

Do Women Entrepreneurs Play a Role in Reducing Poverty? A Case in Kenya

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Abstract

This paper has examined the economic role of women entrepreneurs in poverty reduction in Kenya. A case study was carried out among women entrepreneurs at the Maasai market within Nairobi City's Central Business District. From the target population of 664, 15% were sampled for this study, through stratified and purposive sampling techniques. Quantitative and qualitative data were collected by use of questionnaires and interviews, hence analyzed concurrently. The study showed that the economic activities carried out by the respondents were similar in nature and included selling of African artifacts, clothing and ornaments. Most respondents (95%) used readily available raw materials to make their products for sale. Majority of the respondents (83%) agreed that the businesses had made them improve their economic status. The businesses contributed to the promotion of tourism, employment and export trade. The study concludes that women entrepreneurs play a major role in poverty reduction in Kenya.

Key Words: *Women, Entrepreneurs, Poverty Reduction.*

1. Introduction

Poverty has been described in different ways by different scholars. Previous studies carried out by the World Bank (2001, p.4) indicate that poverty is categorized as both absolute and relative. Walkins (1995, p.41) explains that relative poverty can be categorized in relation to particular groups or areas in relation to the economic status of other members of the society. When poverty is said to be absolute, it describes a lack of basic security, the absence of one or more factors that enable individuals and families to assume basic responsibilities and to enjoy fundamental rights. Poverty results from and even consists of a lack of basic securities, which not only include financial resources, but also education, employment, housing, health care and other related aspects leading to deprivation (Gina, et al. 2006, p.5).

The World Bank (2001, p.6) has shown that lack of access to land and credit facilities is also a major cause of poverty in Kenya which leads to economic stagnation. Low growth rates of the economy have therefore encouraged the escalation of poverty, especially in the last 20 years. The World Bank also believes that political instability, lack of improvement in infrastructure, inadequacy of national policy and structural adjustment, lack of investment are among the main causes of poverty. The report observes that even though Kenyan women have better saving habits and operate a number of small enterprises, the poverty rates among them are still higher than their male counterparts at 50 percent and 46 percent in the rural and urban areas, respectively. This is in spite of the many policy interventions meant to improve people's standards of living. Thus, poverty is still higher amongst women in Kenya according to Institute of Economic Affairs (2008) report survey carried out in Kenya.

According to (UNDP) Human Development report (2006, p.8), 22.8% of Kenyans earn less than one US dollar a day while national poverty rate is at 52%, with low adult literacy rate of 26.4%. The majority of the poor are women who comprise 50% in the rural areas and 46% in the urban sector as revealed by The Institute of Economic Affairs (IEA) survey in Kenya (2008, p.18). Kimani and Kombo (2010, p.2) elucidate that over the past 30 years, policies, strategies and programmes implemented, aimed at reducing poverty among women yielded limited impact as a substantial number of Kenyans continue to languish in poverty.

The rising global economic crisis which began in 2004 worsened poverty status in many countries. Not only did it affect United States of America, but this spread to Europe and worldwide with investors losing confidence in countries that were mainly affected such as Greece, Portugal, Spain and Ireland (Taylor, 2011, p.4) among others; leading to heavy debt crises. This was equally reflected in Africa with Kenya being majorly affected in the tourism sector (Wanjohi, 2010, p.2) by cancellation of visits due to poor economic status overseas.

Ntale (2010, pp. 2-3) identified forms of entrepreneurship that can be used to reduce poverty. In his study, he points out that there is no universally accepted definition of entrepreneurship. However, there are two main approaches to defining entrepreneurship, the functional approach and indicative (traits) approach. The functional approach says an entrepreneur is what an entrepreneur does to make money. It specifies a certain function in business and deems anyone who performs this function to be an entrepreneur. While the indicative describes an entrepreneur by his/her contractual relations with other parties, his/her position in society in an effort to carry out business and create wealth.

The common form of entrepreneurship is starting new businesses, organizations or companies. The activities undertaken are different since they vary from one organization to another, but they basically lead to one goal, which is to create wealth. Kimani and Kombo (2010, p.6) explain that entrepreneurship can range from sole projects to major partnerships. In the end, they create jobs and increase income among individuals as well as raising the standards of living among citizens. It is for this reason that governments and organizations now exist to support entrepreneurs and those aspiring to become business owners, by applying various economic strategies. One of these strategies is empowering women through entrepreneurship development.

With the notion of alleviating poverty in the developing world, including Kenya, several institutions such as the International Monetary Fund (IMF), the World Bank, the government and Non-Government Organizations (NGO's) are undertaking a variety of development activities, while using various approaches and are implementing a number of strategies for this purpose. IFAD and United Nations report by Mahabub and Jaim (2011, p.6) explain that self-employment in small-scale businesses presents a constructive option for women to be economically empowered by engaging in production stimulation, which is the processing of turning locally available raw materials into finished products for sale. The report indicates that a high number of small-scale businesses that cater for local needs and basic utilities are controlled or owned by women. Between 1997 and 2004, Global Entrepreneurship Monitor (GEM) (2004, pp.17-23) revealed that in United States of America women owned businesses rose from 26% to 29%. It also showed that women perform 66% of work globally and produce more than 50% of food globally. These women turn locally available raw materials into processed and finished goods for sale, therefore making them innovators in business.

People are a great resource in any economic development of a country due to engaging in activities that will generate income for the country. The United Nations (1995, p.2) report estimates that approximately 70% of the world's poor are women due to various factors such as ; lack of employment opportunities, family roles and dependence on social welfare. It is therefore necessary to devise ways that can reduce poverty.

Women entrepreneurs have taken up the challenge of conducting business to reduce poverty as mentioned in the above studies. This has seen their numbers rise significantly. Between 1970 and 1990 the number of businesses owned by women in Latin America and the Caribbean increased from 22 percent to 48 percent (Jalbert, 2000, p.1). The numbers have continued to increase with women owning bigger businesses with time.

The findings show that the woman entrepreneur tends to begin her business with little income but makes significant impact on the economy and society at large. However, for women to be successful, stereotypes need to be eliminated to develop their full potential and growth in business. Stereotypes such as “women are best in domestic work and not in business or women are not exposed enough to carry out business activities”; these stereotyping can lead to fear of engaging in business.

Women need training as well as financial support to be able to fully participate in the market place so as to market their goods and services strategically. A study carried out in South Asia found out that women-owned businesses are unable to effectively market their goods (Ganesan, 2003, p.4) due to lack of marketing knowledge. They are also not well exposed to the international market, and it makes them lack knowledge on what is accepted in the international markets. Reports by Wilson and Marlino (2007, p.2) show that even with limited information, there is a relationship of economic activity among women to a country’s economic growth. This is eventually reflected in the country’s GDP growth. This economic growth is more than that contributed by the civil service sector or white collar jobs.

The effects of entrepreneurship can be felt far and wide however small the business is (Gakure, 2003, p.3). Women are able to contribute to family finances such as food production, education and creation of employment opportunities. This contribution has enabled women to move towards greater business ventures with time and expand their business to gain more benefits. The business sector addresses the six key areas of the economy into which women can venture. These areas are; tourism, agriculture, wholesale and retail markets, manufacturing, business process operations (BPO), and financial services.

The woman therefore becomes a big asset to the country as she represents a majority of entrepreneurs which counts for more than one-third of all people involved. A report by Strategic Public Relations and Research in 1999 also indicated that there were 612,848 women entrepreneurs in Kenya, 47.7 per cent of the total number of entrepreneurs. Many women are creating wealth in Kenya by pursuing various activities such as employment and entrepreneurship. It has been observed that the number of women in business and self employment continues to increase steadily worldwide (Stevenson, 2005, p.14).

Bitange and Fides (2007, p.5) acknowledged that entrepreneurship is a tool to fight and eradicate poverty while promoting economic growth, increasing standards of living and reducing crime rate. Women operate small-scale businesses which act as a financial boost to the society at large.

The United Nations and IFAD further say that in Latin America for example, women own between one-third and one-half of all small rural enterprises dealing in locally made clothing. For example in Kenya, women entrepreneurs in Maasai market deal with hand woven ornaments, curios, handmade shoes, tie and dye fabrics, sculptures and traditional artistry (Gituma, 2011,p.1). Yet, there is no documented literature to determine their role in poverty reduction in Kenya. This research study based on the economic role of the woman in poverty reduction will therefore examine activities such as production stimulation as an economic role, job creation, and involvement in export trade to reduce poverty in Kenya.

1.1 Statement of the Problem

Due to the high levels of poverty in Kenya, organizations such as the International Monetary Fund (IMF), government, the World Bank and non-government organizations are undertaking a variety of development activities to alleviate poverty while using various approaches and implementing a number of strategies for this purpose. Some of the strategies include: granting loans for reconstruction and development, giving business and encouraging industrialization. Despite these attempts, the level of poverty has not been significantly reduced. Thus, this study identified economic roles of women entrepreneurs in poverty reduction in Kenya.

1.2 Objectives and significance of the Study

The main focus of this study was to: identify various economic activities carried out by women entrepreneurs on poverty reduction in Kenya and establish the impact of entrepreneurship by women on poverty reduction in Kenya.

1.3 Theoretical framework

This study is guided by two theories: Schumpeter's Theory of Entrepreneurship and Development Theory of Poverty Reduction. Schumpeter (199, p.9), defines an entrepreneur as an innovator who is the prime mover of economic development. Economic development occurs in industrial and commercial life. Since economic progress comes from innovations, the innovator who is a monopolist at this point in beginning a new idea should be protected from exploitation by people who would take over his/her ideas and produce counterfeit products to sell at lower prices hence knocking him/her out of business. The entrepreneur starts the process of economic development by carrying out new combinations in production.

Schumpeter's Theory of Entrepreneurship is relevant to the study because the woman entrepreneur in Maasai Market takes advantage of the market conditions and the environment to come up with new ideas, creativity and innovation to make new products. She is able to create products from the readily available resource such as animal skin, beads (to make necklaces and other ornaments), wood to make sculpture, and fabric to make clothes. The woman is different from the man in this kind of business because most of them already have the skills they have been taught in childhood to the girl child such as how to sew, weave and knit. The products created are then sold to the society and customers to create wealth and profits hence economic development.

Similarly, Development Theory of Poverty Reduction holds that most countries progress through similar stages of development in an effort to curb poverty (Potterovich, & Popov, n.d, p.14). There are four stages of development. Stage one, which is the pre- industrial stage is characterized by high death and birth rates but not much of economic development. The country begins to develop in stage two where the death rates decline and there is improved food supply and proper sanitation. Birth rates begin to fall in stage three because people are now able to practice family planning. There is also urban development, increase in education, and parents begin to invest. This has made it possible for developed countries to assist the underdeveloped countries so as to free them from persistence donor dependence. Stage four is characterized by low birth and death rates. There is increased development at this stage.

The development stage theory is equated to the stages the woman entrepreneur undergoes in her business in an effort to reduce poverty. The woman begins her business from a low level of selling a few items such as necklaces and bangles, which require minimal capital to stock. She eventually gets to sell clothing and sculptures, eventually progressing to sell in bulk or wholesale market and exporting the products. The woman entrepreneur can be assisted through various methods to reduce poverty such as availing credit facilities for business, investment opportunities, creating markets for their products, use of modern technology and offering training. It is for this reason that the government will support the women projects such as the Maasai Market to develop entrepreneurial activities that will assist in poverty reduction. The government has also taken steps through its association to facilitate marketing of their products abroad through export trade.

1.4 Related Literature

1.4.1 Effects of Economic Crisis on Poverty

Global economic crisis is mainly characterized by inflation which increases significantly to nearly 62% in relation to previous non crisis year. Other effects that may be felt are: unemployment, GDP (Gross Domestic Product) rises by 1%, high interest rates, poverty is worsened as the gap between the 'rich' and

'poor' widen. Income declines with most households operating below the poverty line. (Baldacci, Luiz de Mello, and Inchauste, 2002, p.2)

The effects of poverty have to be dealt with so as to prevent a destitute nation and more suffering on citizens of a country. Many countries have sort help from donor funding in time of crisis but this still is not a permanent solution to poverty reduction (Overseas Development Institute, 2009, p.1)

1.4.2 Goods Production from Raw Materials

Over the years, women have carried out production activities such as knitting, sewing and weaving at household levels but this has eventually been brought to the market place where the products are now offered for sale. Once these products are brought to the market, specialization is enhanced and women are able to choose their kind of work based on their talents (Ironmonger, 2001, p.6). In the early period of industrialization, in Europe, women were allowed to produce goods that were associated with domestic work, such as sewing and textile work. This was done in the home environment then sold to the industries at a low fee. This did not last long as demand increased and women eventually were employed to work in the local industries. This information tells us that women will use any item at their disposal to easily begin an entrepreneurial activity.

Women entrepreneurs are owners and operators of micro and small enterprises hence women's businesses tend to be concentrated in the service sector where goods are produced from locally available skills and talents. The businesses require small initial capital outlay and less technical knowledge (Ndemo & Maina, 2007, p. 22).

Kenoyer (1996, p. 2) found out that studies on craft industries were first carried out by J.H Mackay and Sir John Marshall in 1943 in an effort to study archeology about the Hindu community. The scholars then realized that Hindus created different upholstery, ornaments, leather sandals, fabrics and baskets which they then sold in large urban centers. These skills were passed down from generation to generation.

1.4.3 Women's Role in Export Trade and Economic Development

Women engagement in small businesses often thought of in the past as non-productive is now serving to stimulate the production and consumption in the local economy as well as supply goods for export trade (IFAD, 1995, p.1). According to Bowen, Hollander and Viane (1998, p.6) export trade has several benefits to the country such as enhancement of domestic competitiveness, embracing international technology, and opening up markets to goods and products. However, Africa has not been capable of benefiting fully from international trade for a number of reasons such as: women's enterprises tend to be relatively small; they have informal structures which may not be well managed; women have low educational requirements that may hinder them from understanding international trade requirements; and women largely depend on local raw materials which may not be available when needed in large volumes. This makes them not able to expand and export adequate goods. They however, provide valuable links among intermediaries and consumers abroad and with time, are able to export in volumes if well supported. Export trade which is the exchange of goods and services across countries represents a significant share of gross domestic product of a country (Samuelson, 200, p.3).

As indicated by Ndemo and Maina (2007, p.9) women entrepreneurs have an important role to play in economic development through exporting products that will earn the country a significant amount of foreign exchange. They are able to understand the market and know what to offer at each time. For example, the women in Maasai Market export African ornaments, clothing, sculptures and carvings which they modify and change to suit each country's requirements. Customers are able to place orders of the various designs and colors that they need in advance.

The promotion of women in socio-economic development is a critical factor for the sustainable development of any country. Shaban (2011, p.6) notes that many countries have increasingly recognized that advancing the socio-economic status of women is no longer a debatable issue but a subject that must be continuously pursued.

Women are able to identify available resources in the society and turn them over to goods within a short time because they have skills that can be utilized such as weaving, baking, beading, sewing, knitting among others. For this to be achieved, Shaban (2011, p.6) says that a country has the responsibility to ensure that a conducive environment is created through the establishment of legislative, policy and institutional frameworks and mechanisms for the enhancement of women in socio-economic spheres. Such measures are a mark of political and good governance decision she asserts.

1.4.4 Women Entrepreneurs and Job Creation

According to Global Entrepreneurship Monitor (2004), women entrepreneurs create jobs, wealth and innovation in their enterprises (Ndemo & Maina, 2007, p.8). Entrepreneurship is the key to job creation and income generation which in turn reduces inequalities among men and women. Women are now able to create employment for the society through engaging in various business activities. For example, the women in Maasai Market employ vendors on part time basis who sell their products to tourists, pay for transport services for their wares to be transported to the market, employ house helps whom they leave back at home to care for their children as they go to work among other forms of employment.

Studies by development of Micro and Small Enterprises (Stevenson & St-Onge, 2005, p.1) indicate that women are now starting business at a faster rate, which enables them to make significant contributions to job creation and economy growth. In patriarchal societies, poverty has gender dimensions where men are expected to play a critical role as providers. This is however changing as more and more women are now engaging in business activities due to economic empowerment, education support, feminist movements and political support by the government (Onsongo, 2006, p.2).

The Institute of Economic Affairs of Kenya (2008, p.18) reports that though the overall poverty incidence declined from 56% in 2000 to about 47% in 2005/06, the poverty headcount was higher among women in both rural (50%) and urban (46%) areas. A number of women-owned businesses in developing countries today are micro, small or medium enterprises. This is due to various reasons such as: inability of women to raise sufficient capital to begin business, lack of sufficient collateral to access credit facilities to expand business and family related activities such as child rearing may hinder business growth. These reasons can then be addressed by the government and institutions while providing solutions that are long lasting.

Women employees enhance productivity in the work place given the right employment conditions. In a study done by Ngonze (2006, pp. 4-5), women make up to 40 percent of the world's work force as they help run the economy in vital and key areas of the society such as production, agriculture, hospitality industry and the service industry. It also showed that 7.8 million Micro Enterprises employed 5.1 million people, which was an increase from 2 million eight hundred thousand recorded in 2002 (Ngonze 2006, p.5).

1.4.5 Women Entrepreneurs and Poverty Reduction

Woldie and Adersua (2004, p.1) established that many women are entrepreneurs worldwide though the global impact of female entrepreneurs is just beginning to gain intensity. They further note that the number of female business owners continues to increase steadily worldwide and today women in advanced market economies own more than 25% of all business.

Women's activities, particularly in business empower them economically and enable them to contribute more to overall development (Brindley, 2005, p. 7). The author says that whether women are involved in small scale production activities in the informal or formal sectors, women's entrepreneurial activities are not only a means for economic development but also have positive social impacts for the individual, family and their social environment.

Studies carried out by World Bank (2007, p. 8) showed that women contributed a lot to the Kenyan economy through engaging in business activities. Sylvia and Pedwell (2008, pp.3-4) in their study on Women, Gender and the Informal Economy talks of women in developed countries have become a positive influence on poverty reduction by engaging in business activities.

This does not mean Africa and Kenya have been left behind, but global trends spread to other continents as well. For example, the 2009 census put the population of Kenya as 38.6 million and of these; women were 19.4 million which is about 50% of the population as indicated by the Kenya National Bureau of Statistics (2009). Women account for approximately 50% of the labor force and are found in almost all kinds of economic activities in the economy; agriculture (including fishing and forestry), industry (manufacturing) and services (especially wholesale and retail trade). For Kenya to achieve the average Gross Domestic Product (GDP) of 10% per annum, then the Kenyan woman who is the pillar of the family unit and society has to rise and engage in income generating activities (Demery, 2009, p. 2).

Looking at the statistics of Kenya as conducted by the National Bureau of Statistics (2009), the woman contributes to 48 percent of the 1.3 million micro, small and medium size enterprises (MSMEs). Most of these businesses are in the informal sector which accounts for 85 percent and two third of this population is in the rural areas. The medium and Small Micro Enterprises generate close to 20% of the GDP (Gross Domestic Product).

Involvement in these entrepreneurial activities helps in the poverty reduction efforts. Kenya aims to reduce poverty level to less than 20% by the year 2015 (Kimani & Kombo, 2010). The Kenyan woman can work towards this mission of poverty reduction by carrying out various measures such as encouraging the education of the children; reduce overreliance on subsistence farming, having access to medical and health care.

2.0 Methodology

The study employed both quantitative and qualitative methods to collect data from the respondents

2.1 Research Site and Rationale

Data was collected from women entrepreneurs in Nairobi because that is the current location of the Maasai market, which is centrally located for access by tourists and other traders. The Maasai market is situated within Nairobi's Central Business District (CBD) in the Nairobi High Court's spacious parking lot (Central Bureau of Statistics, 1999). The market takes place on Saturdays and Sundays accommodating thousands of traders. The merchandise includes clothing, shoes, cultural artifacts and ornaments. The products are all handmade by local artisans who employ different talents and skill to bring them to shape and eventually for sale. Business at this market is seasonal and prices are determined by the artisan depending on the labor and the availability of raw materials. Gituma (2011, p.2-3) reports that this cultural market has grown over time since its inception in the 1980s and attracts not just local people, but also international tourists.

2.2 Target Population

The target population for this study was all the women traders (664) in Maasai Market Nairobi Central Business District (Maasai Market Association Member, personal communication, September 24th, 2011). Stratified (dividing up the population into smaller groups) and judgmental/purposive sampling procedures were applied to select the participants and the items they sell. The categories were labeled as category A, B, and C. Category A—those women entrepreneurs dealing with clothing items and shoes, category B—those dealing with ornaments; category C—those that dealt in sculpture and carvings.

2.3 Sample Size

The sample size of 15% was selected, of the population of 664 entrepreneurs (270 dealt with clothing items and shoes, 232 ornaments and 162 dealt with sculpture and carvings), as proposed by Gay (1996, p.30). The representative sample of women entrepreneurs were issued with questionnaires, which they filled or were assisted to fill by the researcher and the assistant. A few women were interviewed to supplement the information collected by use of questionnaires. Face to face interviews with 26 women (picked from each stratum by use of systematic random sampling by picking the 25th woman from each category of three)

were conducted. This interview was recorded with the consent of the women. There was note taking and transcribing of information for those who declined to be tape recorded.

2.4 Research Instruments

Questionnaires and interview schedule were used to collect data. The questionnaire had both open ended and close ended questions. A pilot study was conducted at the Maasai Market in Nairobi Central business. A preliminary interview was carried out where a few women were interviewed so as to test the research instruments for validity and reliability.

2.5 Data Collection Procedures

The respondents were informed in advance then issued with questionnaires to fill carefully. For those respondents who were semi-illiterate, an interpreter was engaged to put questions in Kiswahili—a national language. The completed questionnaires were collected immediately after the exercise. This exercise was carried out on Saturdays and Sundays which are the market days. Interviews with 26 women were tape recorded with permission from the women. However, there were those who did not prefer to be tape recorded; and in this case field notes were taken.

To ensure privacy and reduce noise barrier, the women to be interviewed were informed one week earlier and an appropriate time set, particularly in the morning before 8.30 A.M when business is usually slow and work has not picked up. The market gets busy as from 11 a.m. to 2 P.M and cannot be an appropriate time to carry out the interview process.

2.6 Data Analysis and Presentation

Data was analyzed using both quantitative and qualitative approaches. The data was analyzed concurrently so that it could facilitate flow and consistency of information since the data was based on similar research objectives. Qualitative data was to clarify information, give explanations and opinions that were not captured in the questionnaire.

The qualitative data was analyzed through the selection of concepts, categories and themes. It involved reading through the data and then developing codes that draw connections between categories and themes. This approach of assessing qualitative data, enabled the researcher to capture the main themes that arose from the study and to get "extensive quotes and rich details" to support them.

Coding of the data was done according to the preset questions in the interview schedule which involved looking for similarities and differences in the data collected to be able to form themes and categories. The researcher summarized the key themes, transcribed and included quotations to illustrate the concepts. The researcher also listened to the information which was tape recorded and took down the notes and categorized the information into similar themes. Field notes were also made immediately as they occurred so as not to lose any important information that would be used to supplement the interviews carried out. The researcher constantly read through the notes to look for topics that were related to the research questions which enabled them to be combined into similar categories.

Analysis of quantitative data was done by use of SPSS (Statistical Package for the Social Sciences) to analyze responses from the closed-ended questions being assigned numbers, for instance 1 for Yes and 2 for No. The open-ended questions, responses were numbered according to themes whereby each theme was assigned a code. Frequency tally was used to assign each expected response in the data to the theme it closely corresponded to. Information was then generated that was presented in form of graphs, tables and charts indicating frequencies and percentages.

3.0 Results

Results are based on the research objectives: to identify various economic activities carried out by women entrepreneurs on poverty reduction in Kenya; and to establish the impact of entrepreneurship by women on poverty reduction in Kenya;

3.1 Economic Activities carried out by the Women Entrepreneurs

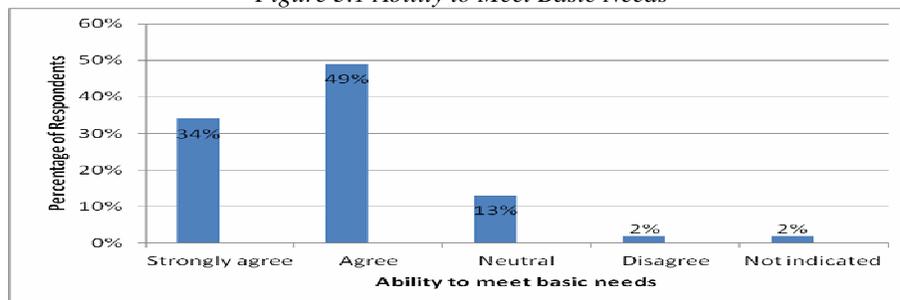
Table 3.1 below gives information on the products sold by the respondents. There are basically similar items that the traders sell in this market which include: shoes, clothing, ornaments (necklaces, earrings, bracelets, and bangles etc), sculptures, and carvings (artifacts). The traders deal in different items which are clearly categorized into groups as indicated (refer Appendix 1). This arrangement shows specialized skills developed by the women entrepreneurs in carrying out their business activities. Those specialized in ornaments do so and those specialized in sculptures deal in their area of specialty. However, there were quite a number of traders who were dealing with mixed items. Many respondents showed and expressed interest in dealing with mixed items so as to be able to diversify as well as increase their stock. The increase in stock would enable them to sell more and even export. Those dealing with clothing and shoes were 41, the ones dealing with ornaments were 35 and lastly, those dealing with Sculpture and carvings were 24. The traders are however unique in one way or another and can customized their products to suit individual customer by applying different color schemes and design work.

3.2 The Impact of Entrepreneurship by Women on Poverty Reduction in Kenya

3.2.1 Ability to Meet Basic Needs:

Figure 3.1 below represents the opinion of respondents when the researcher sought to find out whether there was any change in ability to meet within a period of one year of carrying out business. Majority of the respondents agreed that they were able to meet their basic needs. As shown in figure 3.4 below, 83% of respondents agreed that business had made them meet their basic needs. 34% strongly agreed while 49% agreed; the total made 83%. This was one of the indicators of poverty reduction in the research and 83 % of respondents agreed they were able to meet their basic needs. The basic needs included: housing, food, security, transport and clothing.

Figure 3.1 Ability to Meet Basic Needs



3.2.2 Contribution to the Economy:

As indicated in table 3.2 below, the study found out that the respondents contributed more to the economy through the promotion of tourism than any other business activity, which accounts for 65%. Creation of employment contributed to 25%, while export trade accounts for 5%. Most of the respondents do not export directly; they export through middle men and tourists who already have markets abroad. The respondents however wished that they could export their products directly than through the use of middle men who exploit them financially; by buying their products at low prices then selling them abroad at exaggerated high prices to make more profit for themselves at their expense. One of the respondents was asked as to why they do not export their products and this is what she said:

“Export trade is for the rich. For those who have money and can get access to the markets abroad. We have tried to get ways of exporting our products but middle men purchase from us at very low prices then sell abroad at high prices because they already have markets there. It is very hard to export your products as an individual because of lack of capital and knowledge. We would appeal to the government to help us get markets through our association so that we can export as a group; but this not possible and our hands are now tied. We can only depend on the local shoppers and tourists who visit the market.”

Table 3.2 Contribution to the Economy

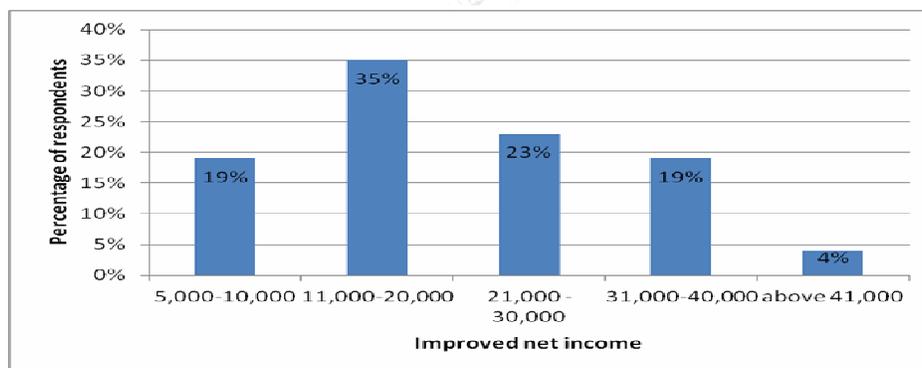
<i>Contribution to the economy</i>	<i>Frequency</i>	<i>Percentage</i>
<i>Employment</i>	25	25.0
<i>Export trade</i>	5	5.0
<i>Promote tourism</i>	65	65.0
<i>Others</i>	2	2.0
<i>Not indicated</i>	3	3.0
<i>Total</i>	100	100.0

Export trade should be encouraged because it will earn the country foreign exchange and improve economic status of individuals in faster and hence rapid development. This is because the prices offered by markets abroad are attractive hence making better returns so as to invest in national development.

3.2.3 Net Income Amounts in Kenya Shillings within a Period of one Year

Figure 3.2 below shows income amount made within a period of one year. There was the highest increase in the KSH 11000-20,000 range presented by 35% of respondents, while 23% earned 21,000-30,000, 19% Of the respondents made 31,000-40,000 shillings, another 19% of respondents made 5,000-10,000 per month and those respondents who made 41,000 and above were represented by 4%. The respondents agreed that they made sufficient amount to provide for food, shelter among other basic utilities and they were generally comfortable with the amount of money that they were generating from the business.

Figure 3.2 Improved Net Income Amounts in Kenya Shillings



3.2.4 Improved Economic Status

According to the results shown below in table 3.3, 92% of the respondents stated that they improved in their economic status in the past one year. Those who felt they had not improved in their economic status were only 6% while 2% did not indicate their opinion. These findings indicate that the business is quite profitable and had made a significant positive impact on the lives of the entrepreneurs.

Table 3.3 Improved Economic Status

<i>Improved economic status</i>	<i>Frequency</i>	<i>Percentage</i>
<i>Yes</i>	92	92.0
<i>No</i>	6	6.0
<i>Not indicated</i>	2	2.0
<i>Total</i>	100	100.0

Some respondents suggested that they needed to engage in export business so as to be able to invest considerably. One respondent stated:

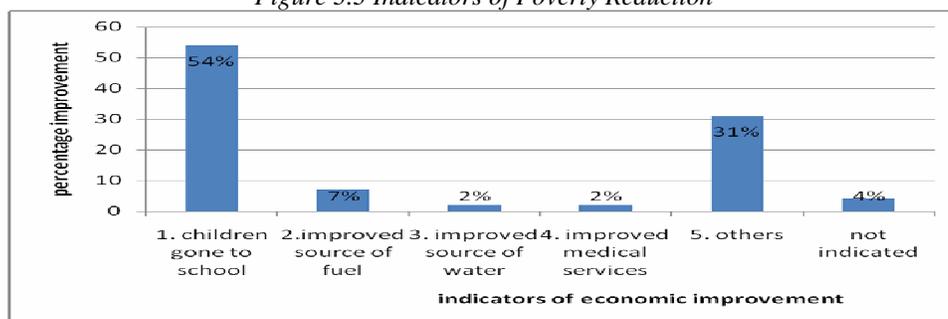
“Yes we are able to meet our basic needs, even our children are now able to go to school because we can afford uniform, books and lunch for them. But are we going to live in rental houses forever? What happens to taking our children to secondary school and we also need to invest in property? We feel the money may not be adequate for further development. If only the government could open for us markets out there, I know we can make it. We also need more stalls and our market to be advertized in Africa as well. There are many Kenyans who don’t even know this market and yet it is in Kenya.”

3.2.5 Indicators of Poverty Reduction

Many respondents felt that their improved economic status had made their children go to school. Studies indicated on figure 3.3 found out that 54% of the respondents appreciated that the income earned had made a difference in their children’s schooling. The children were no longer missing vital items such as writing materials, shoes, school uniform and school lunch for their children which they were not able to afford when not in business.

Some respondents cited the ability to eat well and they comprised 31%; they were able to have at least 2 decent meals per day. Other respondents said they had improved in various ways such as: their mode of dressing had improved; they visit their families upcountry; they were able to send money back home to their parents and they were able to buy Christmas gifts and shopping for their families back home. Other respondents comprising 7% improved in their source of fuel for cooking, while 2% improved in seeking medical services and 2% improved in their source of water supply.

Figure 3.3 Indicators of Poverty Reduction



3.3 Recommendations to Improve Business Activities in order to Reduce Poverty in Kenya

3.3.1 Opinion on whether the Respondents Intended to Continue with the Same Business

Majority of the respondents (96%) indicated that they would continue running the same business even in the future. 4% of the respondents felt they could change to other business types for various reasons. When interviewed on whether they would like to change to another business, most of them were comfortable with this particular business and did not see the need to change. They just needed to improve the businesses in various ways. One respondent had this to say:

“I will continue running the same business but it would be good to add more stock into my business so that I can have a variety of products as well. We should also find ways of selling our products in permanent structures which are safe. When we are in these open air markets, we have to carry our products away for safe keeping every time and it is very tiring.”

3.3.2 Suggestions by Respondents on how to Improve their Business in the Future

The question sought to find out from respondents on ways of improving this business in the future. Their responses: addition of more stock (38%); getting permanent shops (15%); employ people to work in various markets (3%); stock quality items (6%); be creative in design work (3); to go for training in entrepreneurship (8%); to get raw materials from the villages (7%); to engage in export trade (16%) and those who did not indicate (4%). These suggestions indicate that the business is profitable and able to improve their socio-economic status eventually reducing poverty. Other respondents were interviewed on ways of improving the business and one of them suggested the following:

“I would like to acquire a loan with low interest rates and stock up my products. If possible I would like to rent a shop in Uchumi or Nakumatt and sell our products from there. I have seen ladies who have done the same and are now very comfortable. The rent is however very high. By the way we can do this as a group of women; then the rest of the days we will be going round visiting several markets while our shop is being run.”

3.3.3 Recommendations to Fellow and Aspiring Business Women in Kenya

Table 3.4 gives information on recommendations that the women entrepreneurs gave to fellow and aspiring business women in Kenya. The recommendations include the following: to engage in any type of business and not to be idle (23%); start small (6%); work very hard and never give up in business (51%); to begin similar business (15%); to be creative and innovative (2%). This will enable them to continue earning more money to live comfortably and reduce poverty in the long learn.

Table 3.4 Recommendations to Fellow and Aspiring Business Women in Kenya

Recommendations	Frequency	Percentage (%)
<i>To engage in any type of business and not to be idle</i>	23	23
<i>Start small</i>	6	6
<i>Work very hard and never give up</i>	51	51
<i>To begin similar business</i>	15	15
<i>To be creative and innovative</i>	2	2
<i>Not indicated</i>	3	3
Total	100	100

Respondents who were interviewed also gave the following advice to fellow women: to engage in any type of business and not to be selective because one has to begin somewhere; to start small and improve or grow with time; to work very hard and never give up; to begin similar business in Maasai Market and even introduce the business in other markets to fellow Kenyans; to be creative and look around for business opportunities. When interviewed, one respondent had this to say:

“This particular business is unique because our products are original and last long. Therefore we encourage even fellow Kenyans to visit our markets. Let them not think that this market is only for the white people. The market is affordable and our products range from 50 shillings to 3,000 shillings or more for sculpture and paintings. We have items such as necklaces, bangles, hair clips, that cost between 50 and 200 shillings. With the hard economic times, women should begin small business activities to assist the husbands and family. We should also be given stalls at the Trade fares such as Nairobi show to display and sell our products”

Another respondent stated the following:

“Our business has been very low since the 2007 Elections. The violence then has made foreigners and tourists have a bad and unsafe picture of the Country. As such, our business has suffered a lot because we no longer receive tourists who used to buy generously. You know tourists do not bargain, and they find these products very cheap. Some tourists have even united with some ladies here in this market and they help them to export their products. We urge the government and the tourism Ministry to market Kenya in a positive way and to build up security. This is made worse by the fact that there is a lot of terrorism going on in Kenya. It scares visitors who are our biggest source of revenue”

3.3.4 Recommendations to the Government on Ways of Giving Support to Women in Business

The respondents gave various suggestions to the government on ways of giving support to business women in Maasai Market. These were their recommendations: To build more markets (8%); to give low interest loans to the women in business (45%); to train women in entrepreneurship (7%); to build up security in Kenya so as to attract more tourists (10%); to build shades and stall/shops for women (8%), Facilitate export trade (16%); to eliminate brokers who interfered with business and exploited the tourists making the market unattractive (5%) and those who did not indicate their opinion were 1%. This would enable them to generate more money to further reduce poverty in Kenya.

The respondents who were interviewed gave their suggestions on how the Government and fellow Kenyans can reduce poverty in Kenya, using women entrepreneurs in small business. They suggested the following: The government to build permanent structures so that they all don't rely only on the open air Maasai market which sometimes becomes impossible to display items when it is raining; for the government to promote the market in the media since it is a market that attracts tourists; the government to give low interest loans so that the women can add to their stock and also rent permanent structures in up market areas where tourists visit/ stay such as Karen, Village Market, and Lavington areas; to train women in entrepreneurship so that they can learn the skills to trade effectively, grow the business and have book-keeping skills; to build security in Kenya so that tourists can see that this is a safe country to visit and carry out business activities; to facilitate export trade by introducing them to overseas markets so as to make more profit and open up other market branches overseas; and to eliminate brokers and middle men who inflate prices to tourists, making the market unattractive.

Summary of Major Findings

The respondents deal in similar items but with slight differences which include: leather shoes and sandals, clothing, ornaments, sculptures, and carvings (artifacts). Those dealing with shoes and clothing are the highest (41%), ornaments (31%), and those selling sculpture and carvings are 24%. Many traders were new in this business, because majority of them had been in the business for a period of 1-3 years (45%). Those who were in the business for over 5 years were also well represented comprising of 41%.

Majority of the respondents agreed that business had made them meet their basic needs. Those respondents who agreed to the statement were 49%, while 34% of respondents strongly agreed, 13% remained neutral, 2% disagreed and another 2% did not indicate their opinion. They also reported that they had contributed to growth of the economy in various ways through: promotion of tourism by 65%, creation of employment contributed to 25% to the economy, while export trade accounted for 5%.

The traders created employment because they had assistants who helped in carrying out the business activities. Those with employees accounted for 37% of the respondents. The respondents reported they had improved in their level of net income earned. There was marked improvement in the respondents' economic status represented by 92% agreeing to having improved in many ways For instance the indicators of improved economic status were: ability to meet basic needs, improved education for the children, improved standards of living and improved medical care.

The respondents were able to take their children to school, accounting for 54%. Majority improved their status in multiple ways as was indicated by 31%, they also improved in type of fuel used for domestic

purposes by 7%, while 2% said they had improved in their source of water supply. The children of the respondents attended school without interruption due to the increase in level of income. The parents were able to pay for amenities, food, uniform and stationery. Majority have however remained in public schools not because they cannot afford private school but due to various reasons and preferences such as proximity of school, family and friends' influence among others.

On the choice of fuel used for domestic purposes, kerosene was highly used represented by 53%. It was an improvement from use of firewood and charcoal, while the respondents using gas increased by 11% from a previous use of 4%. The main water source used by the respondents was communal tap (71%) which is quite a large number. Those getting water from vendors were 10% a drop from 14% previously, 6% from the river and 2% from the well. They improved in their access to water sources and there was an increase of 8% for those who were able to have water from the kitchen tap. Majority did however not see this as an improvement because 47% of respondents remained neutral to this statement. 23% agreed that they had improved in their water source while 27% disagreed. 36% of the respondents agreed they had access to medical services, but they mainly visited free City Council Clinics; not because they cannot afford but because it was a tradition and they were cheaper in terms of service provision. There was however a slight increase in those who could now visit the private clinics, from 19% to 26%.

Discussion

The research carried out indicates that the women entrepreneurs engaged in economic activities that enabled them to make a positive contribution towards poverty reduction in Kenya. These activities included: Stimulation of Production which is the ability of turning raw materials into goods ready for sale using locally acquired skills of production; there was job creation by women entrepreneurs; and a few of the entrepreneurs participated in export trade directly and indirectly.

From the research findings the respondents made use of raw materials to turn them into goods for sale as finished products such as, use of beads to make necklaces. Women's role in export trade was minimal and mainly indirect; few respondents participated in export trade as indicated by 5% participants. This was mainly due to inability to access markets abroad because of limited finances and lack of knowledge on export trade. As indicated by Ndemo and Maina (2007, p.9) women entrepreneurs play a big role in earning the country foreign exchange through selling directly to tourists in the market and exporting their products abroad through middle men. Direct export trade by elimination of brokers should therefore be encouraged so as to engage more women to earn foreign exchange for the country.

Women entrepreneurs are able to create employment through their business activities; 37% of the respondents had employees in their businesses. They created employment in many other forms such as: paying for transport services for their products, hiring security for the day, employment of house helps as they trade, out of home, and employment of vendors on part time basis to sell their products in the market as they carried out other activities. Pedwell (2008, p.3) says women have a positive influence on poverty reduction. Business activities carried out by the women have generally improved their standard of living quite significantly. This study evaluated the parameters used to show improvement in economic status and it indicated that poverty had been reduced.

The parameters used to assess poverty reduction were: ability to meet basic needs such as food and housing, type of fuel used and source of water; improved education, which has been met because children are no longer dropping out of school due to lack of fees or uniform; there was improved access to medical care and improved standards of living. The study also shows that the general trend was towards the use of more expensive/ prestigious fuel such as gas across the sampled population group; from use of firewood and charcoal. It is correct to conclude that this came about as a result of improved social economic status brought about by the self-employment.

A study by the International Labor Organization (2008) revealed that, the Government of Kenya has made available low interest loans for women entrepreneurs through their banks but the entrepreneurs feel the interest rates are still high and they are not able to make enough profit as they would wish and still be able to pay the loans. The government has also made available easy access to licensing of the business in Maasai market through Nairobi City Council. The traders are able to pay the daily levies on a daily basis as they sell instead of monthly.

Conclusion

The study concludes that women entrepreneurs play a major role in poverty reduction in Kenya. The research revealed that there was significant improvement in social economic status of women who were engaged in small micro enterprise activities--selling shoes and clothing, ornaments and sculpture. The study showed that the poverty reduction indicators in the conceptual framework such as: ability to meet basic needs, ability to take children to school, improved standards of living and access to medical facilities were met.

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Appendix 1

Table 4.6 Types of Products sold in Maasai market

Items sold	Frequency	Percentage
Shoes and clothing	41	41.0
Ornaments	35	35.0
Sculpture and carvings	24	24.0
Total	100	100.0