

**FACTORS INFLUENCING SURVIVAL OF FISH BASED SMALL
AND MEDIUM ENTERPRISES IN NYATIKE DISTRICT,
MIGORI COUNTY, KENYA**

**BY
SIBEYO DAVID BENSON**

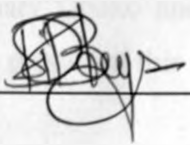
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**A RESEARCH PROJECT REPORT IS SUBMITTED IN PARTIAL FULFILMENT OF
THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF ARTS
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NAIROBI**

2012

DECLARATION

This research project report is my original work and has not been presented for the award of a degree or any award in any other University.

Sign:  Date 13/11/2012

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This research project report has been presented for examination with my approval as the University of Nairobi Supervisor.

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DEDICATION

I dedicate this research project report to my darling wife Risper Mathayo Sande and daughter Stephanie Imani for their love, support and inspiration to proceed and further my studies. Their support and prayers gave me encouragement to pursue this undertaking. To my mother and father Rosemary Obako and Thomas Sibeyo Ouma, your long involvement in fish business motivated the pursuit of this study.

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LIST OF ABBREVIATIONS

AIDS	Acquired Immune Deficiency Syndrome
BBC	British Broadcasting Corporation
BDS	Business Development Services
CBK	Central Bank of Kenya
CMA	Capital Markets Authority
DDP	District Development Plan
DFD	Department of Fisheries Development.
DFID	Department of International Development
DN	Daily Nation
EAC	East African Community
EU	European Unions
FAO	Food and Agriculture Organization.
GDP	Gross Domestic Product
HIV	Human Immune-deficiency Virus
IRIN	International Regional Information Networks
IFC	International Finance Corporation
KNBS	Kenya National Bureau of Statistics
KWFT	Kenya Women Enterprise Fund
LVF	Lake Victoria Fisheries
LVFO	Lake Victoria Fisheries Organization.
MDGs	Millennium Development Goals
MFI	Microfinance Institution
MOE	Ministry of Education
NGO	Non-Governmental Organization
SEDAWOG	Socio-Economic Data Working Group of the LVF Research Project.
SME	Small and medium enterprise
SMEP	Small and Micro Enterprise Programme
UK	United Kingdom
US	United States

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ABSTRACT

This study sought to establish factors influencing survival of fish based small and medium enterprises. Small business development is one approach being employed by many states in the world to realise the first Millennium Development Goal of eradicating extreme poverty and hunger. Small businesses contribute to economic growth, poverty reduction, and enhancement of entrepreneurs' standards of living. This study sought to address the following objectives; examine influence of capital access, management skills and experience, marketing strategies and entrepreneurial training on survival of fish-based SMEs. Scholars have argued that a dynamic and growing small and medium enterprise sector can contribute to the achievement of a wide range of development objectives, including: the attainment of income distribution and poverty creation of employment provision of the seedbed of industrialization savings mobilization and production of goods and services that meet the basic needs of the poor. Entrepreneurship Monitor Project, an international comparative study assessing entrepreneurship's importance to economies worldwide concluded that the birth of new SMEs is almost directly proportional with the death of many. This study used a descriptive survey design. The target population of the study comprised of all the small and medium sized entrepreneurs along beaches in Nyatike District which encompasses 27 beaches with about 50 entrepreneurs each totalling to 1350. The entrepreneurs were systematically sampled for the study. A structured questionnaire was pre-tested for validity and reliability which was then administered to 302 entrepreneurs to collect primary quantitative and qualitative data. The data was analysed using SPSS' descriptive statistics (frequencies and percentages) and inferential statistics (Chi-Square tests) and was mainly presented using tables. The findings of the study showed that fish based SMEs in Nyatike are faced by survival challenges especially key entrepreneurial elements that are necessary for enterprise profitability, survival and eventual growth. The main factors that influence these fish based SME survival are access to capital requirements with Chi-Square value of 72.912, entrepreneurial training 36.270, Marketing strategies 69.168 and finally Management experience 54.114 respectively. The main recommendation of the study is that Government and non - government sector players should consider formulating policies and strategies aimed at streamlining the fishery sector, particularly the fish trade policy, and ensure provision of critical business development services in order to protect small and medium sized fish based SMEs including fishermen, fish processors and small scale traders from exploitation while enhancing their economic productivity. These findings are expected to be useful to the Ministry of Fisheries Development and that of Trade and Commerce in Policy formulation and implementation. It is expected that the study will also help improve the project practices as well as to influence strategies for meaningfully investing in the fish based enterprises and the SME sector in general. These findings have also added to the existing body of knowledge regarding growth and expansion of the fish based entrepreneurship and the overall concept of Entrepreneurship and economic development.

CHAPTER ONE

INTRODUCTION

1.1: Background of the Study

Fish business is an important economic activity for the world population. Worldwide more than 38 million people are directly engaged in fishing and fish farming as a source of income (FAO, 2004). The fishing sector is a source of income for firms and individuals and contributes to poverty alleviation as well as achieving food security. The total world trade of fish and fish products reached US\$58.2 billion in 2002, depicting a rise of 45% in terms of value and 41% in terms of quantity since 1992 (FAO, 2004). Whereas Thailand was the main exporter of fish and fish products from 1993 – 2001, and reported export values of US \$ 3.7 billion, it was surpassed by China in 2002 with export values of US\$4.5 billion (FAO, 2004). Other global exporters of apart from these Asian countries include Latin America. The above statistics clearly demonstrate the significant role that fish business plays to the world's economic development and food security.

In Africa, fishing remains a vital economic activity, supporting annual exports worth about \$3bn and employing about 10 million people in Africa. (BBC, 2005) Further, fish is also crucial to the health of 200 million Africans, providing a source of inexpensive protein. "We need to appreciate that our fish have a critical role to play in Africa's development" said Professor Richard Mkandawire, Nepad 2005. "Focused action at a national, regional and international level is needed to foster this." he added. Fish catches have fallen sharply across the continent in recent years, resulting in a significant decline in consumption as well as fish trade. Scientific bodies believe small-scale fish farming is the answer to building up fish stocks, particularly in sub-Saharan Africa.

Egypt has become a net importer of fishery products, mainly low value species (sardines, mackerels, etc.). There is a strong local tendency in the country for rapidly increasing aquaculture production to increase local fish supplies and to reduce imports. However, it seems inevitable that imports of low value fish species will continue to be an

important source of supply to cater to the fast growing population. It will be important for the country to increase its presently meagre export that command a high price in the international market and are beyond the average purchasing power of the local population. It is clear that, if the income of the local population increases by expanding community level aquaculture, this will help to enhance food security in the country as well as improve its balance of trade situation (FAO 2004).

In Nigeria, fish farming is becoming more lucrative due to its high demand and nutrition value. In Nigeria marketing for fish is very high. One can start fish farming with little amount and grow from there. Fish farming can be done in tanks, concrete ponds, earthen ponds and even fibre glass tank. There is low mortality rate in fish business than other lives stock keeping. One can go into fingerlings production, fish feed production and production.(Kingsway Fisheries Services, 2012)Overexploitation of stocks due to increased trade of fisheries products is also a problem in Senegal which exports nearly one third of its total catches. Despite a high current yearly per capita consumption (26 kg), the incentive to increase seafood exports could jeopardise the livelihood of the 600 000 persons involved in the national fisheries activities and also diminish local food security.

The situation on the Kenyan side of Lake Victoria highlights the food security triad - availability of food, purchasing power, access within household. It also highlights the manner in which the environmental problems can arise from intensive fisheries development that is oriented to exports. This is particularly the case of the Nile perch for which a maximum sustainable yield of 39 200 metric tonnes/year is defined, compared to the current yearly catches of 90 000 metric tonnes. Trade and financial liberalization have also created a context where the repatriation to Kenya of the foreign currencies earned cannot be guaranteed. This foreign exchange currently stands at US\$ 52 million per year. The local taxes and licence fees amount to about US\$ 1.2 million.

Kenya is endowed with many fresh water bodies. This gives her a unique opportunity to supply fresh water fish worldwide and a niche in the international market. The *Nile Perch* is the dominant species for export (Abila, 2000). Currently, over one million Kenyans are involved in artisan fishing and related activities of fish processing,

fish transportation, fish trade and boat building. Approximately 17 million people derive their nutrients from fish (Abila, 2000).

As a result of the export trade, about a dozen fish processing firms have emerged¹ in the country in the last ten years accounting for a total investment value of more than US \$ 10 million. This growth in capital investment has resulted in a 2500% growth in fish export earnings for Kenya i.e. from a decimal 4,751 tons or US \$ 5,308 million in 1991 to 36,600 tons or US \$ 143,168 million in 2005. (Abila, 2000).

Another important benefit of the transformation of the fishery has been in foreign exchange earnings from fish exports, whose retail value in export market was estimated at about KShs. 3.9 billion (\$ 52 million) in 2001 (Wakwabi *et al*, 2002). However, Bokea and Ikiara (1999) indicated that much of the retail value of fish is not repatriated to Kenya, and therefore, the actual foreign exchange earnings could be much below the above figure. Related to this benefit is the tax income to the government accruing from fish exports. Taken at their face value, the benefits of commercial transformation of the fishery of Lake Victoria would appear quite impressive. The negative impacts of development of the fishery, on the other hand, are even more compelling. Bokea and Ikiara (1999) argued that the costs of massive fish exports and the use of fish in the manufacture of animal feeds far outweighed their benefits. The costs associated with international trade on fishery products are substantial, and some of them cannot even be quantified. The greatest cost, no doubt, is the possibility of total collapse of the fishery if the current exploitation levels are maintained to satisfy the market demand. Uncontrolled fish exports and use of fish for fishmeal could cause the fishery to collapse, with ecological and environmental consequences that cannot easily be quantitatively predicted. The overall market and non-market value of the fishery is difficult to establish, but suffice it to say, its loss would be too massive to be offset by the current short-term benefits.

Another consequence of development of the fishery is that local people have progressively been edged out of production, pricing, marketing and processing. Fish factories and their agents now tightly control these activities. As earlier discussed employment chances in traditional fish trading and processing sectors for Nile perch and

its products, previously the preserve of poor women, are now largely integrated in the marketing chain for fish processing and fishmeal industries. The decreased opportunities for local people, especially women, to participate in the fish industry mean they have less access to fish.

Arising from this, there has also been inequitable distribution of income from the fish trade, with local communities at a disadvantaged position compared to fish agents, factory owners and fillet distributors. As previously observed; the declining catches and increasing number of fishermen means that per capita incomes in the fishing communities are on the decline, compromising their ability to purchase alternative foods. Lastly, the unrestricted fish trade has contributed to food insecurity and reduced nutrition by taking out substantial quantities of fish to global markets, which would otherwise be available to local consumers. It is not possible to adequately compensate these people for the fish taken away. To most of these people, the lake is simply as a source of food (fish) since they do not directly benefit from fish exports.

A Kenya Government (1996) official report indicated that Nyanza province, which is the base of the Lake Victoria fishery, consumed among the highest amount of cereals per household, but had one of the lowest levels of consumption of meat and other non-fish protein foods. Kisumu town, the largest urban area on the Kenyan part of Lake Victoria, has been repeatedly rated as having the highest prevalence absolute poverty among urban centers in Kenya, with 63 percent of the population falling in that category in 1997 (Kenya Government Poverty Report, 1997). In the same year, Nyatike and other Lake Victoria served districts in Nyanza and Western Kenya had the highest percentages of rural poor populations in the country. Among the cited causes of poverty were low agricultural and livestock productivity and poor marketing, unemployment and low wages, insecurity, bad governance, poor land policies, high cost of social services, poor roads, HIV/AIDS, high cost of education and gender imbalance. Most of these problems are evidently a cause of poverty in the fisheries. This study will thus attempt to determine the types of material and operational problems encountered by fish based small businesses in Kenya and why so many fail despite the programs established by the government and nongovernmental organizations for their growth.

1.2 Statement of the Problem

Fish based small and medium enterprises are vital to promotion of economic growth, food security and improvement of standards of living in the world. (Mkandawire, BBC 2005). Recent studies indicate that low growth rates, stagnation and firm exit plague the SME sector, suggesting the need to transform the sector in order to contribute meaningfully to economic development (Oketch 2000). Fish-based SMEs and many local communities living around Lake Victoria are among the poorest and most food insecure (Abila 2000). In a Daily Nation article on 26th December 2000 titled 'Rich Fisheries, Poor Fisherfolk, Dr Jansen said while Fishermen toiled on the lake to feed many fish processors and exporters, they themselves wallowed in abject poverty. (DN, 2000) This brings to question the constraints fishermen and small scale fish business people face to survival, growth and profitability of their enterprises. Further, fish-based enterprises' failure and exit results to perennial vulnerability and poor livelihoods among Fisherfolk and lakeside trading communities. This vulnerability compounds itself with other effects such as high prevalence of diseases, poverty and poor living conditions. There is need therefore to probe the real factors that hinder survival of these communities' small and medium sized enterprises that hold the key to the economic and livelihood development of these communities. The fisheries fraternity in Kenya has experienced high levels of impoverishment amidst a very profitable and seemingly thriving enterprise. This complex of deprivation has been partly addressed by the Department of Fisheries Development (DFD) through implementation of provisions of the fish policy. However, the technical support and a host of key stakeholders have not eliminated this deprivation understood in terms of supply chain challenges that affect small business survival in the sector, resulting in poor livelihoods for fishing communities, yet a thriving fish export business. This study thus sought to highlight the complexity of these challenges within the entire fisheries supply chain and propose possible interventions.

1.3 Purpose of the study

The purpose of this study was to establish the main factors influencing survival of fish-based small and medium enterprises in Nyatike.

1.4 Objectives of the study

This study was guided by the following objectives

- i. To assess how access to capital requirements influence survival of fish based small and medium-sized enterprises.
- ii. To examine how management experience influences survival of fish based small and medium-sized enterprises.
- iii. To establish the influence of entrepreneurs' marketing strategies on survival of fish based small and medium enterprises.
- iv. To assess the how entrepreneurial training influences survival of fish based small and medium enterprises in Nyatike.

1.5 Research Hypotheses

1. Ho1. There is no significant relationship between Entrepreneurs' access capital requirements and survival of fish based small and medium enterprises in Nyatike District.
2. Ho2. There is no significant relationship between entrepreneurs' management experience and survival of fish based small and medium enterprises in Nyatike District.
3. Ho3. There is no significant relationship between marketing strategies used by entrepreneurs and survival of fish based small and medium enterprises in Nyatike District.
4. Ho4. There is no significant relationship between entrepreneurial training and survival of fish based small and medium enterprises in Nyatike District.

1.7 Significance of the study

This study may provide useful and necessary information to Government agencies for formulation of fish based entrepreneurship policies along other human development issues like education and training. The study will enable the researcher and other scholars

to have a better understanding of social and technical issues surrounding success of fish based SMEs in Kenya, especially the ones along Lake Victoria and similar contexts. The Study will also be useful to development agencies and financing institutions whose approach to poverty alleviation for lakeside communities is through promotion of micro-enterprise and economic growth of low and middle income earners -the poor. Additionally, the study may also be helpful to relevant stakeholders and would-be entrepreneurs in formulation of appropriate strategies for promotion, growth and development of entrepreneurship in the region and other similar contexts.

1.8 Limitations of the study

The rough terrain and the inadequate road infrastructure coupled with unpredictable weather conditions that makes some roads impassable in Nyatike limited the timely gathering of data for this study. The sensitivity of the personal and confidential business information also hinder some respondents from disclosing genuine information that may paint them negatively. The researcher hired a four-wheel vehicle that facilitate the data collection team to various beaches during the data collection exercise, and also assured all respondents that the information gathered would strictly be used for academic purposes only.

1.9 Delimitations of the study

The study was carried out in Nyatike since as a new district, there are very many new enterprises, and the results of this study may thus be useful. As the most undeveloped district in Migori county and with a population of 154,298 (KNBS 2009) (DDP Migori, 2010-2012) and a poverty index of 40% (KBS 2009) it needs an investigation of factors that may promote rapid economic growth. Endowed with many natural resources that can be goods for entrepreneurship including gold deposits, tobacco farming, fishing, River Kuja water among others, Nyatike was thus a key and a suitable setting for this study.

1.9 Basic Assumptions of the Study

The study was be guided by the following assumptions: The sample size was be an accurate representative of the target population and that the study respondents provided honest, complete and correct answers to the questions in the study questionnaire thus providing crucial insight into the research problem as desired.

1.10 Definition of Significant terms used in the study

Small and Medium enterprises: These are business ventures that are easy to start and do not need a lot of capital to establish, which have less than a fifty employees. A business that is easy to start and operate and does not require complex legal and operational considerations to operate.

SME survival:- Continued existence, profitability and growth of an investment in the midst of stiff competition, hard economic times, rampant low growth, firm stagnation and exit.

Management:- The prudent scanning for business opportunities, planning, sourcing for capital, risk-taking, organizing, directing and controlling all factors that ensure business success and survival.

Capital Requirements The financial and non-financial needs that a fish based SME needs to start or run smoothly.

1.11 Organization of the study

This research project is organized into three chapters. An introduction to SMEs performance and its role in a country's economic growth, statement of the problem, purpose and objectives of the study, research questions, significance and assumptions of the study, limitations and delimitations and definition of significant terms as used in the study are presented in chapter 1. Chapter 2 contains the literature reviewed on the topic bringing out the gaps too, including the theoretical and conceptual frameworks. It reviews capital requirements, Management experience, and mode of marketing and entrepreneurial training's influence on SME survival. The research methodology is presented in chapter three; outlining the research design, target population, sample size and sampling procedure, research instruments and their validity and reliability, procedure of data collection and concludes with data analysis techniques. Chapter four includes data analysis, presentation and interpretation while chapter five presents the summary of findings, discussion of findings, conclusion, and recommendations, suggestions for further research and addition to the body of knowledge. The appendices that include letter of transmittal, the study questionnaire, and key informant interview guide, study authorization letters and licence and finally the map of Nyatike and research photographs taken during the study are presented last.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviewed relevant literature about the study on factors influencing survival of fish based SMEs. The variables under review include; fish based SMEs survival as dependant variable and its relationship with following; access to capital requirements, management experience, marketing strategies and entrepreneurial training.

2.2: Overview of studies on Small and medium enterprises.

It is a generally accepted tenet of international development that small scale enterprises (also referred to as SMEs) play an important role in alleviating poverty, especially in Africa. Programs addressing African development have identified private sector development, and in particular small scale enterprise development as a priority area for action. There have been a number of small scale enterprise development programs over the years. Some have evolved from the relationships established with transnational companies and private sector initiatives, while others have been driven by governments, multilateral and donor agencies.

The fisheries sector is an important economic activity for a significant section of the world's population, and a key contributor to the world's economic development. Worldwide more than 38 million people are directly engaged in fishing and fish farming as a source of income (FAO, 2004). The fishing sector is a source of income for firms and individuals and contributes to poverty alleviation as well as achieving food security. The total world trade of fish and fish products reached US\$58.2 billion in 2002, depicting a rise of 45% in terms of value and 41% in terms of quantity since 1992 (FAO, 2004). Whereas Thailand was the main exporter of fish and fish products from 1993 – 2001, and reported export values of US \$ 3.7 billion, it was surpassed by China in 2002 with export values of US\$4.5 billion (FAO, 2004). Other major traders in fish include; South Africa, Nigeria, Senegal, Mauritania, Japan and Egypt.

Developing countries, presently account for 70% of the world fish market. This figure represents an increase in foreign exchange earnings from US\$11.6 billion in 1992

to US\$17.4 billion in 2002. The earnings are significantly higher than those from other agricultural products such as rice, coffee, cocoa and tea (FAO, 2004).

India for instance, is now one of the leading fish exporters in the world (US\$ 1.25 billion, representing 2.8 percent of total Indian exports), though with no apparent competition between local consumption and exports. The main export products being shrimps which the average Indian consumer cannot afford. The case of Thailand demonstrates that it is possible for a country to become the first seafood exporting country in the world while maintaining a high national consumption (32 kg per capita and per year). Production and domestic supplies are both increasing, and the domestic marketing system has developed rapidly providing easy access to a more consistent supply of fish. However indicative information shows a dramatic decline in stock abundance in Thai waters over the last two decades. As a result, fish supplies have become heavily dependent on catches taken outside Thai waters. This raises serious questions about future supplies of fish to Thai consumers. The same happens in Latin America, when viewed as a region. The development of the fishery industry during the last 40 years was clearly orientated to exports, but it had also permitted a substantial increase of the yearly per capita consumption from 5.4 kg in 1961 to 8.8 kg in 1999. There are of course many differences both between and within the countries of the region. Due to the heterogeneity of situations, due to the complexity of the regional economy and to the size of the continent, there is no obvious link between fish trade and the fishing communities' or fish traders' business survival or livelihood development, though it's a known fact that foreign exchange is not always repatriated.

Fishing is vital to Africa, supporting annual exports worth about \$3bn and employing about 10 million people in Africa. (BBC, 2005) Further, fish is also crucial to the health of 200 million Africans, providing a source of inexpensive protein. "We need to appreciate that our fish have a critical role to play in Africa's development" said Professor Richard Mkandawire, Nepad 2005. "Focused action at a national, regional and international level is needed to foster this." he added. Fish catches have fallen sharply across the continent in recent years, resulting in a significant decline in consumption as well as fish trade. Scientific bodies believe small-scale fish farming is the answer to

building up fish stocks, particularly in sub-Saharan Africa.

Despite this reality of the role fish provide in economic advancement in Africa and worldwide, fish based small and medium-sized enterprises and many of the local communities living around the Lake Victoria fishery - the unique and vast natural food resource - are among the poorest and most food insecure, (Abila, 2000) with their small businesses suffering from perennial collapse and failure. This brings into question not only the constraints the fishery industry face in poverty alleviation along the lake but also the determinants of small business performance that could be critical in ensuring turnaround of fish businesses performance the desired consequent economic development. Kenya joined the fish international market after adopting the market liberal reforms in early 1990s (Marriot et al., 2004).

In an article in the Daily Nation (Kenya) on 26th December 2000, titled: Rich Fisheries, Poor Fisherfolk! Dr. Eirik G. Jansen, a Norwegian researcher once described the turbulent Lake Victoria fisheries. He said in a detailed report that while fishermen toiled on the lake to feed the many fish processors and exporters, they themselves wallowed in abject poverty. They handle hundreds of tonnes of fish per day but only earned peanuts in return. Dr. Jansen, who spent nearly two years researching on the Lake Victoria fisheries, submitted that the growing fish export industry had indeed become a threat to employment and food security in the region.

As enshrined in the Vision 2030, the Kenya Government has been in the frontline in encouraging Entrepreneurial growth. It has further invented and rolled out several initiatives, set up SMEs support funds for women, youth, Agricultural sector, Jua Kali and private sector all in a bid to encourage would be entrepreneurs to put their thoughts and skills into action and contribute towards economic growth. Fish based SMEs along the shores of Lake Victoria, majorly artisanal fishers and small scale fish traders have not been left behind in this revolution. However, challenges still abound and firm exit and debilitating poverty ensnares the lakeside communities.

In Kenya, fish businesses are carried out in Lake Victoria, some inland water

bodies including fish farming and the marine supply from the coastal strip reliant on the Indian Ocean fishing. But the largest of these is the Lake Victoria based fishing, and which has inspired this study. Though some benefits can be mentioned like employment creation, gaping challenges on the economics of scale as far as the fishing business on the lake is concerned. For instance, fisheries of Lake Victoria make a substantial contribution to poverty reduction and economic growth within the region. Over 2 million people are supported by the fisheries and the annual fish consumption needs of almost 22 million people in the region are met by the lake alone, making a significant contribution to regional food security. Fisheries contribute to poverty reduction and economic growth at all levels: individual, household, community, local government and national, through employment, income, food security, and revenue-raising and foreign exchange earnings from international exports. (LVFO 2012) Some of the challenges that arise include: Employment displacement, Declining stocks, Declining average income of fishermen, Transfer of benefits from fishermen to factory owners, and middlemen, Technological changes with negative impacts on, environment less fish for domestic consumption. The Kenyan Fisheries Development Department has endeavored to solve and respond to some of these challenges, albeit in part, but there are limitations that hinder its short-term widespread influence from being seen in their vast coverage regions.

A study by Mitullah (2000) indicated that fishing and fish processing together form a major industry in Kenya. Most operations take place in a large cluster that covers the Kenyan lakeshore. Included in this cluster is the town of Kisumu, which alone has 12 fish processing plants. This research focused on industrial fish processors and one supply beach, the Fisheries Department of the Government, and several local membership organizations. Industrial fish processors produce frozen and chilled fillets, nearly all which are exported. The largest and most important market is Europe, but factories also export to Asia and North America. The processors obtain their supplies of raw fish from traders and agents operating at the landing beaches. In theory, these intermediaries buy fish from the co-operative, which takes a commission on each kilogram of fish sold. In reality, however, individual fishermen and traders who land fish purchased in Uganda, sell directly to the traders and agents supplying the industrial fish processors. Most fishermen use artisanal techniques and boats propelled by sails and paddle. Traders who

venture into Uganda waters have motorized boats. The limited supply of ice for preserving fish means that fishermen must sell their catch immediately. Fishermen are, therefore, price takers in their market. There are three types of membership organizations for fishermen: the co-operative, the beach organization, and welfare associations. Most fishermen belong to all the three types. Most view the cooperative, which is supposed to serve as a marketing organization and a forum through which fishermen can address common economic problems, as ineffective. The Beach organization, which deals with security and management of the beach, is viewed more positively. The welfare associations are vehicles through which clans, persons from the same village, and other sub-ethnic groups can save and/or receive help at times of bereavement or illness. The industrial processors have no organizations through which they can address common problems. Factories apparently operate in isolation from one another. What dealings they do have with one another are characterized by mistrust. In the midst of lack of an umbrella association and mistrust among IFPs and loose organization among fishermen and traders, the Lake Victoria fish cluster faces a number of challenges which have to be addressed.

2.3 Access to capital requirements' influence on survival of fish based SMEs

Fish based enterprises that can access funds from banks and other financing institutions are very few, indicating that the dependency of fishery agro industries on liability funds was relatively low. (Paramu et al. 2000) Most fish based SMEs financed their industries from equity or owner's capital since basically each started by the entrepreneur putting together some funds to start with from self and friends. Further, this lack of access to credit and other capital requirements by the fishery agro industries bring to question its influence on fish based SME's survival. In Indonesia, Paramu (2000) found out that some fish based SMEs chose not to go for these loans, fearing the accounting process. They assumed that accounting was difficult to do, saying they had seen many a business's property auctioned to repay a loan. More specifically, Tambunan (2000) noted that the weaknesses of SME agro industry are in some aspects, such as business development financing limitation, lack of expertise, lack of technology, and business knowledge mainly in global marketing. Still with the problems, Bjerke (2000)

stated that bank financing comprises general problems that happen mainly in South East Asia. Theng and Boon (1996) also identified that there are three success factors and failure of SMEs, namely interest rate, taxes, and lack of government support. In another occasion, Tambunan (2000) also reiterated that the roles of government especially in regional or local level, promotion, supports, and bargaining position to other local business comprises important factors in development of SME strategy. Krishnankutty (2000) stated that low prices, low quality, and in Unorga (2000), it was found that the characteristics of SME market comprise a general problem in SME agro industry. In a study by Bjerke industry in South East Asia are as the following: starting from family business, very few businesses cooperates with others, owner or manager plays dominant role in decision making, Businessmen are generally not good risk taker, beginning capital generally comes from informal source, SMEs tend to produce and sell good only for local need. Tanabe and Watanabe in Arinaitwe (2006), consider the SMEs limitation in technology capability, technology supports, and financial capability, the development of micro finance institution since SMEs tends to have incapability in accessing sources of fund, such as banking or other third party. (Arinaitwe, 2006), the establishment of a cluster network consisting of manufacturers, trade associations, and providers of training, research and development services, and the establishment of access to funding has made the bargaining position of many fish businesses in Nigeria better. In Indonesia, Paramu (2000) indicated that most fish based SMEs are bankable either for small loan or a huge one. This indicated that most of fishery agro industry businessmen have met a formal requirement of credit application in banking, though a few others were not able to be bankable since they could not satisfy the formal requirements stated by banks and other funding institutions. This is a stark contrast with Kenya where majority of these fish businesses have got no access to funding from banks. Most business units funded their business through alliances with investors and suppliers (Mitullah, 2000). Mitullah further established that large scale processors and rich middlemen had capacity to get funds from banks, unlike the artisanal fishermen and small scale traders.

2.4 Management experience's influence on survival of fish based SMEs

Majority of fishery agro industries businesses in Jember regency (Indonesia)

comprise family companies. This limits the firms' ability to be competitively managed unless the owner has management background. For instance few fish businesses possess business plans, suggesting that most fish based SMEs operated without a particular pre-established direction, a fact that may actually be plaguing their operations, resulting to failure and eventual exit. Most of fishery agro industry businessmen in Jember regency run business activities non-formally since the development of business from time to time was not planned well. In terms of decision making, many owners of businesses make most of the business decisions as managers. It means that a daily control activity was conducted by them. Very few of fishery agro industry businessmen stated that they did not play a dominant role in business decision making and business management. In Kenya too, Abila (2000) indicated almost a similar picture where a fisherman relies on his family to provide managerial assistance with a little assistance from a hired hand from time to time. Limited extension services by the fisheries department workers also potentiate these managerial challenges, bringing to the fore the need to assess this scenario's influence on fish based SMEs' survival.

2.5 Marketing strategies' influence on survival of fish based SMEs

Efficient marketing is paramount to any enterprise that operates profitably. In both Kenya and Uganda we have observed during the periods when a ban has been imposed on export of Nile perch to the European Union markets, that only a few days after the trucks from the factories disappear, hundreds of women are ready to buy process and sell the Nile perch in the local markets. A problem many of the women face when the local markets suddenly can be flooded with whole Nile perch is that the processing places for Nile perch. In Uhanya beach, in Kenya, where about 10–15 per cent of the catch in the Kenyan part of the lake is landed, there are only a few kilns, traditional processing place, for Nile perch which are left. The kilns today only smoke the Nile perch which is rejected from the agents of the factories. We were informed that some 5 years ago there were about one hundred kilns, a clear sign of the decreasing amount of Nile perch being left for the local market. Uganda and Tanzania process even more Nile perch than Kenya. So, provided that the local market for Nile perch had been given a chance to develop, tens of thousands of work places could, theoretically, have been created if there

had been no export market.

Fish fish-based SME's domestic Market commands about 70% of the total fish market. It is however not well defined or organized and involves buying fish at the beach by small scale traders and selling to various open-air markets and fish shops. The fish are sold either dried, fresh or processed for later consumption. The Artisanal Fish Processors prepare dried and smoked fish. Nairobi forms one of the main destinations for fish from Lake Victoria, Naivasha, Coast (marine) and even Tana River Dams. The main markets in Nairobi are Gikomba and City Markets. In the year 2000, the total fish traded in Nairobi was 12,253 metric tonnes valued at KShs. 121million. Other local markets include Central and Eastern Provinces, which buy fish from fish farmers directly from Tana River Dams. Some parts of Rift Valley Province also receive fish from Lake Turkana, Naivasha and even Lake Victoria. The markets in other districts are fairly small. In recent times, there have been efforts towards value addition and better access to marketing information for the Fisherfolk and small business people. Very few fish business conduct simple Price Analysis, which is very key to a business that considers investment rate of return to set the price. Fishers have a weak bargaining power in their interaction with fish purchasers. Locally based agents of processing factories dominate the market. Most purchasers no longer avail credit to fishers. Several factors influence where fishers sell their fish, including price, distance of markets, availability and costs of other commodities and domestic goods at the marketing point. Abila, 2000, in his study titled: Fish Trade and Food Security; Are they reconcilable in Lake Victoria suggested a number of interventions that could help refocus fish marketing strategies and practice: Institute limits on export volumes (both for food security and sustainability), Aim for low volume, high value added fisheries export products (Add value through smoking, marinating, packaging the products) Increased direct negotiation between fishermen and factory owners (thereby minimizing role of factory agents) Increased access to fish price information by fishermen Closing down the margins between the landing price and export retail price Diversification of exportable product range (towards marine resources) This study will attempt to review the progress if any made towards this direction. SMEs are also less serious in terms of input and output pricing, market opportunity, and solving business problems.

2.6 Entrepreneurial training's influence survival of fish based SMEs

A business that aspires to make profit must possess the skills required to competently and competitively conduct that business. In recent times, even mere knowledge of technology use can give a firm immense leverage over another. This highlights the need for entrepreneurs' capacity building in enterprise procedures and best methods of profitably running a business, especially for fish-based SMEs whose products are most often perishable fresh fish that must be handled timely to ensure maximum benefits are derived from them. Obtaining raw materials, cooperation or alliances with fishermen, use of technology are some of the key competencies Indonesian fish based SMEs have sought training. (Paramu 2000) In Kenya, most ,fishermen and local fish traders use traditional technology , doing their business in the same way that their forefathers did it, perhaps the only difference being the changing times and new challenges as a result of the rapid globalization, dwindling stocks and hard economic times (Abila 2000).Fish based SMEs' understanding about global market is generally low. This heterogeneous understanding about global market results in the fishers' and traders' inability to exploit the benefits thereof, as some not only ignore it, they also think they cannot overcome it, yet some entrepreneurial training would actually bridge this gap and open a whole new world of possibilities for these enterprises.

2.7 Theoretical Framework

A theory is a statement or set of interrelated statements which provide an explanation to a phenomenon. Its function is to provide a generalization concerning a phenomenon that one is interested in. This research is based on Emile Durkheim's (1858-1917) structural functional theory which states that "all parts of a system should have a significant function in relation to the whole system." This theory is strengthened by another functionalism theory that supplements the first one and says that the different aspects exist because they have a function. Structure refers to a system with relatively enduring patterns and functions refer to the dynamic process within the structure. Structures are the various parts of a social system. In the case of society, the principal structures are usually considered to be the society's institutions-family, government economic system, religion and education. The analysis focuses the interrelations among these institutions. Each structure and each part within the larger structure is conceived to have a function in assisting the society to operate and preserving it intact (Vago 1996) In business there is the internal organization structure which is divided into different levels, they are; the top manager, the middle level managers, lower level managers, the clerical and others. The structure of the business is one of the internal factors that can affect the business, others being the resources, i.e. capital, human resources, ownership and culture. There all have a function and are interrelated in one way or another. In relation to this study, when looking at the small and medium-sized entrepreneurs they belong to families. They work hard through their small businesses to provide basic human needs for these families and as a result contribute to economic growth of the country. They even create employment which results in the formation of capital for others and they also make use of available resources. The government on the other hand which is part of the larger structure is involved in one way or the other in control of these businesses that are undertaken by the small and medium-sized entrepreneurs which affect them either positively or negatively. On the positive side the government may assist these entrepreneurs to access capital; like in Kenya Women Trust Fund (KWFT) and Youth and Women's Enterprise Funds. On the negative side the Government may create policies that may affect the entrepreneurs. The larger society constitutes the market for the entrepreneurs that at times bring competition. In order for the entrepreneurs to perform better and survive in a competitive environment,

they need education which can impact the knowledge and skills for managing their businesses.

2.8 Conceptual Framework

A Conceptual Framework of the relationships between Capital access, Management experience, Marketing, Training and SMEs performance.

Fish based SME survival

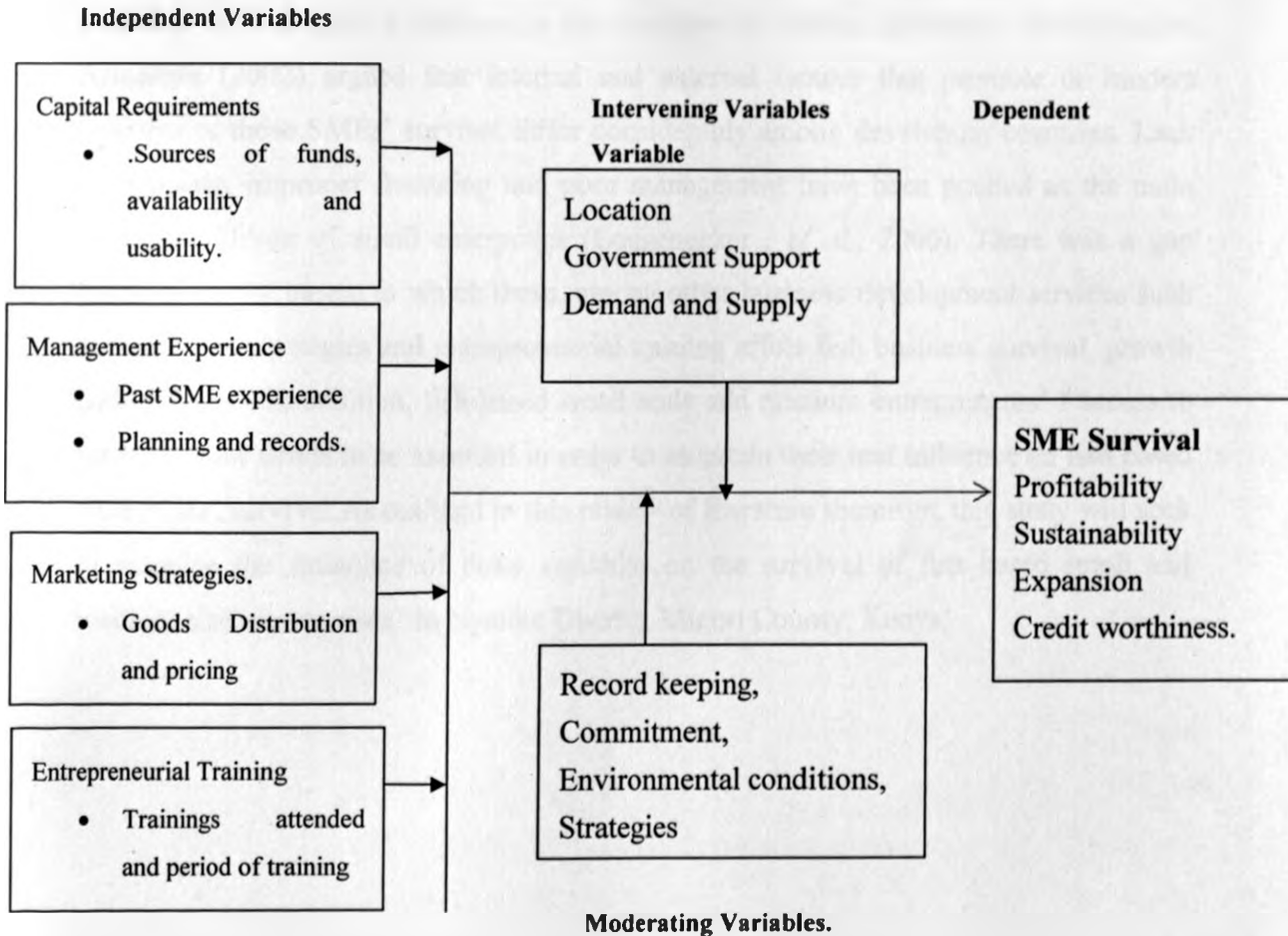


Figure2. Conceptual Framework.

The conceptual framework in Figure 2 suggests that there is an interrelationship among the various variables of the study. The model suggests that Location, Demand and Government support are the moderating variables while Record keeping, Commitment, Weather and environmental conditions and entrepreneur strategies which may affect positively or negatively on performance of fish based SMEs.

2.9 Summary of Literature Review

From the literature review above, fish based small businesses are generally regarded as a driving force of economic growth, job creation, rapid industrialization and poverty reduction in developing countries (Harris and Gibson, 2006). A high failure rate and survival challenges are thus a huge negative for an economy, especially a developing economy with limited capital as is the situation in Kenya (Athanne, 2011). Further, Arinaitwe (2002) argued that internal and external factors that promote or hinders business or these SMEs' survival differ considerably among developing countries. Lack of planning, improper financing and poor management have been posited as the main causes of failure of small enterprises (Longenecker , *et al.*, 2006). There was a gap however on the extent to which these, among other business development services such as marketing strategies and entrepreneurial training affect fish business survival, growth and/or failure. In addition, fish based small scale and medium entrepreneurs' f access to these services needs to be assessed in order to ascertain their real influence on fish based enterprises' survival. As outlined in this review of literature therefore, this study will seek to examine the influence of these variables on the survival of fish based small and medium sized enterprises in Nyatike District, Migori County, Kenya.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the method that the researcher used to carry out the study on the factors influencing survival of fish-based small and medium enterprises in Nyatike District. The chapter discusses the research design, target population, sampling design, sample size, data collection techniques, validity and reliability, data collection instruments and data analysis.

3.2 Research design

The study adopted a descriptive survey design to achieve the objectives of the study. According to (Orodho, 2003) a survey is a method of collecting information by interviewing or administering a questionnaire to a sample of individuals. Survey design is suitable due to the fact that surveys are relatively inexpensive and are useful in describing the characteristics of a large population.

3.3 Target Population

This refers to all the members of the real or hypothetical set of people, events or objects under study (Chandran, 2004). Fish based small and medium entrepreneurs in Nyatike include among others: fishermen (boat owners), fish processors and fish mongers (fish traders). The study will target these two fish-based subgroups (boat owners and fish traders) of entrepreneurs in Nyatike registered by the local beach management unit (BMU) and fisheries office. There are 27 landing beaches in Nyatike each with an average of 50 entrepreneurs that were targeted during the study, bringing the total target population to 1350 entrepreneurs.

3.4 Sample Size and Sampling Procedures

The sample size for this study was 302 entrepreneurs drawn from the total target population of 1350 beach-based entrepreneurs in Nyatike District (Krejcie and Morgan, 1970). The representatives of the two subgroups including boat owners and fish traders were drawn from the landing beaches selected through systematic random sampling (use

of the n th term). After this, through the proportionate stratification approach, the sample size of each stratum was determined. Stratification considered one level of type of entrepreneur either boat owner (fish crew) or fish trader. Out of the 50 entrepreneurs approximately 30% are fishing crew while 70% are fish traders (fish processors and traders), thus assuming all beaches have similar distribution and equal numbers of entrepreneurs, 30% were fishing crew-boat owners and 70% fish traders. Further, simple random sampling (picking yes or no) technique was used to sample the 302 actual participants in the study from every selected beach to represent 100 percent of all entrepreneurs according to the Krejcie and Morgan's table and the sampling equation shown below: (Krejcie and Morgan, 1970). See table in the appendices.

$$s = \frac{X^2 NP(1-P)}{d^2(N-1) + X^2 P(1-P)}$$

s = required sample size.

X^2 = the table value of chi-square for 1 degree of freedom at the desired confidence level(3.841).

N = the population size, P = the population proportion (assumed to be .50 since this would provide the maximum sample size).

d = the degree of accuracy expressed as a proportion (.05). (For target population that is less than 10,000.) See selection in table in the appendices section.

3.5: Research Instruments

The researcher designed a questionnaire with both open and closed ended questions on all the variables that was used to collect data. Part A of the Questionnaire contained questions for collecting demographic information. This is necessary in describing respondents particularly in this study (Ramenyi et al, 2003). Part B sought to solicit data on the dependent variables while part C explored the significance of the various independent variables. Additionally, Sommer, (2007) suggests that the validity of the instrument is asking the right questions framed in the least ambiguous way. Further, an in-depth key informant interview guide was also used to target selected key players like beach leaders and fisheries staff for further insight into the study.

3.5.1: Instrument Validity

According to Mugenda et al (2003), validity refers to the accuracy and meaningfulness of inferences, which are based on the research results. It is the degree to which results obtained from the analysis of the data actually represent the phenomenon under study. Prior to using the research instrument, the content validity of the instruments was determined by the researcher through piloting the tools on a smaller scale and adjusting the tool to suit the study in order to ensure an accurate study (Robson, 2002).

3.5.2: Instruments Reliability

Mugenda and Mugenda, (2003) defines reliability of an instrument as the degree of consistency with which it measures a variable. It is concerned with estimates of the degree to which a research instrument yields consistent results or data after repeated trials. The study used a combination of both a questionnaire with closed-ended questions and Key informant interview schedule that were administered to the respondents. This allowed respondents to have an opportunity to give more insight of the research problem and facilitate checking consistency of responses among the respondents. The results of the data collected from the pre-test administered helped in restructuring the questionnaire and key informants interview schedule by paraphrasing questions that were unclear to respondents. Cross – checking of the research instruments was also done with the guidance of the research supervisor. This helped to enhance the reliability of the research instruments.

3.6 Data Collection Procedures

According to Chandran (2003), questionnaires provide a high degree of data standardization and adoption of generalized information amongst any population. After the pilot study, the structured questionnaire was adjusted accordingly. Documented permission was first sought from the relevant government offices (the Research institute at MOE and the local Provincial Administration) before the study took off. The respondents to participate in the study were then identified through a mobilization process bringing together the total target population at each beach, before a random sampling process was carried out to identify the actual respondents. The participants either picked a yes or no to obtain the number that represented the rest at each selected

beach. The yeses were then given appointments on the dates and venues appropriate to them. Actual data collection was preceded by obtaining of informed consent from the respondents before being interviewed by the trained data collection team that were filling the questionnaires and taking notes during interviews.

3.7 Data Analysis Techniques

Data analysis is the process of computation of certain indices or measures along with searching for patterns of relationship that exist among the data groups; it involves estimating the values of unknown parameters of the population in such a manner that they answer the research questions (Kothari C.R, 2009) The data collected from this study was cleaned, coded, entered, and analyzed using Statistical Package for Social Sciences (SPSS) to generate relevant descriptive statistical relationships mainly frequencies and percentages. Pearson correlation tests were also carried out to determine the influence of independent variables on the dependent one. The results are presented in the form of tables accompanied with explanations. Observations, suggestions and inferences were made based on the findings. The key informants' responses were recorded as stakeholders' perceptions and were used to crosscheck the entrepreneurs' responses and to generate inferences to answer the research questions.

3.8 Ethical Considerations

The researcher ensured that official authorization was obtained from the University, National Council for Science and Technology and Office of the President through the Nyatike District Commissioner and Ministries of Education and Fisheries through the District Fisheries Officer-Migori prior to collection of data from the target population. The researcher also obtained informed consent from the respondents after their understanding of the purpose of the study and gave them an assurance that data collected would be used only for research purposes and that strict confidentiality was observed during the entire study.

3.9 Operational Definition of Variables

This section presents the dependent and independent variables, the associated indicators and how they were measured. The data collection instruments were outlined and the scales of measure represented. The techniques that were used for the analysis of data were also laid down. The independent variables are operationalized as shown in table 3.3. below:

Table 3.1: OPERATIONALIZATION OF VARIABLES TABLE.

Objectives	Variables	Indicators	Measure(s)	Tools of Data Collection	Measuring Seale	Data Analysis Techniques
To assess how capital requirements influence Survival of fish-based small and medium sized enterprises.	Dependent Variable (in all the four variables): SME Survival. Independent Variable: Capital requirements.	SME Financing options.	1-100% Proportion of fish SMEs accessing comfortable options available to an entrepreneur for financing of fish business.	- Questionnaire -Key Informant Interview Guide	Nominal Ordinal Interval	Frequencies, percentages and correlations
To examine the influence of management experience on Survival of fish-based SMEs in Nyatike.	Independent Variable: Management experience.	Possession of management skills and competencies by SMEs.	1-100% Proportion of entrepreneurs /SMEs possessing adequate management experience to assist in their business survival.	- Questionnaire -Key informant Interview Guide	Nominal Ordinal Interval	Frequencies, percentages and correlations
To establish the influence of marketing strategies on Survival of fish-based SMEs in Nyatike.	Independent Variable: Marketing strategies for fish.	Availability of (a) good and profitable marketing strategies for fish-based SMEs.	1-100% Proportion of SMEs with adequate marketing strategies and options to enable their fish business' survival.	- Questionnaire - Key Informant Interview Guide	Nominal Ordinal Interval	Frequencies, percentages and correlations
To explore the influence of entrepreneurial training on fish based SMEs' Survival.	Independent variable: Sufficient entrepreneurial knowledge to run the business profitably.	Entrepreneurs' possession of adequate entrepreneurial skills to run the business.	1-100% Proportion of Entrepreneurs trained in running their fish business. Proportion of Entrepreneurs possessing adequate knowledge (from training) to enable them to run their fish businesses profitably in order to survive and grow.	- Questionnaire - Key Informant Interview Guide	Nominal Ordinal Interval	Frequencies, percentages and correlations

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents findings of the study. The study sought to investigate the influence of capital requirements on survival of fish based SMEs; to establish the influence of management experience levels on survival of fish based SMEs; to assess the influence of marketing strategies on survival of fish based SMEs; and to assess the influence of entrepreneurial training on survival of fish based SMEs in Nyatike District, Migori County, Kenya. To accomplish this, data was collected from male and female fishermen and fish traders along the Lake Victoria beaches in Nyatike District, Migori County, Kenya.

4.1.1 Response Return Rate

A total of 302 questionnaires were administered to fishermen and fish traders along the Lake Victoria beaches in Nyatike District and the response return rate is given in Table 4.2 below.

Table4.1: Response Return Rate.

Response	Target Questionnaires	No. of No. Questionnaires returned.	of Response rate
Fishermen	100	98	98
Fish processors	75	73	97
Fish traders	127	121	95
Total	302	292	96

The study was able to get a response from 292 respondents out of the 302 questionnaires distributed to the 9 selected beaches; that is a response rate of 96%. The reason cited in the cases

of non response was misplacement of the questionnaires, and non willingness of some entrepreneurs to respond without motivation, as some declined.

4.2 Presentation and Interpretation of Findings

This section contains the presentation and interpretation of findings arising from data analysis. This gives the general characteristics of the respondents, the influence of capital requirements acquisition and entrepreneurs' strategies on survival of fish based SMEs in Nyatike District, Migori County in Kenya.

4.2.1 Demographic Characteristics of Respondents

4.2.1.1 Distribution of Respondents by Gender

The study's respondents comprised a slightly more number of male fish based entrepreneurs than females as shown in table 4.2 below:

Table 4.2 Distribution of respondents by Gender

Respondents	Gender	Frequency	Percent
	Male	156	54
	Female	136	46.
	Total	292	100

According to the findings, (54%) of the respondents were male while (46%) were female fish based entrepreneurs. The interpretation here is that there are more male fish based entrepreneurs than females as shown in Table 4.2 above.

4.2.1.2 Distribution of Respondents by Level of Education

The study established the respondents' distribution by level of education and the result is given in Table 4.3 below.

Table 4.3 Level of Respondents education

Level of Education	Frequency	Percent
Not Attended school	6	2
Primary	102	35
Secondary	157	54
Middle level College	20	7
University	5	2
Total	292	100

According to findings, majority of the respondents (54%) had attended secondary school while (35%) had primary school education and (2%) had not attended school at all as shown in Table 4.3 above. The interpretation here is that most fish based entrepreneurs have some level of education, just in line with key informants' assertions.

4.2.1.3 Distribution of Respondents by type of enterprise

The study also established the of respondents' distribution by the type of fish based enterprise they were involved in and the result is shown in Table 4.4 below:

Table 4.4 Type of SME respondent is involved in.

Type of fish based SME	Frequency	Percent
Fisherman	98	33
Fish processor	73	25
Fish trader	121	42
Total	292	100

The findings revealed that most fish based entrepreneurs (42%) that responded to the study were fish traders while (25%) were fish processors. This joint group being considered as fish traders was thus 67% while fishermen were 33% as shown in table 4.4 above.

The interpretation here is that while a significant number of fish based entrepreneurs are fishermen involved in looking for fish using their boats, a larger number were fish traders who both buy fish from fishermen and market them locally or they buy processed fish to sell at various markets in the country. This was also confirmed by key informants.

4.3. Respondents' measure of their enterprises' survival

The study also sought to find out individual entrepreneurs' perceptions on the survival status of their specific enterprises, whether they felt their enterprises were stable and surviving (profitable) or was unstable and collapsing thus unprofitable and their responses were as shown in table 4.5 below:

Table 4.5 Respondents' fish based SME profitability, survival and growth

Respondents' survival perceptions	SME	
	Frequency	Percent
Strongly Agree	32	11.
Agree	134	46
Undecided	10	3
Disagree	106	36
Strongly disagree	10	3
Total	292	100.0

According to the study findings, most (46%) entrepreneurs felt their fish based SMEs were surviving (Agreed), while (36%) felt that their enterprises were not surviving (Disagree), with 10 (3%) indicating they strongly felt their fish based SMEs were not surviving or collapsing (strongly disagree) as shown in table 4.5 above. The interpretation here is that a significant number of fish based SMEs are at risk of collapse and death as they have survival challenges.

Further, key informant interviews revealed that whereas many fish based enterprises faced survival challenges, there are a few that still weathered storms and were forging ahead and could register progress from their work over the years.

4.4 Influence of Access to Capital Requirements on Survival of fish based SMEs

The study sought to find out the ease with which fish based entrepreneurs' access their capital requirements, the SMEs' level of sensitization on various financing options and the friendliness of the sources of capital to them and how these influence the survival of their fish based SMEs.

4.4.1 Ease of Access to capital requirements

The study sought to find out the ease with which fish based entrepreneurs access capital requirements and the results are shown in Table 4.6 below

Table 4.6 Ease of Access to capital requirements

Response	Frequency	Percent
strongly agree	33	11
agree	37	13
undecided	10	3
disagree	191	65
strongly disagree	21	8
Total	292	100

According to the findings, most of the SMEs (73%) indicated that they have difficulty accessing capital requirements for their fish based SMEs (Disagree and strongly disagree), while only (24%) said they have ease accessing capital requirements for their fish based SMEs, as shown in the table 4.6 above. The interpretation here is that fish based SMEs face significant challenges in accessing capital requirements for their enterprises.

4.4.2 Level of Sensitization of SMEs on various capital sources

The study set to find out the level of sensitization of fish based entrepreneurs on various options of financing, and the result is shown in Table 4.7 below

Table 4.7 Level of Sensitization of SMEs on various capital sources

Response	Frequency	Percent
strongly agree	11	4
Agree	62	22
Undecided	18	6
Disagree	177	60
strongly disagree	24	8
Total	292	100

According to the findings, most SMEs (68%) are not sufficiently sensitized on various sources of capital, with only (26%) sufficiently sensitized on various financing models and sources of capital requirements. The interpretation here is that most SMEs are not empowered with sufficient information on various options of financing and sources of capital to enable them to confidently choose a particular source based on their understanding of that method. (As above green)

4.4.3 User-friendliness of various capital sources for fish based SMEs

The study also sought to find out the user friendliness of various sources of capital to fish based SMEs and the result is shown in Table 4.8 below

Table 4.8: User-friendliness of various capital sources for fish based SMEs

Response	Frequency	Percent
strongly agree	30	11
Agree	65	22
Undecided	28	10
disagree	141	48
strongly disagree	27	9
Total	292	100

According to the findings (57%) considered available sources of capital to be non-user friendly to their enterprises, with (33%) saying that some sources are friendly to their Fish Based SMEs. The interpretation here is that most respondents consider the capital sources available to them non user-friendly.

The study performed Chi square test to determine the relationship between access to capital requirements and survival of fish based SMEs and the result is presented in the Table 4.9 below:

Table 4.9: Chi-Square test for Hypothesis 1(Ho 1)

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	72.912 ^a	16	.000

The findings show that computed Chi Square value is 72.912 at 16 degree of freedom and has an associated probability (p value of 0.000) which is less than 0.05 and therefore the hypothesis is rejected. This implies that there is an association between access to capital requirements and survival of fish based SMEs in Nyatike District. Key informant interviews further revealed that many fish based SMEs were skeptical of loan providers after seeing others' articles auctioned, and would thus just struggle with saving and starting small but not venture into getting credit.

4.5 Influence of Management Experience on Survival of fish-based SMEs

The study also sought to find out how entrepreneurs' management experience influence survival of their fish based SMEs and the results are as follows.

4.5.1 Possession of past management experience before starting of the fish based SME.

The study set to find out the entrepreneurs' possession of prior management experience before starting their fish based SMEs and the result is as shown in Table 4.10 below

Table 4.10 Possession of prior management experience before starting fish based SME.

Response.	Frequency	Percent
strongly agree	25	8
agree	58	20
undecided	6	3
disagree	186	63
strongly disagree	17	6
Total	292	100

The findings revealed that most fish based entrepreneurs (69%) had no prior management experience before starting their fish based SMEs, while only 28% had prior management experience before starting their fish based SMEs. The interpretation here is that most fish based entrepreneurs started their businesses as trial and error and after observation of others involved in it, not having any experience in managing an enterprise before.

4.5.2 Possession of a working business plan to guide management of fish based SME.

The study sought to find out the possession of a working business plan by fish based entrepreneurs which was guiding management of their enterprises, and the result is shown in Table 4.11 below:

Table 4.11 Possession of a working business plan to guide management of fish based SME.

Response	Frequency	Percent
strongly agree	28	10
agree	88	30
undecided	26	9
disagree	144	49
strongly disagree	6	2
Total	294	100

According to study findings most (51%) fish based SMEs did not have working business plans to guide management of their enterprises while (40%) indicated they had business plans. The interpretation here is that most fish based SMEs' management was not formal or structured, as this is only possible when one is guided by a working business plan.

4.5.3 Possession of good record keeping skills to guide management of fish based SME.

The study sought to find out the possession of good record keeping skills by fish based entrepreneurs which was guiding management of their enterprises, and the results are shown in Table 4.12 below:

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Table 4.12 Possession of a good record keeping skills to guide management of fish based SME.

Response	Frequency	Percent
strongly agree	23	8
agree	45	15
undecided	32	11
disagree	167	57
strongly disagree	25	9
Total	292	100

According to the study findings most (66%) of the SMEs indicated they did do not practice good record keeping practices in the management of their fish based SMEs, with only (23%) indicating that they do observe strict record keeping practices. The interpretation here is that most fish based SMEs have gaps in their management practices since most are not guided by actual information and data generated from their day to day operations as desired.

The study then performed a Chi-Square test to determine the relationship between entrepreneurs' management experience and SME survival and the result is shown in Table 4.13 below:

Table 4.13 Chi-Square test for Hypothesis 2 (Ho 2)

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	36.270 ^a	16	.003

The findings show that computed Chi-Square value is 36.270 at 16 degree of freedom and has an associated probability (p value of 0.003) which is less than 0.05 and therefore the hypothesis is rejected. This implies that there is an association between entrepreneurs' management experience

and fish based SME survival in Nyatike. Key informant interviews also confirmed this scenario by indicating that most SMEs started after learning from someone else, and that no formal business plan guided management, besides poor record keeping methods practised by the business people. They indicated that most business were managed using small exercise books where the day's returns were recorded and once this book is over, it was put aside and many times forgotten; never to be referred to in order to draw conclusions or trends that could further guide management decisions. Most management decisions were also just made by the owner of the businesses, no hired expertise was utilized in running the fish based SMEs

4.6 Influence of Marketing Strategies on Survival of fish based SMEs

The study further sought to find out the entrepreneurs use of various marketing strategies and how these influence survival of their fish based SMEs and the results are as follows:

4.6.1 Availability of a reliable distribution channel (market) for SMEs' products in place.

The study sought to find out availability of a reliable distribution or marketing channel (s) used by the fish based entrepreneurs in the marketing of their products (fish) and the results are shown in Table 4.14.below:

Table 4.14 Availability of a reliable distribution channel (market) for SMEs' products in place.

Response	Frequency	Percent
strongly agree	24	8
agree	76	26
undecided	25	8
disagree	155	54
strongly disagree	12	4
Total	292	100

According to these findings, most (58%) of the SMEs indicated there was no reliable distribution (marketing) channel for their products –fish in place, while only 34% indicated they

had a reliable distribution channel. The interpretation here is that the existing marketing channels are not sufficiently reliable to most fish based SMEs.

4.6.2 Availability of a quality and profitable pricing mechanism for SMEs' products (fish) in place to aid marketing.

The study sought to find out availability of a quality and profitable pricing mechanism for products –fish to aid entrepreneurs in marketing and the results are shown in Table below:

Table 4.15 Availability of a quality and profitable pricing mechanism.

Response	Frequency	Percent
strongly agree	19	6
agree	52	18
undecided	27	9
disagree	176	60
strongly disagree	18	7
Total	292	100

According to the findings, most (67%) of the entrepreneurs interviewed indicated that there was no quality and profitable pricing mechanism for their fish, with 24% indicating that the pricing mechanism available was quality and profitable. This implies that most entrepreneurs do not have a competitive way of marketing their products so that they can run their fish businesses profitably.

4.6.3 Disposal of goods because of inadequacy of markets.

The study also sought to find out entrepreneurs' disposal of their products because of inadequacy of markets and the results are shown in Table 4.15 below:

Table 4.16 Disposal of products (fish) because of inadequacy of markets.

Response	Frequency	Percent
strongly agree	34	11
agree	170	58
undecided	18	6
disagree	54	18
strongly disagree	16	6
Total	292	100

The findings show that most (69%) of the entrepreneurs agreed to disposing their products (fish) at one time or another while those who indicated having not disposed of their goods (fish) were 24%. This shows that most entrepreneurs at one time or another due to lack of or inadequacy of markets during some periods when the market was not sufficient to absorb all they had produced at that time.

4.6.4 Use of innovation and technology in marketing. (Modern marketing methodologies)

The study sought to find out to the entrepreneurs' use innovation and technology in marketing of their products (fish) and the results are shown in Table below:

Table 4.17 Use of innovation and technology in marketing

Response	Frequency	Percent
strongly agree	9	3
agree	37	12
undecided	16	5
disagree	196	70
strongly disagree	34	10
Total	292	100

According to the findings most (80%) of the entrepreneurs declined to using innovation and technology in the marketing of their products (fish), while 15% indicated having used it. This implies that most fish based enterprises do not use of innovation, m-marketing, branding, value addition and modern packaging methodologies in marketing their products in order to ensure survival, growth and sustainability.

The study performed a Chi-Square test to determine the relationship between marketing strategies and fish based SME survival, and the result is as shown in Table 4.17 below:

Table 4.18 Chi-Square test for Hypothesis 3 (Ho 3)

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	69.168 ^a	16	.000

The findings show that the computed Chi-Square value 69.168 at 16 degree of freedom and has an associated probability (p value of 0.000) which is less than 0.05 and therefore the hypothesis is rejected. This implies there is an association between marketing strategies and fish based SME survival in Nyatike District. These findings are consistent with those of key informant interviews which revealed that fish was marketed according to the day's prices on the beach which depended on the demand and supply of that particular type of fish. Nile perch fishers decried the lower prices dictated by the processing factories' agents while they were at a loss to know how much their hard-earned fish harvests fetched for the exporters at the EU markets, while them the highest they ever sold a kilogramme of nile perch was KShs. 200. For tilapia, Dagaa and other small species, inability to preserve and later transport to far markets most times made entrepreneurs to sell at lower prices so that they don't spoil and result in huge losses.

4.7 Influence of Entrepreneurial Training on Survival of fish based SMEs

The study also sought to find out the influence of entrepreneurial training on survival of fish based SMEs and the results are as presented below;

4.7.1 Prior training in entrepreneurship before starting of fish based SME.

The study sought to find out to the influence of entrepreneurs' prior training before start of fish based SME and its influence on the survival of fish based SMEs, and the results were as shown in Table 4.18 below:

Table 4.19 Prior entrepreneurial training before starting of fish based SME.

Response	Frequency	Percent
strongly agree	11	4
agree	16	5
undecided	6	2
disagree	221	76
strongly disagree	38	13
Total	292	100

The findings show that almost all (89%), did not have prior entrepreneurial training before starting their fish based SME, while only 9% had been trained. This implies that most fish based SMEs along the lake are started without any entrepreneurial training.

4.7.2 Reception of training support in order to profitably run fish based SME.

The study sought to find out to the influence of entrepreneurs' reception of training support in the course running their businesses on the survival of their fish based SMEs, and the results were as shown in Table 4.19 below:

Table 4.20 Reception of training support in order to profitably run fish based SME.

Response	Frequency	Percent
strongly agree	27	9
agree	31	11
undecided	10	3
disagree	174	59
strongly disagree	50	18
Total	292	100

According to the findings, most (76%) of the interviewed entrepreneurs indicated they had not received training support while 20% agreed to receiving training support in order to run their fish based enterprises profitably. This implies that there is minimal training support given to the fish based enterprises along the lake to assist them manage their enterprises profitably.

4.7.3 Experience of business challenges as a result of deficiency in business knowledge (lack of training)

The study sought to find out entrepreneurs' experience of business challenges due to deficiency in business knowledge and how this influences the survival of their fish based SMEs, and the results were as shown in Table 4.20 below:

Table4.21. Experience of business challenges as a result of deficiency in business knowledge (lack of training)

Response	Frequency	Percent
strongly agree	42	14
agree	155	54
undecided	21	7
disagree	66	22
strongly disagree	8	3
Total	292	100

According to the findings, most (68%) of the respondents agreed to experiencing businesses challenges while 25% indicated they did not experience business challenges as a result of deficiency in business knowledge. This implies that a significant proportion of the fish based SMEs encounter managerial challenges as a result of inadequacy of business knowledge that could be gained from entrepreneurial training.

4.7.4 Respondents' training and use of current technologies in running their fish based SMEs e.g. m-marketing, use of social media, marketing bodies etc.

The study sought to find out to the influence of entrepreneurs' training and use of current technologies in running their fish businesses on the survival of their fish based SMEs, and the results were as shown Table 4.21 below:

Table 4.22 Respondents' training and use of current technologies in running their fish based SMEs e.g. m-marketing, use of social media, marketing bodies etc.

Response	Frequency	Percent
1	11	4
2	30	10
3	14	5
4	182	62
5	55	19
Total	292	100

According to the findings most (81%) of the respondents indicated they were not trained on and did not use current technologies in managing their fish business while 14% indicated they had used. This implies that adoption of current technologies that can help businesses to be run profitably in order to survive and grow is still low among fish based entrepreneurs.

The study further performed a Chi-Square test to determine the relationship entrepreneurial training on survival of fish based SME and the results are as shown in Table 4.23below:

Table 4.23 Chi-Square test for Hypothesis 4 (Ho 4)

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	52.114 ^a	16	.000

The findings show that computed Chi-Square value is 52.114 at 16 degree of freedom and has an associated probability (p value of 0.000) which is less than 0.05 and therefore the hypothesis is rejected. This implies that there is an association between entrepreneurial training on survival of fish based SMEs in Nyatike District. These findings on entrepreneurial training were also confirmed by the key informants who indicated that fish based SMEs knew no pre-entry training that would usher them into fish business, and as such they only learnt by observation. They also did not receive regular training support from technical people that would assist them with the required skills to profitably run their businesses. Further, whereas some knew about technological ways of running their enterprises and marketing their products, they had not been trained and linked adequately to try the methods of m-management and m-marketing, or even getting skills from the internet on other operations in other places or other countries, so they kept running their enterprises the way their forefathers had done it, even with the same results of minimal growth over a long period of time.

CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes and concludes the research findings as carried out. At the end of the chapter, some useful recommendations are proposed by the researcher to the key players in the area under study in order to solve the problem under study, based on the research findings. This chapter comprises the summary of the study findings, discussion of the findings, conclusions of the study and recommendations; suggestions for further research and the study's contribution to existing knowledge. The purpose of this study was to establish the factors influencing survival of child labour and family background on attendance of boys in public primary schools in Western fish based small and medium enterprises in Nyatike District, Migori County, Kenya.

5.2 Summary of Findings

The study was able to get a response from 292 respondents out of the 302 questionnaires administered to fish based entrepreneurs in Nyatike District, this is a response rate of 96%.

On the general characteristics; the findings revealed that although most of the respondents (54%) were male entrepreneurs while 46 % were female. 54% of the respondents had attended secondary school, 35% had attended primary school while 7% had middle level college education. University education and those who did not attend school were 2% each. The study further revealed that 67% of the respondents were fish traders (processors and traders) while 33% were fishermen.

The study sought to find out the respondents' SME profitability, survival and growth of their fish based enterprises. 57% of the entrepreneurs indicated that their fish based SMEs were profitable and surviving while 39% felt they were neither profitable nor surviving. 3% of the respondents were undecided. On the influence of access to capital requirements on survival of fish based SMEs, the study found out that 73% had difficulty accessing capital requirements while only 24% indicated they could access capital requirements with ease. Further, only 26% of the

entrepreneurs were fully sensitized on the various options of acquiring capital requirements while 68% were not fully sensitized. On user-friendliness of the available SME financing options, 57% considered the available fish based SME financing options user friendly while only 33% considered the available options user-friendly.

The study conducted a Chi-Square test for the relationship between access to capital requirements and survival of fish based SMEs. The results showed a Chi-Square value of 72.912 at 16 degree of freedom with a probability (p value) of 0.000 which is below 0.05 significance level, thus implying that there is a significant relationship between access to capital and fish based SME survival.

The study examined the influence of management experience on fish based SME survival. The study found out that 69% of respondents did not have past experience in managing an enterprise before starting the fish based SME while only 28% had past experience. On possession of a working business plan to guide management of the fish based SME, only 40% indicated having a working business plan while 51% did not have. Further, 66% of the respondents indicated they did not practise good record keeping practises to guide quality and effective management of their fish based SME. The study revealed a Chi-Square value of 36.270 at 16 degree of freedom with a probability (p value) of 0.003 which is below 0.05 significance level, thus showing that there was a significant relationship between entrepreneurs' management experience and survival of fish based SMEs.

The study also sought to establish the influence of entrepreneurs marketing strategies on fish based SME survival. The study found out that most 58% of the respondents had challenges getting a reliable channel for distributing their products (fish) while only 34% indicated having a reliable distribution channel (market) for their products-fish. Further, 67% of the respondents indicated that there was no quality and profitable pricing mechanism for fish available while only 24% indicated there being a quality and profitable pricing mechanism for their fish. On whether entrepreneurs disposed of their products as a result of inadequacy of markets, 69% indicated that they had disposed their products while 24% had not disposed their products (fish) for lack of or inadequacy of markets. On use of innovation or technology in marketing their products, 80% of the entrepreneurs indicated they did not use innovation or technology while 15% indicating using it in marketing their products (fish). The study also revealed a Chi-Square value of 69.168 at 16

degree of freedom with a probability (p value) of 0.000 which is below 0.05 significance level, thus implying that there is a significant association between entrepreneurs' marketing strategies and survival of fish-based SMEs.

The study finally assessed the influence of entrepreneurial training on the survival of the fish based SMEs in Nyatike and found out that almost all (89%) of the respondents did not have prior entrepreneurial training while only 9% had been trained in entrepreneurship before starting their fish based SME. 76% of the respondents further indicated they had not received training support while only 20% had received it in the course of managing their fish based SME. 68% of the respondents further indicated they had experienced business challenges while 25% had not experienced business challenges as a result of inadequacy of entrepreneurial knowledge in the course of running their fish based SMEs. On respondents training and use of current technology in managing their fish based SMEs, 81% of the respondents did not use current technology while 14% indicated using current technologies like m-marketing, social media e.g. facebook and marketing bodies and websites for managing their fish based SMEs. The study further revealed a Chi-Square value of 54.114 at 16 degree of freedom with a probability (p value) of 0.000 which is below 0.05 significance level, thus showing that there is a significant association between entrepreneurial training and survival of fish based SMEs.

5.3 Discussion of Findings

The study investigated the factors influencing survival of fish based small and medium enterprises in Nyatike District, Migori County, Kenya. In accomplishing this, the study assessed how access to capital requirements, entrepreneurs' management experience, marketing strategies and entrepreneurial training influence survival of fish-based small and medium enterprises in Nyatike District, Migori County. Data was collected from entrepreneurs along Lake Victoria beaches in Nyatike and of the 302 questions administered, 292 were filled, a response rate of 96%. This return rate was good as it boots the reliability of the study.

5.3.1 General Characteristics

The study reached more male respondents (54%) while 46 % were female. 54% of the entrepreneurs had further attended secondary school, 35% had attended primary school while 7%

had middle level college education. University education and those who did not attend school were 2% each. This implied the sample used for the study was fairly distributed. Concerning the type of fish based enterprise entrepreneurs were involved in, the study revealed that 67% of the respondents were fish traders (processors and traders) while 33% were fishermen.

The study sought to find out the respondents' perceptions about the profitability, survival and growth of their fish based enterprises. 57% of the entrepreneurs felt their fish based SMEs were profitable and surviving while 39% felt they were neither profitable nor surviving. 3% of the respondents were undecided. These findings present a glimpse into a sector that could perform much better and contribute more to the Kenyan economy if all these SMEs were progressively profitable, surviving and growing.

5.3.2 Influence of access to capital requirements on survival of fish based SMEs

On the influence of access to capital requirements on survival of fish based SMEs, the study found out that 73% had difficulty accessing capital requirements while only 24% indicated they could access capital requirements with ease. Further, only 26% of the entrepreneurs were fully sensitized on the various options of acquiring capital requirements while 68% were not fully sensitized. On user-friendliness of the available SME financing options, 57% considered the available fish based SME financing options user friendly while only 33% considered the available options user-friendly. The tests carried out revealed a Chi-Square value of 72.912 at 16 degree of freedom with a probability (p value) of 0.000 which is below 0.05 significance level for the test between access to capital requirements and survival of fish based SMEs. These finding simply that fish based entrepreneurs access to capital requirements have a significant relationship with the survival of their fish based SME. Further, fish based entrepreneurs mainly depended on own savings before starting their fish businesses by working for someone else to save some amount which they start with to run their own SME yet many financing options are advertised today. Inadequate sensitization on the available financing options and for some fear after seeing past beneficiaries' assets being auctioned by financiers-banks or microfinance institutions because of challenges in repaying loans. Still others cannot easily access financing because of the issue of security and other conditions required to be met before release of funds, which many cannot adequately fulfill. Many fish based entrepreneurs thus believe that available options are hostile and not user-friendly and thus undesirable to them, thus many remain small scale instead

of diversifying and expanding their SMEs. These findings are consistent with those of Mitullah (2000) who indicated that artisanal fishermen and small scale fish traders do not access funds from banks unlike large scale processors and rich middlemen. She further indicated that most fish purchasers (middlemen, agents and factories themselves, no longer avail credit to fishermen and small scale fish traders.

5.3.3 Influence of management experience on survival of fish based SMEs

The study examined the influence of management experience on fish based SME survival. The study found out that 69% of respondents did not have past experience in managing an enterprise before starting the fish based SME while only 28% had past experience. On possession of a working business plan to guide management of the fish based SME, only 40% indicated having a working business plan while 51% did not have. Further, 66% of the respondents indicated they did not practise good record keeping practises to guide quality and effective management of their fish based SME. The study revealed a Chi-Square value of 36.270 at 16 degree of freedom with a probability (p value) of 0.003 which is below 0.05 significance level, thus showing that there was a significant association between entrepreneurs' management experience and survival of fish based SMEs.

These findings thus show that many fish based entrepreneurs only started their enterprises after a short term stint as someone's assistant, with no formal or informal orientation, no capacity building through pupillage method or otherwise and no initiation process preceding one's plunge into fish business. This limitation exposed many fish based entrepreneurs to many unforeseen challenges of change of cost of inputs and business competition which when they sets in, their inexperience draws them back as they struggle and stumble, some retrogress while some exit. Many fish based entrepreneurs did not have formal tools of trade like business plan, accurate business records, staffing, planning, nor monitoring and evaluation skills. This scenario is also supported by Abila (2000) who indicated that fishermen and by extension small scale fish traders relied on family to provide management assistance, with little assistance from a hired experienced hand to run their fish businesses. Perhaps this explains the high number 68% of SMEs that indicated experiencing management related business challenges.

5.3.4 Influence of marketing strategies on survival of fish based SMEs

The study also sought to establish the influence of entrepreneurs marketing strategies on fish based SME survival. The study found out that most 58% of the respondents had challenges getting a reliable channel for distributing their products (fish) while only 34% indicated having a reliable distribution channel (market) for their products-fish. Further, 67% of the respondents indicated that there was no quality and profitable pricing mechanism for fish available while only 24% indicated there being a quality and profitable pricing mechanism for their fish. On whether entrepreneurs disposed of their products as a result of inadequacy of markets, 69% indicated that they had disposed their products while 24% had not disposed their products (fish) for lack of or inadequacy of markets. On use of innovation or technology in marketing their products, 80% of the entrepreneurs indicated they did not use innovation or technology while 15% indicating using it in marketing their products (fish). The tests performed revealed a Chi-Square value of 69.168 at 16 degree of freedom with a probability (p value) of 0.000 which is below 0.05 significance level, thus implying that there is an association between entrepreneurs' marketing strategies and survival of fish-based SMEs. Marketing strategies is perhaps the single factor whose change can bring in greatest influence to survival of fish based SMEs even in the short term. This is because even though some still seemed to survive, most complained they had no control or influence on how to market their fish, be it Nile perch, Tilapia, Dagaa or other species, they only relied on the price that prevailed at the beach, and which at most times relied on the volumes of supply against the demand present. With this scenario, one only seeks to ensure they land early to sell all their produce, and little has been done to ensure collective bargaining power of the suppliers for increased income, especially after the collapse of the beach based cooperatives societies in mid-nineties. Today, middlemen have a field day and their word is law, and this helpless state has kicked many fish based SMEs out of business while middlemen thrive. Many 69% entrepreneurs also indicated disposing their fish as a result of marketing challenges. The entrepreneurs deficient 24% regular access to marketing information also seems to add onto the marketing challenges faced by these fish based SMEs. This situation is in agreement with Abila(2000) who indicated that the fragmented (not fully united) nature of fish based entrepreneurs led to weak bargaining power in their interaction with fish purchasers. An unregulated marketing system of 'survival of the fittest' has left factory agents and agents of the rich middlemen dominating the

fish market and reaping hefty sums while the producers and preliminary processors just taste of the booming and now relatively better priced industry.

5.3.5 Influence of entrepreneurial training on survival of fish based SMEs

The study finally assessed the influence of entrepreneurial training on the survival of the fish based SMEs in Nyatike and found out that almost all (89%) of the respondents did not have prior entrepreneurial training while only 9% had been trained in entrepreneurship before starting their fish based SME. 76% of the respondents further indicated they had not received training support while only 20% had received it in the course of managing their fish based SME. 68% of the respondents further indicated they had experienced business challenges while 25% had not experienced business challenges as a result of inadequacy of entrepreneurial knowledge in the course of running their fish based SMEs. On respondents training and use of current technology in managing their fish based SMEs, 81% of the respondents did not use current technology while 14% indicated using current technologies like m-marketing, social media e.g. facebook and marketing bodies and websites for managing their fish based SMEs. The tests carried out revealed a Chi-Square value of 54.114 at 16 degree of freedom with a probability (p value) of 0.000 which is below 0.05 significant level, thus showing that there was a significant relationship between entrepreneurial training and survival of fish based SMEs.

Inadequate entrepreneurial training thus significantly influenced survival of fish based SMEs, as most 89% fish based SMEs started as trial and error outfits, not informed by some knowledge of enterprise management or fish business operational fundamentals. This greatly challenges the SMEs when demand and supply challenges come, or changing global markets and expansion challenges. This realisation was also a follow up to Abila (2000) and Mitullah (2000) who observed that most fish based SMEs used traditional technology, doing their businesses the same way their fore fathers did, regardless of the changing times and situations. This situation leaves fish based SMEs unable to exploit the benefits of the global market the way large scale processors and middlemen were doing and reaping handsomely, while some entrepreneurial training to aid them in better and modern ways of running a fish business could actually open a whole new world of possibilities for these fish based enterprises that are full of potential.

5.4 Conclusion of the Study

Following the findings of the study the study revealed that fish based SMEs in Nyatike are faced by survival challenges especially key entrepreneurial elements that are necessary for enterprise profitability, survival and eventual growth. The main factors that influence these fish based SME survival are access to capital requirements Chi-Square test value of 72.912, entrepreneurial training 54.114, Marketing strategies 69.168 and finally Management experience 36.270 respectively. These findings of the study reveal that access to capital requirements had a significant association to the survival of fish based SMEs in Nyatike. The fish based entrepreneurs mainly depended on starting their businesses by working for someone else to save some amount which they start with to run their own SME yet many financing options are advertised today, for lack of sensitization, and for some due to fear after seeing past beneficiaries' assets being auctioned because of challenges in repaying loans. Many believe the available options are hostile and not user-friendly and thus undesirable to them, thus many remain small scale instead of diversifying and expanding their SMEs. Lack of or inadequate entrepreneurial training also significantly influenced survival of fish based SMEs, as the study revealed that almost all fish based SMEs started as a trial and error exercise, not informed by some knowledge of enterprise management or operational fundamentals. This greatly challenges the SMEs when demand and supply changes come, or even how to deal with changing global markets and expansion challenges. Marketing strategies are perhaps the single factor whose change can bring in greatest influence to survival of fish based SMEs even in the short term. This is because even though some still seemed to survive, most complained they had no control or influence on how to market their fish, be it Nileperch, Tilapia, Dagaa or other species, they only relied on the price that prevailed at the beach, and which at most times relied on the volumes of supply against the demand present. With this scenario, one only seeks to ensure they land early to sell all their produce, and little has been done to ensure collective bargaining power of the suppliers for increased income, especially after the collapse of the beach based cooperatives societies in mid-nineties. Today, middlemen have a field day and their word is law, and this helpless state has kicked many fish based SMEs out of business while middlemen thrive. This means that marketing strategies for fish have a significant influence on the survival of fish based SMEs. For management experience, many fish based entrepreneurs only started their enterprises after a short term stint as someone's assistant, and no formal orientation and initiation process

preceded one's plunge into fish business. This limited many entrepreneurs as when unforeseen challenges of change of cost of inputs and business competition sets in, their inexperience draws them back as they struggle and stumble.

5.5 Recommendations

1. The Government of Kenya should consider formulating policies and strategies aimed at streamlining the fishery sector. Of key importance is the consideration of fish trade policy, and provision of critical business development services in order to protect small and medium sized fish based SMEs including fishermen, fish processors and small scale traders from exploitation.
2. The fisheries department should consider coming up with strategies to increase the fish based SMEs' access to capital requirements, solicit for resources material and human to capacity-build these entrepreneurs on management of their businesses, besides assisting the fisher-folk to get organized in order to market their fish competitively.
3. The ministry of trade to consider formulating fish marketing policy that expands the fish based SMEs' access to storage, transportation, quality and profitable marketing in order to promote survival and growth of these fish based SMEs.
4. The Ministry of Education in liaison with the fisheries and other departments of the government, Non-Governmental Organizations, Banks, MFIs and interested stakeholders to consider formulating a good training curriculum for fish based entrepreneurs and scaling up financial support to the fisheries sector for capacity building and establishment of a fisheries and fish business college.
5. Finally, this study proposes that the Government prioritizes developing the fisheries sector and implements both short term and long term measures that promote and protect the fish based entrepreneurs' livelihoods not only in Nyatike but also in all other fisheries areas in the Nation.

5.6 Suggestions for Further Research

Following the findings, the study gave the following suggestions for further research;

1. Since this study mainly focuses on fish based SMEs along the lake, a study should be undertaken focusing on fish farmers and the factors that determine the SMEs' survival.
2. A study to examine the effectiveness and efficiency of the policies and programmes formulated in Kenya so far to enhance and protect the fishing communities' and small scale fish traders' livelihoods.
3. A comparison study on the development of the fisheries sector in Kenya, Uganda and Tanzania with regard to standards of living of those whose livelihoods depend on the Lake, vis a vis the international and Global scenarios.
4. A study that addresses particular needs of the fish based SMEs in capital requirements, management experience required, marketing strategies and on-going training support, in order to generate the best strategies to be used to respond to issues arising from this study.
5. A study to determine the health and socio-economic influence of the low income earnings and artisanal nature of fisheries sector in Kenya.

5.7 Contribution to the body of Knowledge

This section presents the study's contribution to existing knowledge in Table 5.1

Table 5.1 The study's contribution to Knowledge.

Objective	Contribution to Knowledge
To assess how access to capital requirements influence survival of fish based small and medium-sized enterprises.	Access to capital requirements is a key factor in determining fish based SME survival, and 73% of fish based SMEs had difficulty accessing capital requirements.
To examine how management experience influences survival of fish based small and medium-sized enterprises.	Management experience had a significant influence on survival of fish based SMEs. A Chi-Square test value of 36.270 highlights this significance.
To establish the influence of entrepreneurs' marketing strategies on survival of fish based small and medium-sized enterprises.	Fish based entrepreneurs' have marketing challenges and this influences the survival of their fish based SMEs with a Chi-Square test value of 69.168
To assess the how entrepreneurial training influences survival of fish based small and medium sized enterprises in Nyatike.	The fish based entrepreneurs are hardly trained in running a fish business profitably. It's almost a trial and error affair, with 89% of entrepreneurs not having any prior entrepreneurial training before starting their fish based SMEs.

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APPENDICES :
APPENDIX 1: LETTER OF TRANSMITTAL

David Sibeyo
Box 504, Migori.

The District Commissioner,
Nyatike District,
P. O. Box 1, Macalder.

Dear Sir,

**RE: PERMISSION TO COLLECT DATA FOR ACADEMIC RESEARCH
PROGRAMME.**

Receive Greetings!

I am a post graduate student of the University of Nairobi. In order to fulfill the requirement for the award of a Master of Arts degree in project planning and management, I am conducting a research entitled **“Factors influencing Survival of fish based Small and Medium Enterprises in Nyatike District, Migori County, Kenya.”**

The research target population will be 302 fish-based SMEs in Nyatike District.

The purpose of this letter therefore is to seek your permission to collect the relevant data in the said businesses within your area of jurisdiction. The information obtained will be treated with utmost confidentiality and will be used only for the purpose of this research study.

Thanking you in advance,

Yours faithfully,

David Benson Sibeyo
Cell: +254726 776 893.

APPENDIX II: STUDY QUESTIONNAIRE

FISH-BASED ENTREPRENEURS QUESTIONNAIRE.

The purpose of this questionnaire is to obtain information that is relevant to my research titled: 'Factors Influencing Survival of Fish-Based Small and Medium Enterprises in Nyatike District, Migori County, Kenya'. The information provided will be used purely for my academic research, and will be treated confidentially. I humbly request you to provide the information sought by this questionnaire as candidly as possible.

PART A: Respondent's Background information

Please answer the following items. Tick (✓) in the appropriate space

1. Please indicate your gender

a) Male

b) Female

2. What is your level of education qualification?

a. Certificate

b. Diploma

c. Degree

d. Masters

e. Others (Specify/ Any business related?)

3. What type of business are you involved in?

a. Fishing (boat owner)

b. Fish processor (first buyer)

c. Fish trader (second buyer)

d. Others (Specify Class) _____

PART B. MEASURE OF FISH BASED SME PROFITABILITY (SURVIVAL).

B1. MEASURES OF FISH BUSINESS PROFITABILITY, SURVIVAL& GROWTH.

Please indicate your opinion regarding following statements (1. Strongly disagree ... 5. Strongly agree)	Question statements	Strongly agree	Agree	undecided	disagree	Strongly disagree
S1	I am satisfied with the growth rate of my fish business					
S2	I am satisfied with the time needed to reach break event point (payback period) for my capital					
S3	I consider my fish business well profitable, surviving, and growing.					
S4	I consider my fish business stagnated and not growing.					
S5	I consider my fish business collapsing.					

PART C. CONTEXUAL VARIABLESC1. CAPITAL REQUIREMENTS.

Based on your experience in running your fish business so far and the actual condition of the business, please indicate your opinion regarding each statement. (Tick √ as appropriate)	Question Statements	Strongly agree	Agree	undecided	disagree	Strongly disagree
C1	It is easy for me to access capital requirements for my business					
C2	I have many options for getting capital for my business.					
C3	Sometimes I have difficulty/challenges accessing capital to start or expand my business (interest rate too high, auctioning possessions, no financiers where I am, or don't know any sources.					
C4	I applaud government support in expanding sources of capital. (MFIs, YEDF, WEDF, Banks, Intermediaries, Sh ylocks)					
C5	I have been sufficiently sensitized on various financing models and their packages-pros and cons.					
C6	The capital access services available are user-friendly					
C7	I regularly review the financial and capital performance of my business					
C8	If needed, it is easy to get additional capital from banks and other lenders.					
C10	I have a good financing plan to guide financing and growth of my business					

C2. MANAGEMENT EXPERIENCE.

Based on your experiences in running your fish business so far and the actual condition of the business, please indicate your opinion regarding each statement. (Tick ✓ as appropriate)	Question Statements	Strongly agree	Agree	undecided	disagree	Strongly disagree
M1	I had management knowledge before starting my business					
M2	My business is guide by a business plan					
M3	I am the one who makes all decisions for my business.					
M4	I easily handle demand and supply challenges for my fish business.					
M5	My business enjoys good relations with suppliers and customers.					
M6	I have received management help/support to help me run my fish business profitably. E.g. workshop, on job training.etc.					
M7	I have need for further management skills to better run my fish business.					
M8	I have good financial planning skills to help me in running my business.					
M9	I have good and record keeping skills for running my business.					
M10	I have good staffing and monitoring skills to help me in running my business.					

C3. MARKETING STRATEGIES

Based on your experiences in running your fish business so far and the actual condition of the business, please indicate your opinion regarding each statement (Tick ✓ as appropriate)	Question Statements.	Strongly agree	Agree	undecided	disagree	Strongly disagree
S1	There is a reliable distribution channel for my products in place.					
S2	Searching for new market for my products (fish) is not so difficult.					
S3	I have easy access to information on market/consumers of my products(fish)					
S4	There is a quality and profitable pricing mechanism in place for my products.(fish)					
S5	I sometimes dispose of my goods (fish) as a result of lack of market.					
S6	I regularly identifynew markets through market research.					
S7	I embrace value addition as an alternative to marketing my products or fish					
S8	I use innovation and technology (m-business) in marketing.					
S9	I use modern packaging and distribution methods					
S10	I brand and market my products in supermarkets and institutions in this region.					

C4. ENTREPRENEURIAL TRAINING.

Based on your experiences in running your fish business so far and the actual condition of the business, please indicate your opinion regarding each statement. (Tick ✓ as appropriate)	Question Statements.	Strongly agree	Agree	undecided	disagree	Strongly disagree
T 1	I had been trained on entrepreneurship before starting my business.					
T 2	I have reliable entrepreneurial knowledge to run the business e.g. accessing capital, business location, record keeping, networking and partnerships etc.					
T 3	I have received training support in core areas of need to profitably run my business once a year.					
T 4	I experience business challenges as a result of deficiency in business knowledge e.g. lack of capital, bad debts, poor cash flow, auctioning of my possessions by creditors etc.					
T5	I am trained on financial management for my business.					
T6	I regularly receive business aids to help me run business.					
T7	I am trained on managing demand and supply in my business.					
T8	I am trained on marketing and distribution of my goods (fish) for maximum profits.					
T9	I am trained on how to strategically plan and expand my business.					
T10	I use current technologies in profitably running my fish business. (m-marketing, use of social media, marketing bodies etc)					

Thank you for your time and Cooperation.

APPENDIX 111.

KEY INFORMANT INTERVIEW GUIDE

Dear Respondent,

Thank you for agreeing to provide information on **Factors Influencing survival of fish based Small and medium enterprises in Nyatike District**. The information you provide will be treated with utmost confidentiality and used for the sake of accomplishing academic goals only. Note that there is no right or wrong answers.

1. For how long have you been here at the beach?
2. What is your experience with small and medium fish business people here?
3. What are their main sources of capital for small fish business people here? Probe.
4. Do they face financing challenges from any of those sources? Probe.
5. Are the fish business people here experienced in running their businesses? Probe.
6. Which management issues arise among small and medium fish business people here? Probe.
7. What are your thoughts about marketing of their products-fish? Probe.
8. Are fish business people here trained in entrepreneurship regularly to update their skills? Probe.
9. What can be your suggestions for the future growth of businesses in this industry after our discussion on their survival? Probe.
10. Any more comments or general remarks concerning our discussion today?

Once again, thanks for your time and cooperation.

APPENDIX IV: RESEARCH AUTHORIZATION LETTERS

REPUBLIC OF KENYA



NATIONAL COUNCIL FOR SCIENCE AND TECHNOLOGY

Telephone: 254-020-2213471, 2241349
254-020-310571, 2213123, 2219420
Fax: 254-020-318245, 318249
when replying please quote
secretary@ncst.go.ke

P.O. Box 30623-00100
NAIROBI-KENYA
Website: www.ncst.go.ke

Our Ref:

NCST/RCD/14/012/1431

Date:

9th October 2012

David Benson Sibeyo
University of Nairobi
P.O.Box 30197-00100
Nairobi.

RE: RESEARCH AUTHORIZATION

Following your application for authority dated 9th October, 2012 to carry out research on "*Factors influencing survival of fish based Small and Medium Enterprises in Nyatike District, Migori County, Kenya.*" I am pleased to inform you that you have been authorized to undertake research in Nyatike District for a period ending 31st December, 2012.

You are advised to report to the District Commissioner and the District Education Officer, Nyatike District before embarking on the research project.

On completion of the research, you are expected to submit two hard copies and one soft copy in pdf of the research report/thesis to our office.

A handwritten signature in black ink, appearing to read 'M.K. Rugutt'.

DR M.K. RUGUTT, PhD, HSC.
DEPUTY COUNCIL SECRETARY

Copy to:

The District Commissioner
The District Education Officer
Nyatike District.

"The National Council for Science and Technology is Committed to the Promotion of Science and Technology for National Development"

OFFICE OF THE PRESIDENT

PROVINCIAL ADMINISTRATION AND INTERNAL SECURITY



Telephone:

Fax No.

E-mail: dcnyatike@yahoo.com

When replying please quote

DISTRICT COMMISSIONER

NYATIKE DISTRICT

P.O. BOX 1

MACALDER.

Ref No: ED.12/15/VOL.1/21

DATE: 8th October

All District Officers

NYATIKE DISTRICT

RE: RESEARCH AUTHORIZATION – SIBEYO DAVID BENSON

The above named person is a Post-Graduate Student of the University of Nairobi.

He has been authorized to carry out a research on “factors influencing survival of fish based small and medium enterprises in Nyatike District”.

Give him maximum support and bring it to the attention of your Chiefs.

 DISTRICT COMMISSIONER
NYATIKE DISTRICT
P.O. BOX 1 MACALDER

Z. SOME

FOR: DISTRICT COMMISSIONER

NYATIKE DISTRICT

MINISTRY OF EDUCATION

Telephone: (070-2938070)
Email: deonyatike@gmail.co
When replying please quote
Ref. No: E/N/48/A/VOL1/49



DISTRICT EDUCATION OFFICE
NYATIKE DISTRICT,
P.O. BOX 4 - 40402,
NYATIKE

Date: 30/10/2012

Mr. David B. Sibeyo
P.O Box 504,
SUNA

RE: PERMISSION TO COLLECT DATA FOR ACADEMIC RESEARCH PROGRAMME

Your letter on the aforementioned subject refers.

Your request has been acknowledged and granted wef October 1st, 2012- December 31st, 2012

Always remember to carry with you a copy of this letter while in the field for authorization evidence as you conduct your studies.

We wish you the very best and do share with our office the findings of your good study.

Yours Sincerely,

**FOR
DISTRICT EDUCATION OFFICER
NYATIKE DISTRICT**

NORMAN BWANA

FOR DISTRICT EDUCATION OFFICER

NYATIKE DISTRICT

APPENDIX V : RESEARCH PERMIT

PAGE 2

THIS IS TO CERTIFY THAT
Prof./Mr./Mrs./Miss/Institution
David Benson Sibuya
of (Address) University of Nairobi
P.O Box 30197-00100, Nairobi.
has been permitted to conduct research in

Nyatike
Nyiriza

Location
District
Province

on the topic: Factors influencing survival of fish
based Small and Medium Enterprises in Nyatike
District, Migori County, Kenya

for a period ending: 31st December, 2012.

PAGE 3

Research Permit No. NCST/RCD/14/012/1431
Date of issue 5th October, 2012
Fee received KSH. 1,000



David Benson Sibuya
Applicant's
Signature

John M. Mutitu
Secretary
National Council for
Science & Technology

CONDITIONS

- 1. You must report to the District Commissioner and the District Education Officer of the area before embarking on your research. Failure to do that may lead to the cancellation of your permit**
- 2. Government Officers will not be interviewed without prior appointment.**
- 3. No questionnaire will be used unless it has been approved.**
- 4. Excavation, filming and collection of biological specimens are subject to further permission from the relevant Government Ministries.**
- 5. You are required to submit at least two(2)/four(4) bound copies of your final report for Kenyans and non-Kenyans respectively.**
- 6. The Government of Kenya reserves the right to modify the conditions of this permit including its cancellation without notice**



REPUBLIC OF KENYA

RESEARCH CLEARANCE PERMIT

GPK60553mt10/2011

(CONDITIONS—see back page)

Appendix VI: The Krejcie and Morgan Sample size determination table 1970.

Table 3. 2: Sample size table

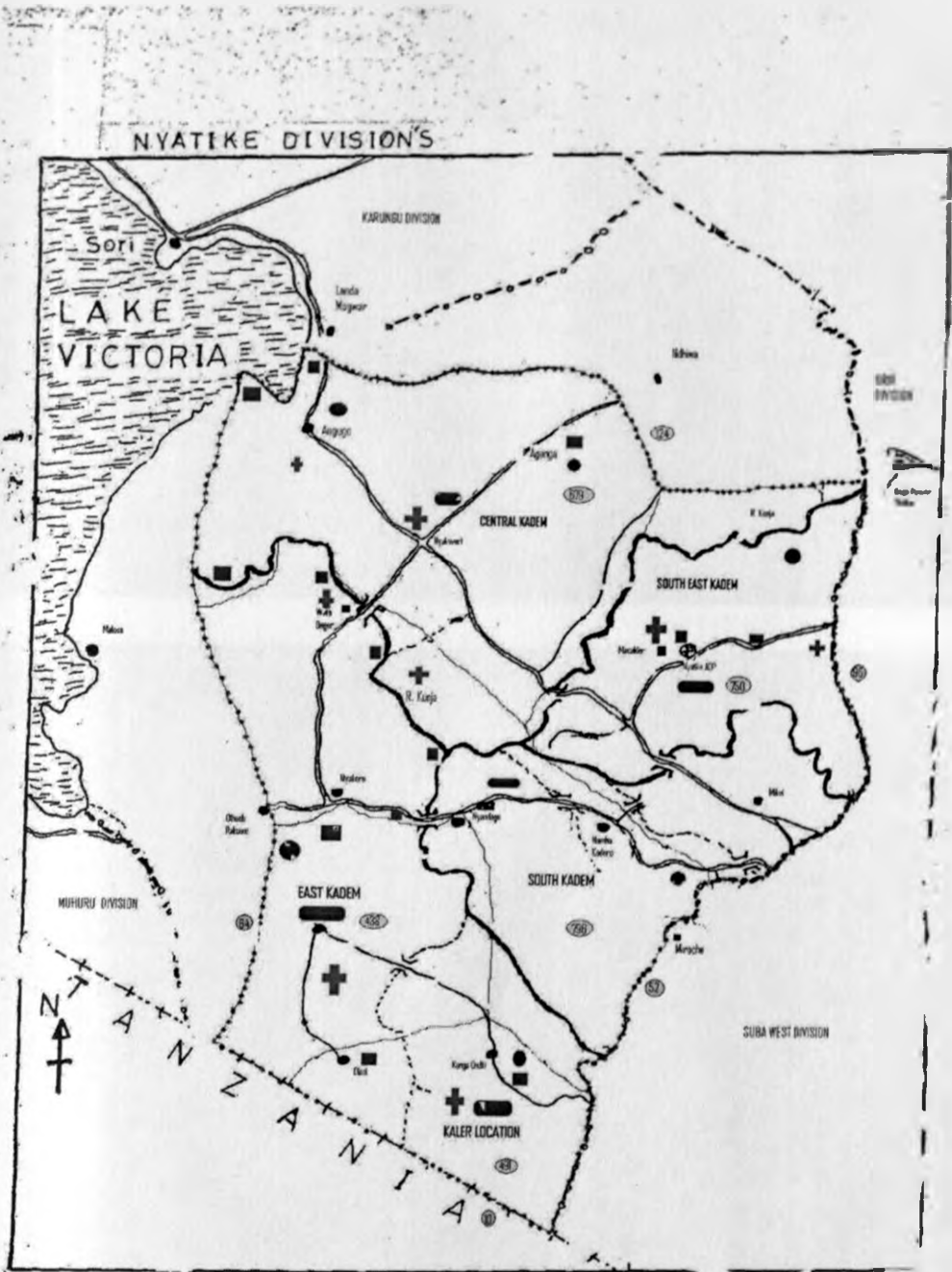
N - n	N - n	N - n	N - n	N - n
10 - 10	100 - 80	280 - 162	800 - 260	2800 - 338
15 - 14	110 - 86	290 - 165	850 - 265	3000 - 341
20 - 19	120 - 92	300 - 169	900 - 269	3500 - 346
25 - 24	130 - 97	320 - 175	950 - 274	4000 - 351
30 - 28	140 - 103	340 - 181	1000 - 278	4500 - 354
35 - 32	150 - 108	360 - 186	1100 - 285	5000 - 357
40 - 36	160 - 113	380 - 191	1200 - 291	6000 - 361
45 - 40	170 - 118	400 - 196	1300 - 297	7000 - 364
50 - 44	180 - 123	420 - 201	1400 - 302	8000 - 367
55 - 48	190 - 127	440 - 205	1500 - 306	9000 - 368
60 - 52	200 - 132	460 - 210	1600 - 310	10000 - 370
65 - 56	210 - 136	480 - 241	1700 - 313	15000 - 375
70 - 59	220 - 140	500 - 217	1800 - 317	20000 - 377
75 - 63	230 - 144	550 - 226	1900 - 320	30000 - 379
80 - 66	240 - 148	600 - 234	2000 - 322	40000 - 380
85 - 70	250 - 152	650 - 242	2200 - 327	50000 - 381
90 - 73	260 - 155	700 - 248	2400 - 331	75000 - 382
95 - 76	270 - 159	750 - 254	2600 - 335	100000 - 384

Note.— N is population size.

n —is sample size.

Source: Krejcie & Morgan, 1970 sample size table.

APPENDIX VII :MAP OF NYATIKE DISTRICT



KEY	SYMBOL
ECs	(Circle with cross)
Water Points	(Circle with dot)
Health Posts	(Cross)
Mobile Posts	(Square with cross)
Non-Security Posts	(Square)

UNIVERSITY OF NAIROBI
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APPENDIX VIII: RESEARCH PHOTOS

