielded similar results. Some of the effects took the form of lack of concentration on business activities, fatigue, lateness in opening the business, and washing clothes while keeping watch

on the business at the same time to avoid letting the customers go without being served. In some cases, the women closed their businesses and went home to prepare lunches for their children and husbands. Our findings therefore concur the 1980 study by the Kenya National Council of Social Services (KNCSS), which established that many women traders had to wake up very early, go to the markets and back to their stalls, without giving adequate attention to their children, concluding therefore that children became the victims as they carried the "bill" of women's overwork.

Those who felt that the women's roles did not affect the performance of their businesses argued that a woman should efficiently manage her time so as to satisfactorily handle both the business and domestic duties. According to one informant: **"...household duties do not affect my business in any significant way ...I wake up at 6.00 a.m., prepare breakfast and lunch for the children, clean the house and wash the dishes... I organize my work in such a way that I am able to open the business promptly at 9.00 a.m,"** while some other women responded that: **"...all this is our work and there is nothing we can do about it.."**

While the women generally agreed that domestic chores negatively affected their business performance, 45.3% felt that such household chores for women were desirable realities. It was noted, however, that some of these respondents easily combined business and household tasks because their businesses were located close to their houses.

5.5 Business Satisfaction

Just over half of the respondents (52.0 %) said they were satisfied with their current businesses. The rest would have liked to "start another business", with more security, higher incomes and comfort. "Comfort" was relative, depending on each respondent's business at the time of the study. A woman with a vegetable business, for example, said a retail shop would have been more ideal for her. The general propensity was to move away from what the entrepreneurs viewed as tedious, less paying and unpredictable enterprises.

Those who saw no need for change to alternative businesses, still nursed the wish to expand, get into paid employment and avoid preoccupation with child rearing. The women who had already succeeded in their current enterprises appeared to be more satisfied and did not express the wish to venture into alternative businesses.

5.6 The Family Role in Business

Majority of the respondents (77.5 %) were getting support, of some type from members of their families. Strong kinship and family characterization of the businesses was therefore noted, regarding the labour and other demands of the enterprises. Most of the family support (69.0 %) came mainly from the husbands. The few (22.5%), without family support were on their

own and either single, widowed, divorced, neglected by husbands or had not requested for help. The following case studies illustrate the significance of the husbands' support for the women:

Wangeci, 42 years old got married at age 16, having never gone to school. All the children she gave birth to died. She attributed this to witchcraft. Under threat of such superstition, Wangeci "forced" her husband to move with her to Nairobi as she wanted to get away from the husband's relatives. While in Nairobi, they stayed with Wangeci's uncle, who at one point refused to give them further assistance. Initially, they had no jobs and encountered many problems, and often experienced days without food. Later on, and with her husband's support, Wangeci managed to start a vegetable buying and selling business, in which she had prior experience having engaged in it while in Mbeere. Her business expanded and became more challenging, at times forcing her to travel to Kamba land and Kisii, to purchase green grams and bananas, respectively, when the commodities were in short supply in Nairobi.

Mary, aged 42, was married and had been trained in the Armed Forces, but quit in 1991. In her new venture, she started off by knitting pullovers and later moved into selling *mitumba*, second-hand clothes, as she found knitting unviable due to unprofitable labour demands. She had started off with little capital but later got more help from the husband. She was, however, reluctant to

expand, having noted demand seasonality for her products.

5.7. Access to Credit

Majority of the respondents (93.0 %) had not used any credit facilities at the start of their businesses, mainly because they had not applied for such credit.

Table 6: Reasons for not Applying for Credit

REASON	FREQUENCY	PERCENTAGE
Had own capital	49	26.3
Husband's support	108	58.1
Family support	24	12.9
Fear of credit	31	16.7
Ignorance	29	15.6

Note: The respondents had more than one reason. n=186

As shown in Table 6, the reasons cited for not applying for credit included:

feeling that they did not need credit, having received the needed support from husbands and family members (for 71.4%); having own capital (26.5%) and lack of knowledge of credit sources (15.8%). The latter was not surprising, given that a large proportion of the entrepreneurs (61.0 %) had said that they had no access to information on financial/lending institutions. Many women, according to some key informants, also looked at credit institutions as exploiters, due to the high interest rates charged on loans. As such, the credit institutions were said to *eat women's money*, as those who took loans faced diminishing returns and kept on paying to service the loans till their businesses eventually closed down.

It was quite clear, however, that even those (39.0%) who had knowledge of credit sources, were ignorant of the details of the procedures and operations of the credit giving organizations. The credit giving organizations mentioned included K-REP, NCKK, Undugu Society, Women's groups, Chrisco Church and the African Brotherhood Church. While to a few women, the husbands and relatives were important sources of information on credit sources, other sources commonly cited were mainly neighbours, friends and beneficiaries. The above types and sources of information on business support opportunities further serve to highlight the relative importance of affective, rather than strictly economic networking among the women entrepreneurs.

The few who had applied for credit said they did so due to lack of capital and having got no support from their husbands. Their targeted sources of credit were friends, relatives and the church. The heavy reliance on "familial"

sources of credit was explained in terms of respondents' trust and confidence in their friends/families and the church (where this happened to be the case), vis-a-vis the "strange" credit institutions. Only 28.6% of those who had applied for credit had some collateral, while the rest (71.4 %) got the loans on the basis of friendship, sympathy and trust, again reflecting the nature and critical role of the "economy of affection" (substantive behaviour based on kinship and informal social networking/organization and not formal economic rationality) as a salient feature in small scale women's enterprises.

One high ranking key informant was categorical in his conviction that women lack guaranteed access to credit facilities and related information and knowledge, including practical applications and procedures. This, coupled with the cases reported above closely tallies with the findings of Keino and Ngau (1983), K-REP (1995) and OXFAM (1988) that many credit institutions do not reach women due to control by male administrators, and the basic perception of women entrepreneurs, by such institutions, as small scale traders without any expansion motive. Similarly, Kamunge (1990) observed that small scale entrepreneurs (especially women) are seen by banks as a risk factor due to their small scale operation and unpredictability.

Arguing along similar lines, but with more emphasis on the adverse effects of male chauvinism, Ogana (1989) noted that women entrepreneurs are seen by many credit institutions as lacking in permanence. As Ogana put it, while financial matters tend to be perceived as the men's domain, with some credit institutions insisting on securing the husband's authority before processing

a woman's loan application, women are more likely than men to be subjects of divorce, rendering their loan statuses problematic. Supporting this view, one of our key informants argued that women are known for using (misusing) credit on household needs. Our informal interviews, however, indicated that use of such business funds by women to meet household needs arose from frustration by the husbands' failure or refusal to provide for the family subsistence needs. This was said to be common behavior among the husbands, once they had made some initial contribution to the wives' businesses start-up capital.

Credit-giving organizations also tended to assist the relatively well-off women or those already in women's groups (with rotating credit schemes) and had saved money with the credit organizations. Many key informants were of the view that most of the women in the study were unable to join such groups, due lack of time for group meetings as many of the women had to manage their household chores, in addition to the family enterprises; not having the money required for group membership financial contributions; and fear by the less educated women to join the women's groups due to the possibility of being swindled out of their money by the "educated people".

It was also found that the women's average income per day was Ksh. 503, with some women earning as little as Ksh. 20 per day, while a few could earn as much as Ksh. 9,000. More specifically, 28.8% of the women earned less than Ksh. 100 per day, while 54.0%, 8.6% and 8.6% earned Ksh. 101-500,

501-1,000 and 1001-9,000, respectively. Majority of the respondents (82.8%) therefore earned less than Ksh. 500 per day. The earnings were spent on food, clothing, rent, health-care and business expansion, with 74.5% of the respondents feeling that such incomes were inadequate for subsistence and saving with credit institutions. The women, therefore, tried to supplement the incomes by working elsewhere and through remittances from the husbands and occasionally, they "just survived".

Regarding possible support from the government, majority of the women (97.5%) said they had not benefitted from any government support, but also explained that they had not made any requests as they lacked interest in the government as a source of business support. Many perceived the government as incapable of assisting them, due to corruption among the government officials, especially when the women clearly lacked informal "connections" that they could utilize to secure such assistance. As they put, it was the same government that harassed them, and for one to be given credit by the government, citing the case of Nairobi City Council which for some reason they saw as an arm of the government, they had to either very well know or bribe the officer(s). It was learnt through the focus group discussions, that some local government officials usually harassed the women and hardly assisted them. To prove their point, the women cited cases of denial of trading licences and demanding of bribes by the officers who relished insulting the women traders. The Provincial Administration (especially the Chiefs) were singled out as a major hurdle to women's entrepreneurship through refusal to endorse the women's applications for credit, unless they

Table 7: Sources of Financial Support for Women without Formal Credit

SOURCE OF SUPPORT	FREQUENCY	PERCENTAGE
Husband	115	61.8
Self	58	31.2
Siblings	14	7.5
Grown Up Children	6	3.2
Parents	5	2.7

Note: The respondents had more than one source of support. n=186

were bribed.

Among the women who had not applied for formal credit, the sources of financial capital were mainly help from their families. Table 7 indicates that a large proportion (61.8%) of the women without formal credit got financial support from their husbands, while 31.2% used their own capital. The rest were assisted by siblings (brothers and sisters), parents and their grown-up children. The family comes out clearly again as a critical source of support for the women entrepreneurs, with husbands playing a key role, contrary Seidman and Anang (1992), Chege (1995) and CBS (1986), that many husbands frustrate their wives' entrepreneurial efforts.

Lack of access to credit by women was attributed (by 71.5%) to lack of collateral; ignorance of existing credit sources; credit institutions distrusting women; husbands' reluctance to recommend wives to credit institutions; women having no "good" and viable businesses. Some women, however, think there is unequal access to credit for men and women. Among these, 28.5% felt that managers of credit institutions gave equal attention to those who needed credit and that lending conditions applied equally to both sexes. This perception, however, was not translated into reality because many women tended to behave in conformity with the stereotype male-chauvinistic view that justified their limited access to business opportunities and ambitions, consequent upon which they had not approached the credit institutions. This behaviour is exemplified by the case of Christine Alulu:

Christine Alulu, aged 23, a shopkeeper, dropped out of school at

form two in secondary school, due to lack of school fees. Afterwards she got married and was assisted by her husband to set up her shop. In addition to meeting household needs, she used some of her earnings to pay school fees for her younger brothers and sisters. Her main problem in business was the customers who took goods on credit and failed to pay back. Some of the goods she traded, such as vegetables, were also perishable and easily went into waste if they did not sell fast.

Christine got no external funding and did not know of any appropriate lending institutions. But she had heard, over the radio, of an organization, which she did not know how to approach, that trained women in business.

Household chores interfered with Christine's business. She would, for example, at times go to collect water only to come back to find that she had lost customers who found no one to serve them.

Christine, a typical example of a woman who hardly knew of any credit sources, but still determined to engage in some income generating activity, felt that a course in business management would have enabled her to acquire skills on effective running of her business.

The lesson learnt here was that many credit institutions do not reach women

due to misplaced perceptions, already internalized by many women themselves, hence demotivating them against seeking credit outside the opportunities available within the familial environments.

5.8. Property Ownership and Business

Nearly three quarters (67%) of respondents reported owning property, such as land in the rural areas (88% of them) or plots in Nairobi (9%), while the rest (3.0%) owned kiosks, houses or machinery. The properties in question, however, did not appear to have any obvious financial impact on the women's business development, given that out of the 134 women with property, for example, only 26.9% had used such property to service their businesses. The reasons cited by the women for not using other property or resources to develop their businesses (as seen in Table 8) included lack of incomes, for example, from unused land because women stayed away mainly in Nairobi; reluctance to invest the proceeds from farming in the enterprises; returns from other property being too little to benefit the businesses; and undeveloped plots which could not therefore readily benefit the businesses. In some cases, the women with property chose to save the returns from other properties rather than investing in the enterprises.

Thus while some women owned other properties, there were attitudinal inhibitions against using such property as collateral, to develop their enterprises. In addition, as some key informants argued, some of the

propertied married women did not actually own the properties in question. To the contrary, their husbands were the *de jure* owners. The men, therefore, made decisions as to how the properties were to be used. As such, none of the 7.0% who had applied for credit, had used their (husbands') land as collateral.

Table 8: Reasons for Not Using Other Property To Develop Business

REASON	FREQUENCY	PERCENTAGE
Unused Land	33	76.7
Extended Farming	35	81.4
Property has low returns	19	44.2
Undeveloped Plot	4	9.2
Property tied thro children	1	2.3
Money from property saved	2	4.7

The husbands were also said to have preferred supporting their wives through direct funding rather than "trusting" them with use of the family property as collateral to guarantee them credit for business development.

6.0. BUSINESS EXPANSION

6.1. General Observations

Generally, the respondents had made some gains in their enterprises. The reported business development trends were: "enterprises have expanded very much" (53.5%); "expanded very little" (17.0%); "declined" (21.0%); "not expanded at all" (7.0%); and "business too young to be assessed" (1.5%). Where the businesses had expanded, examples of expressions of satisfaction were: "I now have money everyday, unlike in the past; "I have many customers"; "I need little money for day-to-day operations"; "I can buy many things and sell fast."

The 70.5% of the women who felt that small scale business was profitable probably represented the more successful ones. Others (29.5%) viewed small scale business as unprofitable, citing such problems as meager returns and stiff competition. As to why some of the businesses failed or were likely to collapse, the reasons cited included *scapegoating* the "lazy husbands, who did not give much assistance to their wives" and "witchcraft used by jealous

neighbours against those who displayed successful performance in business".

It appeared that even where the women perceived themselves as having done well in business, the gains did not necessarily translate into employment creation or family happiness. Thus most of the respondents (83.5 %) had not employed anybody, since they started their businesses, citing inadequacy of funds to hire labour, having spent the money on the family through payment of educational, medical and other bills. Among those who had hired labour, 16.5% had only managed to employ 1-4 employees, while majority (77.1%) had only one employee, and the rest (17.1%, 2.9%, 2.9%) had two, three and four employees, respectively. Those hired were mainly used as sales assistants who also helped in running errands.

6.2. Problems Experienced by the Entrepreneurs

Experiences of the women in running their businesses included such problems as lack of capital and credit; difficulties in transportation and marketing; perishability of some of the commodities; competing demands relating to household chores; theft; harassment by law enforcement agencies; seasonality of business; unco-operative husbands; high risk and competition. As a case in point, Sivuli's case below indicates her continued hardships and frustrations.

Rosina Nduti Sivuli, aged 37, was a single mother of one child, educated up to secondary school form four, and a trained secretary, and engaged in selling fruits and roasted maize as never got a permanent job.

Her business career started with the "Ciondo" (basket weaving) business, jointly with her mother. But the business collapsed after one of the debtors refused to pay back Ksh. 8,000. Rosina had no legal documents and could not, therefore, take any legal action against the defaulter, to recover the money owed to the business.

She went back home in 1994, hoping to start a business there. But she did not manage, due to lack of capital and thus returned to Nairobi in 1996, at which time she was loaned Ksh.100.00 by her brother-in-law and started-up the current business of selling fruits and roasted maize.

Her major problems at the time of our study were lack of capital for business expansion; difficulties in transporting her merchandise as she lived in Kibera Line Saba and had to commute to Makina where her business was located; having to close the business during the rains when the area would become muddy, water-logged and impassable, given the lack of drainage and infrastructure in most of the slum area. Under such circumstances, Rosina could only manage a small stock.

Among the issues arising from this narrative are lack of legal and infrastructural support for the entrepreneurs. These problems are mainly invisible to the elite, who unfortunately form the bulk of business managers (GEMINI: Undated). The men in charge of the credit and financial institutions had not acted favourably in support the women entrepreneurs, mainly due to gender stereotyping and other social structural limitations and biases against women entrepreneurs as discussed above. The overall impact was limited women's access to capital, credit and other business opportunities.

Faced with the above constraints, the women developed various adaptive strategies as coping mechanisms. These included perseverance and self-denial; borrowing money and/or initial stock mainly through informal networks; depending on support from husbands or family members; formation and use of women's groups for mutual assistance; establishing personalized rapport for good relations with customers; praying to God for guidance; and opening and operating secret bank accounts, unknown to their husbands. The following case of Nancy Njoki, exemplifies the type of adaptive behaviour that women resorted to:

Nancy Njoki, aged 24 years, was single and educated up to primary school standard eight. She was born in a poor polygynous family background in which she took up adult responsibilities upon her mother's death while she was still a child.

Nancy and her sister would attend school for only three days in a week, and spent the rest of the week on household chores and casual labour. They were thus treated as child labourers, and in effect, abused children. Nancy thus attributed her current status to her poor family background and upbringing. Her mother had 2 boys and 2 girls. Their elder brother got married and inherited the only piece of land the family owned. As girls/women, Nancy and her sister were culturally not entitled to any land ownership or inheritance rights. This drove Nancy out of home to become a house girl, having no other source of livelihood. She worked as a house-girl for six years and saved Ksh.10,000 which she paid as enrollment fee for a ten-month dress-making course.

On completion of the course, Nancy moved and settled in Kibera slum in Nairobi, while she worked in Bahati at a dressmaking stall for a period of two months. She later on took up a similar job at Kenyatta market, where she worked for three years and bought herself a sewing machine. With one more year's savings, she bought the stall from which she operated at the time of our study.

Nancy started the current dress making business in 1996, and at the time of our study, she had daily and monthly business incomes of Ksh.200, and Ksh.4,000-5,000, respectively. She regularly sent back home some of her earnings to help her brother and sister.

Nancy had not heard of any money lending institutions but knew of women's groups which had assisted their members in buying plots. Being single, Nancy felt that married women were disadvantaged as they had to seek permission from their husbands before they could start-up businesses. Household duties did not interfere with Nancy's business. But she had to wake up at 5.30 a.m. in order to finish up the household chores before leaving for business. Her roof was not permanent and leaked during the rainy season, forcing her to move with some of her goods from home to the place of work.

This case exemplifies the various problems experienced by small scale women entrepreneurs and their attempts to cope with the complex nature of the experiences and constraints.

7.0. CONCLUSIONS

The study arrived at the following conclusions:

1. The poor socio-economic backgrounds of many of the small scale women entrepreneurs handicapped their participation in business.
2. The women entrepreneurs in small scale businesses received substantial family support at the start and in the course of running their businesses.

Such support was, however, based mainly on social rather than economic considerations.

3. Due to patriarchal authority structures, hence men's fear of losing dominance over their successful wives, the men used withholding of financial assistance as a levelling mechanism against their wives' opportunities for success in business. The business start-up capital often provided by men to their wives was therefore not always guaranteed, and thus not sustainable.
4. While many women were found to be unaware of the credit sources and procedures, and in the absence of concerted efforts from the government and formal public institutions to help the small scale women's enterprises, many credit organizations were also reluctant to give credit to women entrepreneurs, mainly due to the negative and institutionalized attitudes that discriminated against women.
5. The women entrepreneurs had developed strong adaptive strategies to cope with the hostile social and institutional male dominated organizational and decision making structures.

8.0. RECOMMENDATIONS

1. The women in the small scale informal sector should be co-opted into all efforts, meant to identify and address problems that limit women's participation in business.
2. Access to credit by women entrepreneurs at the level of small scale enterprise, should be facilitated through programmes and alternatives that go beyond the conventional collateral dominated credit security systems.
3. Women in the informal sector enterprise should be exposed to better business development culture and opportunities. This should, among others, include functional education, financial and business management and business expansion.
4. The public sector and credit organizations should be sensitized on the value of gender balanced participation in the informal sector enterprise. A major goal should be to promote social and economic empowerment of women, as they constitute a vulnerable social category that is critical in sustainable development endeavors.
5. There is need for further social research in the area of culture and women's entrepreneurship. Related efforts should go beyond the individual enterprise, to penetrate the community and institutional

attitudinal or behavioral and structural levels.

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