

**BENEFITS OF NON-FORMAL EDUCATION TO JUA KALI ARTISANS: A
STUDY OF THE INFORMAL SECTOR BUSINESS INSTITUTE (ISBI), NAIROBI,
KENYA.**

BY

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DECLARATION

This thesis is my original work and has not been presented for a degree in any other university



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DEDICATION

To my mother, Elizabeth; my grandmother, Catherine; my uncles, late Lucas and Peter; and the entire Ondari family, who laid my educational foundation and from whom the inspiration to do this work is drawn.

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TABLE OF CONTENTS	PAGE
Title page.....	i
Declaration.....	ii
Dedication.....	iii
Acknowledgements.....	iv
Table of contents.....	v
List of tables.....	viii
List of figures.....	ix
List of abbreviations.....	x
Abstract.....	xi
 CHAPTER ONE: INTRODUCTION	
1.0 Background to the study	1
1.1 Informal Sector Business Institute (ISBI)	5
1.2 Statement of the problem.....	6
1.3 Purpose of the study.....	7
1.4 Objectives of the study.....	8
1.5 Research questions.....	8
1.6 Significance of the study	9
1.7 Limitations	9
1.8 Delimitations.....	10
1.9 Basic assumptions.....	10
1.10 Theoretical framework.....	10
1.11 Definition of significant terms.....	12
 CHAPTER TWO: LITERATURE REVIEW	
2.0 Introduction.....	14
2.1 Evolution of the idea of non-formal education.....	14
2.2 Non-formal Education.....	17
2.3 Vocational and technical education in Kenya	21
2.4 The informal sector.....	23
2.5 Evolution of informal sector in Kenya.....	28
2.6 Summary of the literature review.....	30
 CHAPTER THREE: RESEARCH METHODOLOGY	
3.0 Introduction.....	32
3.1 Research design.....	32
3.1.1 Variables.....	33
3.2 Study location	34
3.3 Target population.....	34
3.4 Sampling techniques and sample size	35
3.4.1 Sampling techniques.....	35
3.4.2 Sample size.....	36
3.5 Research Instrument.....	36
3.5.1 Interview Schedule.....	36
3.6 Data Collection Techniques.....	37
3.7 Pilot study.....	38

3.7.1 Validity of the instrument.....	39
3.7.2 Reliability of the instrument.....	39
3.8 Method of data Analysis.....	40

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.0 Introduction.....	42
4.1 Organizational structure of ISBI.....	42
4.2 Funding of ISBI.....	43
4.3 Summary of raw data.....	44
4.3.1 Method through which artisans gained their skills.....	44
4.3.2 Business practices that artisans observed before training at ISBI.....	45
4.3.3 The benefits of ISBI courses to <i>Jua Kali</i> artisans.....	46
4.3.4 The benefits of the marketing course to <i>Jua Kali</i> artisans	47
4.3.5 Marketing techniques used by <i>Jua Kali</i> artisans	47
4.3.6 The benefits of Business Ethics course to <i>Jua Kali</i> artisans.....	49
4.3.7 The benefits of business English course to <i>Jua Kali</i> artisans.....	49
4.3.8 The benefits of computer packages course to <i>Jua Kali</i> artisans.....	50
4.3.9 The benefits of management course to <i>Jua Kali</i> artisans.....	51
4.3.10 The benefits of basic accounting course to <i>Jua Kali</i> artisans.....	51
4.3.11 The benefits of business planning course to <i>Jua Kali</i> artisans.....	52
4.4 Formal education and training.....	53
4.5 The ages of <i>Jua Kali</i> artisans	55
4.6 Employment history of the <i>Jua Kali</i> artisans.....	56
4.7 Credit and practice of business ethics.....	56
4.8 Courses that are popular with non-ISBI artisans.....	58
4.9 Time spent by artisans in the informal sector	58
4.10 The extent to which <i>Jua Kali</i> artisans have benefited from the ISBI courses.....	60
4.10.1 Z-test statistic on business practices.....	60
4.10.2 Z-test statistic on use of Information Technology skills in business.....	62
4.10.3 Z-test statistic on marketing techniques.....	64
4.11 Problems that <i>Jua Kali</i> artisans face.....	65
4.12 Problems that ISBI is facing.....	69
4.13 How ISBI is solving the problems it is facing.....	73
4.14 Future plans of ISBI.....	75
4.15 What the Government should do.....	76
4.16 What ISBI should do	78

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMENDATION

5.0 Introduction.....	80
5.1 Summary.....	80
5.2 Implications of the findings.....	83
5.3 Conclusion.....	84
5.4 Recommendations.....	84
5.5 Further research.....	88

BIBLIOGRAPHY.....	90
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APPENDICES

Appendix A: Informal Sector Business Institute.....	107
Appendix B: Map of ISBI neighbourhood.....	108
Appendix C: Letter from Strathmore Educational Trust to KAM.....	109
Appendix D: Unlocking Human potential in Nairobi’s Eastlands Slums.....	111
Appendix E: Microsoft Community Affairs 2008 Unlimited Potential Project.....	114
Appendix F: EIT Kenya – Microsoft Celebrates Kenya’s Unlimited Potential.....	115
Appendix G: ICT changing face of the informal sector.....	117
Appendix H: ISBI January to June 2005 report.....	118
Appendix I: How I.T can help small scale traders.....	119
Appendix J: ISBI workshops and seminars in 2006.....	120
Appendix K: Comments from artisans about business seminars.....	123
Appendix L: Sample of comments by artisans on sources of capital.....	124
Appendix M: Interview schedule for artisans who have undergone ISBI training.....	126
Appendix N: Interview schedule for ISBI Director.....	132
Appendix O: Interview schedule for artisans who have not undergone ISBI training.....	138
Appendix P: Interview schedule for ISBI tutors.....	141
Appendix Q: Duration of the study.....	144

List of Tables	Page
Table 2.1 Informal sector, Number of persons engaged by province	29
Table 3.4.1 Sample size	35
Table 4.3.1 Method through which <i>Jua Kali</i> artisans gained their skills	44
Table 4.3.2 Business Skills <i>Jua Kali</i> artisans observed before training at ISBI	45
Table 4.3.3 The benefits of the ISBI courses to <i>Jua Kali</i> artisans	46
Table 4.3.5 Marketing techniques used by <i>Jua Kali</i> artisans	48
Table 4.3.8 The benefits of the computer packages course to <i>Jua kali</i> artisans	50
Table 4.3.11 The number of <i>Jua Kali</i> artisans who have business plans	52
Table 4.4 Level of formal education attained by <i>Jua Kali</i> artisans	54
Table 4.5 The ages of <i>Jua Kali</i> artisans	55
Table 4.6 Employment history of <i>Jua kali</i> artisans	56
Table 4.7 Credit and practice of business ethics	57
Table 4.8 Courses popular with artisan who have not trained at ISBI	58
Table 4.9 Time spent by <i>Jua Kali</i> artisans in the informal sector	58
Table 4.9.1 Time spent in employment before starting their own businesses	59
Table 4.10.1 Z-test statistic on business practices	60
Table 4.10.2 Z-test statistic on use of Information Technology skill in business	62
Table 4.10.3 Z-test statistic on marketing techniques	64
Table 4.12.1 The number of artisans who have attended the ISBI training	70
Table 4.12.2 The number of seminars that artisans have attended at ISBI	70
Table 4.12.3 Reasons why artisans have not attended ISBI courses	71
Table 4.12.4 Pending courses and balances	72

List of Figures	page
Figure 4.1 Organizational structure of ISBI	43
Chart 4.3.2 Business practices observed before training at ISBI	46
Chart 4.4 Level of formal education qualifications attained by <i>Jua Kali</i> artisans	55

ABBREVIATIONS AND ACRONYMS

BEUPA	Basic Education in Urban Poverty Areas
CBS	Central Bureau of Statistics
CCC	Catechism of the Catholic Church
EFA	Education For All
ETR	Electronic Tax Registers
FPE	Free Primary Education
ICLS	International Conference of Labour Statisticians
ICT	Information Communication Technology
ILO	International Labour Organization
ISBI	Informal Sector Business Institute
IYF	International Youth Foundation
MEDI	Malawian Entrepreneurs Development Institute
MFI	Micro Finance Institutions
MOE	Ministry of Education
MSETTP	Micro and Small Enterprises Training and Technology Project
MSE	Micro and Small Enterprises
NCKC	National Council of churches
NGO	Non Governmental Organization
SACCO	Savings and Credit Cooperative
SME	Small and Medium Enterprises
SPSS	Statistical Package for Social Sciences
TVET	Technical Vocational Education and Training
TVT	Technical Vocational Training
UBEP	Undugu Basic Education Programme
UNDP	United Nations Development Programme
UNESCO	United Nations Education, Science and Cultural Organization
UPE	Universal Primary Education
UNICEF	United Nations International Children Education Fund

ABSTRACT

At independence, Kenyan education was based on racial segregation, in this arrangement; Africans received an inferior form of education, which was elementary and later were trained as masons, carpenters and armature architects. The Ominde commission saw the need to reform education so that it would become a means of establishing social equity (Rharade, 1997) and training the highly skilled staff that Kenya needed. The manpower needs approach reached its climax in the 1970s. The Gachathi Report (Republic of Kenya, 1976) recommended vocationalisation of education at secondary school level. Since the introduction of the 8-4-4 system of education in 1985, the education system has increasingly turned out large number of school leavers at all levels. Many of these graduates are not able to obtain gainful employment in the formal sector and thus end up in the informal sector.

Recent policy initiatives have focused on the attainment of Universal Primary Education (UPE) and the key concerns of access, equity, quality and relevance. This has come under scrutiny in the light of the fact that there has been a drastic decline in enrollment particularly at the primary school level. This situation has improved after the introduction of free primary education. Increased attention to UPE has come in the wake of the Jomtein World Conference (1990) on Education For All (EFA) to whose resolutions Kenya is signatory. The recent implementation of free primary education is an effort by the government to attain UPE and the final attainment of EFA. The EFA strategies include the establishment of a policy on the re-entry of school-age mothers into the education system and the establishment of a non-formal education unit in the Ministry of Education Science and Technology.

The data collected for the study was both qualitative and quantitative in nature. Descriptive statistics were used to analyse quantitative data. Qualitative data was analyzed by coding categories, which were organized according to particular research questions. The researcher then evaluated the information collected with a view to establishing its usefulness and answered the research questions thus enabling the researcher make recommendations based on the findings.

This study investigated how and to what extent non-formal education provided by the Informal Sector Business Institute (ISBI) benefits the *Jua Kali* artisans in business development services in Makadara area of Nairobi. The researcher came up with recommendations that may improve this initiative. Using a Z-test statistic, it was found that those artisans who had undergone the ISBI training had a significantly higher percentage of artisans who had business plans, kept business records and practiced business ethics than those artisans who had not undergone the ISBI training.

Business skills and Information Technology should be incorporated into training programmes meant for the informal sector. Entrepreneurial skills should be taught at all levels of education and the government should fund NFE programmes especially those meant for the informal sector. A linkage should be established between the informal sector and the formal education system.

CHAPTER ONE

INTRODUCTION

1.0 BACKGROUND TO THE STUDY

Everyone has a right to economic initiative; everyone should make legitimate use of his talents to contribute to the abundance that will benefit all, and to harvest the just fruits of his labour. He/she should seek to observe regulations issued by legitimate authority for the sake of the common good, Catechism of the Catholic Church (CCC), Article 2429. Reasonable regulation of the market place and economic initiatives, in keeping with a just hierarchy of values and a view to the common good, is to be commended (CCC Article 2425). Unemployment almost always wounds its victim's dignity and threatens the equilibrium of his/her life.

The provision of quality education and training at all levels was a priority as evidenced by one of the first policy documents, the sessional paper number 10 of 1965 in which the Kenyan Government committed itself to eradicating ignorance, poverty and disease (Republic of Kenya, 1965). The major strategy of the post-colonial government was to ensure Universal Primary Education (UPE) and its basic education was altered from as early as 1984. The intended focus for change included a much greater emphasis on practical skills for orientation to self-employment (Oketch, 1993). In the schooling reforms and general policy reforms towards the informal sector, it has been argued that the government has 'failed to go beyond intention', even though there are now persuasive policy documents in place (Assuancao, 1993).

Since March 1990 when the World Conference on Education for All (EFA) was convened, national governments and donors have focused more on the entitlement of all children and adults access to basic education. Concurrently, there has been arguably more national and international interest in training policies than at any other time in the last two decades (ILO, 1993). A Serious omission has been the neglect in exploiting the small scale and *Jua Kali* enterprises. This potential can no longer be ignored if the country is to meet the targets for employment and income generation (Republic of Kenya, 1989).

The use of human material for industrialization demands its education in science and training in skills (UNESCO, 1996). It has been widely acknowledged by virtually all studies and policy documents that one of the activities taking place within the informal sector is apprenticeship training. In one of the studies (Yambo, 1991), established that there were some 80,000 informal sector apprentices compared to the 55,000 trainees in the formal training system, in the sample studied. Accordingly, it is estimated that there are more school leavers engaged in the informal sector apprenticeships than in all formal sector training institutions in Kenya, yet training in business skills is not emphasized.

The Kenyan government policy framework for Small and Medium-sized enterprises (SME) development was completed in early 2004. The policy framework relates to the overall goal of developing vibrant small and medium sized enterprises within the informal *Jua Kali* sector capable of promoting the creation of durable, decent and productive employment opportunities and stimulating economic growth (ILO, 2001). Medium and Small Enterprises (MSE) sector in Kenya contributes to GDP, creates jobs, develops a pool of

skilled labour for future needs, provides managerial learning opportunities, increases the savings and investments of local Kenyans and reduces poverty (Republic of Kenya, 1992).

The *Jua Kali* sector can be an asset to the economy if training in business skills is emphasized. In 2001, the *Jua Kali* sector employed 4.1 million people and their numbers are still rising as it has more potential (ILO, 2001). There is a bent up demand for credit and savings in even the poorest corner of the world and poor people seek out institutions that provide financial services effectively (The Economist, 5th Nov. 2005, 3-5). In Kenya there is a strong demand for financial services. The informal sector has been marginalized by the mainstream banks and as a result, many microfinance institutions have come up whose main characteristic is the giving out of small loans to informal sector (Daily Nation, 8th Nov. 2005, 12-13). Altogether, the microfinance sector comprises a very large and diverse group of institutions providing a range of loans and savings products to their clients. It is estimated that there are 3.8 million Kenyans depending entirely on financial NGOs for financial services, while another estimated 1.1 million depend on informal associations and groups for similar services countrywide. The total number of MFI clients is estimated at 200,000, with a total portfolio of Kshs 2.3 billion. Microcredit services are estimated to be accessible to 1.9 million people, out of whom 1.5 million bank with MFIs, while 200,000 bank with Savings and Credit Cooperatives (SACCOs) and other types of institutions (World Bank, 2003). Training programmes meant for the informal sector do not put emphasis on business skills and therefore *Jua Kali* artisans will benefit fully from financial services if they are trained in business skills.

In Kenya there are programmes of vocational or ‘diversified’ education. These were mainly supported often by external donors during the 1960s and 1970s. Also present are a whole range of post-school youth training schemes and National Youth Service. Such programmes, however, came under scrutiny especially in the late 1970s and early 1980s by several external sources. In particular, the World Bank, once the financial backer of many of the diversified and vocational school projects, has now largely rejected the in-school pattern of vocationalisation as costly and inefficient (Psacharopoulos and Loxley 1985; World Bank 1991).

In many cases, young people need a variety of predetermined projects that they can take up, identify with or modify, according to their interests or needs (International Foundation for Education with Production, 1990). The *Jua Kali* sector in Kenya provides this opportunity as there are a variety of projects that one can venture into, but what most people lack are business skills. Basic education has a direct impact on the productivity of workers in the informal sector and the higher the level of education; the more productive a worker becomes. In India for example, in the 1970s, increase in primary schooling increased workers productivity by 20% (Psacharopolous and Woodhall, 1985).

Whenever reference to the training needs of the of the informal *Jua Kali* sector has been made, whether by government, NGOs or by individuals, attention has been largely focused on how to design or strengthen appropriate training programmes for the sector, to be run at or by formal technical training institutions or agencies. The relative neglect of, or passive attention to the training component of the informal *Jua Kali* sector seems to be predicated on three assumptions: that formal vocational and technical training institutions are major

suppliers of the informal *Jua Kali* workforce (Republic of Kenya, 1986; Oketch, 1995), that vocational training programmes in the informal sector can develop independently and function effectively and efficiently without any external support; and that the training function of the informal sector is secondary to, and a by-product of the production function (King, 1996).

During an exhibition organized for *Jua Kali* artisans between 18 and 26 November 2005 to mark United Nations' international year of micro credit, it is only the Informal Sector Business Institute that had a non-formal education programme in training *Jua Kali* artisans business skills. All the other exhibitions were programmes to train people in skill development and a majority were microfinance institutions (MFI) displaying their products.

Vocational Education and Training (VET) is a direct means of providing workers with skills more relevant to the evolving needs of employers and the economy (Johnson and Adams, 1992). Technical skills alone are not enough for one to operate in the *Jua Kali* sector, but also business skills. This research investigated how the NFE offered by ISBI has benefited the *Jua Kali* artisans who have undergone its training programme.

1.1 INFORMAL SECTOR BUSINESS INSTITUTE (ISBI)

The Informal Sector Business Institute is an institution sponsored by the Strathmore Education Trust, a public charitable trust incorporated in Kenya, established to promote educational initiatives. Among the projects that it sponsors are Strathmore College (1961)/Strathmore University (2002) and Strathmore School (1977). In 2002, the trustees of Strathmore Educational Trust appointed a committee to study the possibility of

beginning an activity that could directly benefit the less privileged members of the Kenyan society. After extensive consultations with both the private and public sector stakeholders, the Informal Sector Business Institute was conceived.

The ISBI has entered into memorandum of understanding with Strathmore University to support its programmes in the area of training micro-entrepreneurs in the *Jua Kali* sector. The experience accumulated over the years in the real business world (as distinct from academic) can now be put at the service of the informal sector (commonly known as the *Jua Kali* sector), which is the most dynamic sector of the Kenyan economy. The trustees obtained the sponsorship of the Institut Zur Cooperation Bei Entwicklungs-projekten, an Austrian NGO, for a period of three years starting 2003.

The ISBI course aims at providing basic training to *Jua Kali* artisans in the following areas; Accounting, Marketing, Management, Computer packages, Businesses ethics, Business English and Business planning. The course is compatible with the busy schedule of the artisans. Each course is 20 hours long and runs for a period of one month. The course is broken to five 4-hour sessions. The timetable is such that the artisans are in class when it is normally foreseen they will be least busy.

1.2 STATEMENT OF THE PROBLEM

The informal sector is expanding at very fast rate due to lack of jobs in the formal sector and the structural adjustment programme that has led to the laying off of many workers from the formal sector who end up in the informal sector. The major reason for the informal sector's continued growth is the rapid growth of the *Jua Kali* sector which is a sub sector in the informal sector. The *Jua Kali* sector's growth potential is thought to be

significantly higher than that of the formal sector and as a result of its perceived high growth potential, it has been proposed as one of the remedies to curbing unemployment in Kenya's economy.

There is a serious neglect of training *Jua Kali* artisans in business skills within the informal sector through apprenticeship and in the vocational institution training system. One of the contributory factors to this neglect, both at the level of policy and practice has been the assumption that the formal sector in general, and the public pre-employment vocational training institutes in particular, are the principal sources of supply for this sectors' workforce. As a result of this assumption *Jua Kali* artisans have practical skills which they have acquired either by apprenticeship training in the *Jua Kali* sector or by attending vocational training institutions but unfortunately lack business skills.

ISBI has come in to fill the gap left in the training of *Jua Kali* artisans in business skills. Therefore there was need to investigate ISBI and evaluate how and to what extent its NFE programme benefits *Jua Kali* artisans in business skills. And also to establish the problems that ISBI is facing, to determine the level of education of *Jua Kali* artisans who have attended ISBI courses and to come up with recommendations that may improve the current situation.

1.3 PURPOSE OF THE STUDY

The purpose of the study was to investigate how and to what extent the NFE provided by ISBI benefit the *Jua Kali* artisans in business skills. To determine the level of education of *Jua Kali* artisans who have attended ISBI courses, to establish what problems ISBI is

facing and to come up with recommendations that may improve the ISBI and its operations.

1.4 OBJECTIVES OF THE STUDY

The following were the objectives of the study:

- (a) To determine **how** the non-formal education offered by ISBI benefit *Jua Kali* artisans;
- (b) To determine to **what extent** the Non-formal Education offered by ISBI benefit the *Jua Kali* artisans;
- (c) To determine the problems ISBI is facing in providing non-formal education to *Jua Kali* artisans;
- (d) To determine the level of education of the *Jua Kali* artisans who have attended ISBI courses.
- (e) To come up with recommendations that will help in tackling the problems that ISBI is facing in providing non-formal education to *Jua Kali* artisans;

1.5 RESEARCH QUESTIONS

The research was guided by the following research questions:

- (a) How does non-formal education offered by ISBI benefit the *Jua Kali* artisans?
- (b) To what extent does the non-formal education provided by ISBI benefit *Jua-kali* artisans?
- (c) What problems does ISBI face in providing non-formal education to *Jua Kali* artisans?
- (d) What is the level of education of *Jua Kali* artisans who have attended ISBI courses?
- (e) What are some of the solutions and remedies to the problems which ISBI is facing in providing non-formal education to *Jua Kali* artisans?

1.6 SIGNIFICANCE OF THE STUDY

The study may be significant in the following areas:

Offering workable solutions to the policy makers and educational planners with regard to planning and implementation of Non-Formal Education programmes for people in the informal sector. The findings highlighted what needs to be done to improve the self-sustainability of those engaged in the informal sector through Non-Formal Education.

Findings derived from the study may help educational planners to devise ways of implementing Education For All (EFA) strategy to include all those out of the formal education system. The findings may also offer a long-term solution in dealing with out-of-school youth and form a basis for improving their lives through Non-formal Education geared to improving their life skills. Lastly, the findings may also be important for education policy makers because with the introduction of Free Primary Education, the drop-out rates may be high as there are few places in the existing institutions, and therefore the need to use Non-formal Education to reach everybody out of school.

1.7 LIMITATIONS OF THE STUDY

The research did not include all the *Jua Kali* artisans within the Makadara area. The researcher was careful and selected a study sample that was representative of the entire group. The respondents could have given false information which the research could not prove.

1.8 DELIMITATIONS OF THE STUDY

The study was carried in Makadara Division leaving out other areas elsewhere in the country. The rest of the country was excluded. The findings of the study may not be generalized to a rural setup since ISBI is in an urban set up.

1.9 BASIC ASSUMPTIONS

The researcher made the following assumptions:

1. The respondents of the items of the research instruments gave honest responses.
2. Training *Jua Kali* artisans in business skills improved their performance in the informal sector.

1.10 THEORETICAL FRAMEWORK

This study was guided by the human capital theory. In this theory Becker (1975) asserts that human capital is the accumulated individual capacities which are enhanced by health status and level of education. He further asserts that people become more productive by investing in themselves in various ways. Investments are made in human capital where individuals, households make a current expenditure on education and training, health, beauty and sports. Expenditure on education and training can be fruitfully treated as investment in human capital; education plays a role in economic development. At the aggregate level, there are strong theoretical reasons for linking the expansion of education to higher rates of economic growth. Solow (1956) argues that changes in national income are determined by changes in a country's stock of physical and human capital.

In this research, the researcher investigated how the level of formal education affects the *Jua Kali* artisans' earnings. Using Becker's Human capital theory, the *Jua Kali* artisans'

earnings increased with their level of formal education and training, and consequently increased with training in business skills. This research investigated whether Becker's theory was upheld and if not, the research investigated why and gave necessary recommendations. Becker's theory of human capital argues that education and training teaches workers valuable skills that will make them more productive. Underlying this theory is the idea that a worker's educational attainment is correlated with unobservable characteristics that existed before he/she made his/her schooling decision (Weiss, 1995). It is possible that all workers with the same level of schooling do not have the same productivity due to differences in their environment, which affect the productivity – enhancing effects of education. Education improves workers' access to information (Thomas, 1992) and their ability to decode and understand new information (Nelson and Phelps, 1966; Schultz, 1975).

1.11 DEFINITION OF SIGNIFICANT TERMS

Jua-Kali artisans: - workers in Kenya's informal economic sector in metal work e.g. blacksmiths and auto mechanics. Barbers, carpenters, kiosk owners and hawkers are included in this category.

Formal education: -the hierarchically structured, chronologically graded 'education system', running from primary school through the university and including, in addition to general academic studies, a variety of specialized programmes and institutions for full-time technical and professional training.

Informal education: - is a lifelong process whereby every individual acquires attitudes, values, skills and knowledge from daily experience and the educative influences and resources in his or her environment - from family and neighbours, from work and play, from the market place, the library and the mass media.

Non-formal education: -any organized educational activity outside the established formal system - whether operating separately or as an important feature of some broader activity - that is intended to serve identifiable learning clientele and learning objectives.

Apprenticeship: -Serving under a master for a number of years in order to learn an art, trade or skill.

Informal sector: -individuals or groups of people engaged in legitimate enterprise, some of whom may be regulated by the state but the vast majority are considered to be operating outside the legal regulations of the state

CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION

This chapter presents literature on the evolution of the notion of Non-formal Education, vocational and technical training in Kenya, the informal sector, evolution of the informal sector in Kenya and summary of the literature.

2.1 EVOLUTION OF THE NOTION OF NON-FORMAL EDUCATION

Within policy debates, a common differentiation has been made between different forms of provision of education, Informal, Non-formal, and Formal programmes have been viewed as very different. Non-formal education became part of the international discourse on education policy in the late 1960s and early 1970s. It can be seen as related to the concepts of recurrent and lifelong learning. Tight (1996) suggests that whereas the latter concepts have to do with the extension of education and learning throughout life, non-formal education is about acknowledging the importance of education, learning and training which takes place outside recognized educational institutions. Fordham (1993) suggests that in the 1970s, four characteristics came to be associated with Non-formal Education: relevance to the needs of disadvantaged groups, concern for specific categories of persons and a focus on clearly defined purposes and flexibility in organization and methods.

In 1967 at an international conference in Williamsburg USA, ideas were set out for what was to become a widely read analysis of the growing world educational crisis (Coombs, 1968). There was concern about unsuitable curricula; a realization that educational growth and economic growth were not necessarily in step and that jobs did not emerge directly as a

result of educational inputs. The conclusion was that formal educational systems had adapted too slowly to the socio-economic changes around them and that they were held back, not only by their own conservatism, but also by the inertia of societies themselves. It was from this point of departure that planners and economists in the World Bank began to make a distinction between Informal, Non-formal and Formal Education. (Fordham, 1993).

There were moves in UNESCO toward lifelong education and notions of the learning society, which culminated in *Learning to Be* (The Faure Report, UNESCO, 1972). Lifelong learning was to be the master concept that should shape educational systems (UNESCO, 1972). By mid 1960s it was becoming clear that an education system based around schooling could not be sustained because of the sheer cost to already fragile economies, a search for new techniques was therefore on. It was becoming clear that the school was only one amongst many potential educative elements. Concepts such as the learning society were gaining some currency. Third, there was the impact of movements such as that of deschooling (Shukla, 1985).

A number of socialist countries initiated large programmes for changing the consciousness, skills and organizations of their populations. They typically used many of the forms that we now label as Non-formal Education. Many of these programmes apparently were a considerable success. In this respect Russia, Cuba, Tanzania, Somalia, Ethiopia and Nicaragua were often quoted as having organized successful mass campaigns, particularly in respect of literacy (Coles, 1987).

Contrasts between 'Formal' and 'Non-formal' programmes

Simkins (1976) analyzed Non-formal Education programme in terms of purposes, timing, content delivery systems and control, and contrasted these with formal educational programmes. The resulting ideal-types provide a useful framework - and bring out the extent to which Non-formal Education initiatives, while emphasizing flexibility, localness and responsiveness remain located within a curricula form of education.

Ideal-type models of Formal and Non-formal Education

	Formal	Non-formal
Purposes	Long-term and general Credential-based	Short-term and specific Non-credential-based
Timing	Long cycle / preparatory/ full-time	Short cycle / recurrent / part-time
Content	Standardized / input centered academic entry requirements determine clientele	Individualized / output centered practical clientele determine entry requirements
Delivery system	Institution-based, isolated from environment. rigidly structured, teacher-centered and resource intensive	Environment-based, community related, flexible, learner- centered and resource saving
Control	External / hierarchical	Self-governing / democratic

(Simkins, 1977)

On the other hand, examples of top-down non-formal programmes are all too common. Almost all employer-led and State provided training falls into this category. This can be seen as paralleling the distinctions that Jeffs and Smith (1990, 1999) make between Formal and Informal Education via curriculum. In this way Formal Education would broadly approximate to top-down curriculum formation; Non-formal to bottom-up or negotiated curriculum formation; and informal education would arguably be a non-curriculum or conversational form and often do not lead to accreditation (Graham-Brown, 1991).

The notion of Non-formal Education has been a significant feature of policy debates around education in most countries for three decades. It has drawn attention to the importance and potential of education, learning and training that takes place outside recognized educational institutions. Fordham (1993) comments that if we try to correlate the flourishing of Non-formal Education and political change, then the 1970s can certainly be described as the decade of Non-formal Education.

2.2 NON-FORMAL EDUCATION

Non-formal education can be defined as any organized, systematic and quality education and training programmes, outside the formal school system, that are consciously aimed at meeting specific needs of children and adults (MOEST, UNICEF, Feb, 2005). It is a form of administration and program provision (by government and non-governmental bodies), which takes place outside the formal education system. It is simple and flexible and can be delivered at any place convenient to the learners. It is generally designed to meet the basic learning needs of disadvantaged groups and can be availed of at any age. NFE is provided

to those sections of the community who have no access to or have dropped out from Formal Education.

Although more and more people continue to invest in Formal Education, there is a high rate of unemployment among the educated. As a result, policy makers, planners, economists, educationists and leaders in developing countries have started to question the relevance of Formal Education. This however, does not mean that Formal Education has totally failed; but rather it has not adequately met the needs and aspirations of the learners. Thus Non-formal Education has emerged as a search for alternatives in educational experience because formal education has not successfully responded to development problems.

In India, the non-formal education system implemented in 1979 was the major government effort to educate dropouts and other unenrolled children. There, non-formal education in such a situation is meant to help the informal sector in developing knowledge, skills and attitudes for self-employment and small business creation (Shaeffer, 1992). The “Learning for Life” project on non-formal basic distance education in Mongolia was launched in 1997. “Learning for Life” has become the largest distance education project in Mongolia, serving 6,000 out-of-school and unemployed youth in urban areas and over 30,000 vulnerable rural and nomadic families throughout the country. Topics include a number of life-skill related subjects, ranging from income generation and women health to “how to start your own business” and animal breeding. (National Reports of the EFA Assessment 2000 in China, D.P.R. Korea and Mongolia, December, 1999).

In Tanzania, the NFE courses and programmes offered serve as an alternative for those who lack the opportunity to acquire formal schooling. It also offers opportunities for

continuing education; and serves as a means of developing, or upgrading skills for employment, and self-employment. (Tanzania Ministry of Education and Culture, NFE and Adult Education, 2005). In Uganda, they have Basic Education in Urban Poverty Areas (BEUPA), which is an alternative approach to provision of basic education to children from poor backgrounds. BEUPA aims at improving the life perspectives of out-of-school children and adolescents between the ages of 9-18.

In Bangladesh, integrated non-formal education started in 1990. There is early childhood education for children between 4-5 years, non-formal basic education for out of school and school dropouts; between age 6 and 10; non-formal basic education for unschooled adolescents of 11-14 years of age; functional literacy course for adult non-literate of 15-45 age group, and post literacy and continuing education for consolidation and retention of literacy skills by NFE graduates (Karin et al. Aug. 1997).

The government of Zambia, through the ministry of community development and social services, is involved in provision of NFE through community training centres, which were established by the colonial government to provide literacy, leadership and vocational training and health education to the youth. Another aspect of NFE is agricultural extension services provided by the ministry of agriculture, food and fisheries. Opportunities for the youth to develop life skills are provided by the ministry of Sports and Child Development through Youth Training Centres (YTCs).

In Zimbabwe, the better environmental science programme (BEST), which is a development partnership between the governments of Zimbabwe and the Federal Republic of Germany, is a form of NFE. The Lewis Taylor Commission of 1974 in Zimbabwe

recommended that education must be relevant and must prepare pupils for the world of work and for real life situations (ibid).

In Kenya, Alternative Approaches to Basic Education (AABE) is a system of learning which is characterized by flexibility, capacity to recognize and creatively utilize diversity and transparency in terms of the degree of openness, open-access, open learning and limitless opportunities to release the creative potential of the learners (Ekundayo J.D and Thompson, 2001). This comprises non-formal education centres offering basic education to Aids orphans, children from poor families and vocational education to adults for self-employment. Mukuru Promotion Centre and Jitegemee NFE Centre are some of the examples of AABE centres. (Karin et al. Aug. 1997). Undugu basic education programme was started and established by the Undugu Society of Kenya in 1974.

Adult education as an aspect of non-formal education has been given a lot of priority especially by developing countries. According to UNESCO, adult education is a substitute for basic education, which the majority of adults missed. For those adults who received an incomplete education, adult education is the means to elementary or professional education. It offers further education to those who have already received high-level training. Adult education aims at improving agricultural activities, health and family care, providing adults with an opportunity to achieve literacy, increasing skills for people engaged in commerce and trade and providing adults with the basic tools necessary for further education. Adult education in Kenya can be traced to the colonial period with the establishment of Jeanes School, Kabete in 1925 (presently Nairobi School).

The department of adult education within the Ministry of Culture and Social Services was established in 1966 to run the adult education programme. Before independence the Department was under the Ministry of Education. Its objective was to equip adult learners with literacy and numeracy skills, as well as knowledge in other skills, which they required to be employed by the new independence administration. The objective of non-formal education has been to complete the 'unfinished business of primary schools' (Sifuna, 1975).

2.3 VOCATIONAL AND TECHNICAL EDUCATION IN KENYA

There are 20 technical training institutes (formerly: technical high schools) in the country. These institutions essentially seek to upgrade the basic knowledge of school leavers to enable them enter one of the country's 4 national polytechnics. They offer a 4-year mostly theoretical programme, although they also provide some introductory training in workshop technology. Training also includes attachment to an industrial firm. They tend to produce middle-level skilled manpower for the modern sector. The National Youth Service (NYS) provides technical training, and is in fact, the second largest training programme for unemployed youth after the Youth Polytechnique programme.

The institutes of technology (formerly: the Harambee Institutes of Technology) were started in the 1970s with the spirit of self-help. They were originally set up and funded by the local communities. Institutes of Technology were to train school leavers, as craftsmen to meet the growing demand for skilled manpower in the rural areas. They were to produce self-employed people at a higher level of skills and technology than the youth polytechnics.

To address the issue of unemployment, the government established the Micro and Small Enterprise Training and Technology Project (MSETTP). This organization began to look for alternative means to the government's traditional approach to combating unemployment. One of these approaches called for the government to increase funding to training institutions that prepare workers for the various formal sectors of the economy. Due to unemployment within the formal sector, the MSETTP chose to focus on the informal (unregulated) sector, rather than finance the country's technical schools and universities. They focused on the workers' needs, by providing them with vouchers to pay for a training of their choice (World Bank, 1990).

The concept of Youth Polytechnics was developed and popularized in the mid-80s by the National Christian Council of Kenya (NCCCK) as a solution to the problem of unemployment of primary school leavers. In a study titled "after school, what?" it was argued that the school-leavers were unable to become self-employed or get wage jobs because of inadequate education and training. Youth Polytechnics (originally called village polytechnics) were to provide rural youth with skills that could be used in the local economy. They would provide practical training, linked with production, and to assist in the formation of a cadre of trained artisans and other self-employed workers. The programme expanded massively over the years. There are now over 650 Youth Polytechniques. Most of them are small training centres that provide local youth with an opportunity to learn practical skills, usually in masonry, carpentry, tailoring, dressmaking, knitting, home economics and livestock raising. There is a serious neglect of the development of business skills (Allen, 1972). Therefore, training in business skills is inadequate for those considering entering self-employment.

Most of the technical training in the Micro and Small business Enterprises (MSE) sector is carried out through traditional apprenticeship system, particularly in manufacturing and services. Apprenticeship is the largest source of skill training in the informal sector (Yambo, 1991); a study carried out by World Bank in 1992 estimated that 40% of all trainees acquire their skills through apprenticeship. The 1999 MSE baseline Survey registered a total of almost 53,000 apprentices (International Training Centre of the ILO, Turin, 2001). The popularity of apprenticeship method of learning skills is its cost effectiveness (King, 1996), apprentices in the informal sector paid between five to fifty Sterling Pounds for a complete course based on-the-job instruction, and some even earned some wages (Williams, 1980).

Business education is possibly the most significant change in Kenya's education and training system. In the past decade, there has been introduction of business skills at almost all levels of education and training in primary and secondary education and from youth polytechnics to national polytechnics. The impact of business skills education is however, not yet clear (ILO, Turin, 2001).

2.4 THE INFORMAL SECTOR

Since Keith Hart first coined the phrase "informal sector" in the early 1970s to describe the range of subsistence activities of the urban poor in Ghana, there has been considerable debate about what exactly the term refers to. The International Labour Organisation (ILO) defines the informal sector as that part of economic activity which is characterized by certain features like ease of entry, reliance on indigenous resources, family ownership, small scale operation, labour intensive technology, skills acquired outside the formal

school system, operating outside government regulation and competitive markets (ILO, 1972; Mazumder, 1976). Critics argue that this definition by Mazumder tends to identify informality with small scale enterprises (Livingstone, 1992) there are many other enterprises such as property development companies and legal practices stock brokers who would be lumped together with street vendors and hawkers (Musyoki and Orodho, 1993). Osirim (1994) used the word micro-enterprises for the informal sector.

At the 90th session of the International Labour Conference, the term “informal economy” was used to refer to “all economic activities by workers and economic units that are in law or in practice not covered or insufficiently covered by formal arrangements” (ILO, 2002). Consequently the 2003 International Conference of Labour Statisticians broadened the definition to include certain types of informal wage employment outside informal enterprises. In this research, the *Jua Kali* sector is a sub sector of the informal sector and *Jua Kali* artisans are people who buy goods and add value to them before selling.

The informal sector is presented as a structural permanent phenomenon. According to Palma (1992) it is a typical and inherent dimension of peripheral capitalism and not one of its delayed residues. According to King (1992, 1993), the informal sector is a reality that is not limited to the ‘second economies’ of Africa or to black markets. Rather, it is present both in developed countries as well as in those undergoing development. These reflections lead to a re-definition of the informal sector as the ‘other’ sector running parallel to the one characterized by permanent, regular employment (Palma, 1992). Historically, the informal sector emerged on the margins of the formal industrial systems, and, in education terms, it could be said that those who found themselves obliged to be self-employed were often

those whom the formal school system had rejected, either through lack of school space, finance or ability. In other words, the formal education system had helped to form the informal sector only in this sense, excluding those who then turned to self-employment.

The International Labour Organization estimates that the population of the urban work force engaged in the informal sector is highest in sub-Saharan Africa. It accounts for more than 50% of urban employment in two thirds of countries surveyed in 1999 (Geoffrey, 2005).

A study by Barasa and Kaabwe (2001) on fallacies in policy and strategies of skills training for the informal sector, noted that the informal *Jua Kali* sector is known to suffer from a negative public image due to the perception that the sector consists of people who are school dropouts with low academic qualifications and who only resort to joining the sector after failing to qualify for the formal academic or vocational route. The research found out that 77% of the trainees had qualified for admission to the next levels of formal education and had passed in all subjects including mathematics, science and languages; 62% were primary school leavers, 36% had attained secondary school education and 2% had formal college level education. The research established that social demand for schooling and training is affected by many variables such as the inability to forego earnings. Lack of fees as well as the relatively short durations and high practical content of *Jua Kali* apprenticeship programmes are some of the key factors that influence entry to this sector and not poor academic performance. In fact most of the trainees in the informal *Jua Kali* sector had a good foundation in literacy, numeracy and basic scientific principles.

In Kenya, the combined formal public and private sectors contribute less than 29% of the *Jua Kali* sector's skilled workforce, with the public pre-employment technical training institutions specifically contributing less than 13% of the workforce. The informal sector itself as a mode of vocational training, accounts for over 71% of the entire skilled workforce (Barasa and Kaabwe, 2001). This is also true for a number of other African countries where similar studies have been reported. Strengthening the 8-4-4 curriculum especially at the primary school level, would have a direct impact on the quality of trainees in the *Jua Kali* sector. A World Bank study of vocational education by Psacharopoulos and Loxley (1985) revealed that higher levels of general education are not necessary, but a good general education provides a good foundation for vocational education, the World Bank policy paper on vocational and technical education and training made the same recommendations (Middleton et al, 1991). In India, many of the successful micro-entrepreneurs being developed by Enterprise Development Institute (EDI) are university graduates. There is a paradox about the role of the informal sector in Chile: at one level, the informal sector is clearly an important part of the economy as it is in many other Latin American countries. At another level, the informal sector is almost invisible as far as government policy is concerned (Messina, 1993).

NGO training and non-formal education, on the other hand, appear to have got much closer to the training needs of the informal sector (McGrath et al. 1993). Levels of formal education amongst trainees within the informal sector appear to have been increasing for a long time already (McLaughlin, 1979). It seems to be the case that a good basic education facilitates access to traditional apprenticeship, and enhances subsequent performance as an entrepreneur (Utria and Salomé, 1994). Although the primary route to the establishment of

an artisanal enterprise in the informal sector is perhaps through the various forms of traditional apprenticeship system, there are a sizeable number of artisans that have entered the sector from formal sector industries (Mead and Kunjeku 1993; Oketch 1993). The precarious nature of formal education in many parts of the world has forced formal sector employees to engage in further activities in the informal sector (King, 1993). Indeed, many of those who eventually leave the formal sector to operate solely within the informal sector, first establish their own informal sector enterprises whilst still working in the formal sector (Oketch, 1993). In Africa, the informal sector has continued to be neglected by the state (Ducci, 1991).

In Nigeria, information on the size and employment structure in the informal sector is hard to obtain. But estimates suggest that the sector accounts for between 45% and 60% of the urban labour force up from about 25% in the mid-60s (Geoffrey, 2005). As early as 1984 the Tanzanian government had started to consider the merits and potential of the informal sector (Dandi, 1989). To operate successfully as artisans in the informal sector, young people require a range of knowledge and skills. In Tanzania (according to the 1991 census data estimates), the formal sector is capable of absorbing between 7 to 10% of the new entrants into the labour market. '*Nguvu kazi*' represents the ruling party Chama Cha Mapinduzi (Revolutionary Party) CCM slogan that 'every able person should work'.

A research on case studies conducted in India, Peru, Ethiopia, Sudan and Sri Lanka on the impact of training women engaged in the informal sector found out that training, especially in business skills with its wider application than technical skills, did have a positive impact on the women's economic activities and incomes. The women had acquired a business sense and had also learnt to handle funds and the importance of profit and loss accounts.

2.5 EVOLUTION OF THE INFORMAL SECTOR IN KENYA

The ILO UNDP (1972) study traced the development of the informal sector to postcolonial Kenya to a combination of rural urban migration and decline of chances of getting employment in the formal sector. As the unemployment crisis grew, those who could not get jobs engaged themselves in petty businesses as a tactic for survival by selling items such as charcoal, kerosene, and foodstuffs to those in formal employment. The Kenyan government defines the informal sector as enterprises comprising between 1-50 employees and up to Kshs 5 million in turnover (Republic of Kenya, 1989; 1992). This definition lumps together all people associated with the informal sector as employees including trainees and it also fails to distinguish between direct and indirect employees of informal sector enterprises (Barasa and Kaabwe, 2001).

Kenya is one of the countries that are signatory to the World Summit for Social Development (Copenhagen Denmark, 1995) declaration. In which participating countries agreed to commit themselves to promoting the goal of employment as a basic priority of economic social policy enabling men and women to attain secure and sustainable livelihoods through freely chosen productive employment and work. Sessional paper No.2 and National Development Plan 1997-2001 highlights Kenya's attainment of industrialized status by the year 2020. Although this is a good objective, many people fear it will not be attained with the current unemployment crisis in the country coupled with high poverty levels (Republic of Kenya, 1998). The meaning of the word '*Jua Kali*' has become synonymous with the informal sector. It encompasses people in second hand clothes selling, hawkers, newspaper vendors, carpenters and people selling foodstuffs in the building industry among others.

In the 1979-83-development plan, the government identified three factors as contributors of school leaver unemployment; Rate of school leavers output, the unrealistic ambitions among school leavers for higher job placements and inappropriate skills among school leavers for medium range jobs (Republic of Kenya, 1979). The 1983, Presidential Committee on Unemployment (Wanjigi Committee, Republic of Kenya 1983), highlighted the role of the informal sector on Kenya's economy and suggested the establishment of an inter-ministerial body charged with the responsibility of developing the informal sector, it was projected that this body will undertake feasibility studies to help in identifying various informal sector activities that have high employment creation.

Table 2.1 Informal sector, Number of persons engaged by province (000)

	1999	2000	2001	2002	2003
Nairobi	896.0	998.9	1,114.0	1,228.7	1,343.1
Central	592.4	656.4	732.2	805.3	878.0
Nyanza	447.0	494.4	548.9	601.3	653.0
Western	267.8	297.8	333.8	368.6	403.4
Rift Valley	708.0	785.2	875.9	962.9	1,049.2
Eastern	350.8	386.8	428.0	467.9	506.9
Coast	458.6	511.4	569.6	627.8	685.8
N. Eastern	18.2	19.9	22.0	23.9	25.8
Total	3,738.8	4,150.9	4,624.4	5,086.4	5,545.2
Urban	1,278.3	1,419.2	1,581.1	1,739.1	1,898.9
Rural	2,460.5	2,731.7	3,043.3	3,347.3	3,646.3

Source, Economic survey 2004

From the Table 2.1 it is clear that the informal sector is expanding in all the eight provinces of Kenya with rural Kenya having more people in the informal sector than urban Kenya.

2.6 SUMMARY OF LITERATURE REVIEW

- i. The informal sector is a permanent phenomenon in both developing and developed countries
- ii. The population of the urban work force engaged in the informal sector is highest in sub-Saharan Africa. It accounts for more than 50% of urban employment in two thirds of countries surveyed in 1999
- iii. There are more people training as apprentices in the informal sector than there are in all vocational training institutions in Kenya.
- v. The training needs of the informal sector especially in business skills has been neglected and therefore most *Jua Kali* artisans have practical skills but lack business skills.
- vi. The informal sector is expanding as a result of lack of jobs in the formal sector and lack of spaces in the formal education system. In Kenya, the situation is similar to the rest of the world; the informal sector is creating more jobs than the formal sector as it is expanding at a faster rate than the formal sector.
- vii. Social demand for schooling and training is affected by many variables that influence entry into the informal *Jua Kali* sector:
 - (a) inability to forego earnings,
 - (b) lack of fees, and
 - (c) relatively short durations and high practical content of *Jua Kali* apprenticeship programmes.

viii. Most *Jua Kali* artisans have a foundation in literacy, numeracy and basic scientific principles as they are qualified to proceed to the next level of formal education but lacked school vacancies.

Gaps arising from the literature review

The researches that have been done on the training needs of the informal sector show the following gaps:

- (i) training in business skills has been neglected in most training programmes and yet the *Jua Kali* artisans need them to improve in entrepreneurial skills
- (ii) once the *Jua Kali* artisans have undergone some training which in most cases emphasize on technical aspects, there is no follow up

The informal sector business institute (ISBI) is bridging these gaps and therefore this research investigated how this gaps that other training programmes have neglected are helping *Jua Kali* artisans in running their businesses.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 INTRODUCTION

This chapter presents the research methodology of the study i.e. research design, variables of the study, location of study, target population, sampling techniques and sample size, instruments of data collection, pilot study, data collection techniques and data analysis.

3.1 RESEARCH DESIGN

A research design is a logical sequence that connects the imperial data to the study's initial research questions and ultimately to its conclusion (Yin, 1994). This research adopted a descriptive survey study design. The researcher came up with actors of events, which have happened and cannot be manipulated by the researcher (Cohen and Manion, 1980). The descriptive design seeks a "holistic description and explanation" of the phenomenon (Merriam, 1991). This presupposes an exploration of all aspects of the phenomenon presented. In this research, the purpose was to document exactly what benefits *Jua Kali* artisans gain by attending business development courses offered by ISBI. Mahlangu (1987) states that descriptive research describes what is and involves description, recording, analysis and interpretation of the present nature, composition or processes of phenomena.

Descriptive research focuses on prevailing conditions, on how a person, group or thing behaves or functions in the present. According to Cooper and Schindler (2001) a descriptive study is a study that strives to discover answers to the questions *who, what, when, where* and sometimes *how*. In the current study, the researcher investigated what the benefits of NFE to *Jua Kali* artisans are and to what extent had the *Jua Kali* artisans gained

by attending the ISBI training. Determining the extent to which they had benefited was done by calculating a Z-test statistic between the artisans who had undergone the ISBI training and those who had not undergone it. The researcher created a profile of 2 groups of artisans, i.e. a group of artisans who had attended ISBI courses and another group of those who had not undergone the ISBI training. Rosnow and Rosenthal (1996) say that in descriptive research, the goal of the investigation tends to be the careful mapping out of a situation or set of events. The descriptive orientation is usually considered a necessary first step in the development of a program of research because it establishes the cornerstone of any future undertaking.

3.1.1 VARIABLES

(a) Independent Variable

The independent variable in this research was the environment; the artisans were selected from the same environment which influenced their health status in terms of the hospitals and sanitary conditions. The training institutions meant for training people in the informal sector within the Makadara area are open to all *Jua Kali* artisans and all these artisans knew the existence of the Informal Sector Business Institute (ISBI).

(b) Dependent Variable

The dependent variables were; training in business skills at ISBI, level of formal education attained, age and method of training used to attain the current skills. Training in business skills improves *Jua Kali* artisans' business management skills, and therefore the artisans use these skills to make decisions. The formal education attained enables *Jua kali* artisans grasp business skills that they are taught and practicing them. Young and old *Jua Kali* artisans

could interpret business skills differently in terms of application in everyday business management. Level of formal education attained could have an influence on the way the business skills taught are interpreted and was analyzed by the research findings.

3.2 LOCATION OF STUDY

The research was done in Makadara, which forms part of Eastlands area of Nairobi where ISBI is temporarily situated. ISBI is located in a place that is surrounded by several informal sector activities such as *Jua Kali* sheds housing carpentry workshops, salon and welding workshops. A slum called Kiambiu and estates like Maringo, Ofafa Jericho, Kimathi, Buruburu Phase1 and Eastleigh Phase 3 surround the place. Kimathi and Buruburu Phase 1 are middle class estates but the rest house low-income households.

From the 1999 population and housing census, the population of Makadara Division is 197,000 people (108,773 male and 88,661 female) occupying 20.1 square kilometres and having a population density of 9,823 persons per km², the poverty level is 59% (Republic of Kenya, 1999 population and housing census) and its population growth is 1.5% (CBS, 2004). The whole of Eastlands is unique given that the transition rates from primary to secondary are low. Perhaps because of the minimal education, most people engage in small business activities to earn a livelihood.

3.3 TARGET POPULATION

The target population according to Borg and Gall (1989) is defined as all members of a real or hypothetical group of people, events or objects to which a researcher wishes to generalize the results of the research study. According to Best and Kahn (1998), target population is any group of individuals who have one or more characteristics in common

that are of interest to the researcher. The study targeted all the *Jua Kali* artisans in Makadara area (1,268, ISBI head count May – June 2006).

3.4 SAMPLING TECHNIQUES AND SAMPLE SIZE

A sample in the context of this study is a subset of a larger population, who are in a fair representation, whom information is gathered from and selected for research purposes (Longman Dictionary of Contemporary English, 2001). The researcher used systematic random sampling procedure to obtain 60 *Jua Kali* artisans from a list of all *Jua Kali* artisans who had undergone the ISBI training and randomly chose 60 other *Jua Kali* artisans from the informal *Jua Kali* sector who had not undergone the ISBI trainings but came from the same locality as the artisans who had undergone the ISBI training. The ISBI director and 4 ISBI tutors were interviewed. The study sample constituted 125 people. The assumption in the study was that the characteristics of the sample were to adequately reflect the characteristics of the statistical population. Other considerations behind sampling included the manageability of all the cases in the population, use of scarce resources and time constraints; a qualitative study concentrates on a small sample (Miles and Huberman, 1994).

3.4.1 SAMPLING TECHNIQUES

Table 3.4.1 summary of data on the sampled population

Total population	1,268 artisans	Sample selected	Percentage %
Undergone ISBI courses	300	60	30
Not undergone ISBI courses	968	60	6.2
Director and tutors	8	5	63

Source: data obtained from administration of research instrument in April 2007

Table 3.4.41 summarises the study sample in terms of total population, frequencies and the percentages of the selected samples.

Systematic sampling procedure was used to select 120 artisans and 4 ISBI tutors; the ISBI director was included and made the study sample 125 people.

3.4.2 SAMPLE SIZE

The sample size constituted 120 *Jua Kali* artisans, 60 whom had attended ISBI courses and 60 whom had not attended the ISBI courses and therefore the study sample was 125 people.

3.5 RESEARCH INSTRUMENT

The researcher used an interview schedule. The interview schedule was appropriate as some of the *Jua Kali* artisans had minimal education, it helped the researcher to obtain data through observation.

3.5.1 INTERVIEW SCHEDULE

Interview schedule is among the best methods in that it involves direct verbal interaction between individuals. It allows for greater depth than the case of other methods of data collection. The researcher interacts with the respondents face to face and can observe non-verbal expressions, which would not be observed in other techniques (Cohen and Manion, 1995). The interview permits the researcher to obtain greater clarity of the information being sought. For instance, questions might be modified if it appears that they are being misunderstood. Control over the research is also provided through judicious use of probes.

The interview schedule is not restricted to a literate population, it was the most suitable instrument for data collection because the informal sector comprises people who are semi-illiterate or fully illiterate, the language of the interview can be adapted to the ability or

educational level of the person being interviewed and misinterpretations of questions can be avoided. The interviewer can collect supplementary information about the respondent's personal characteristics and environment, which is often of great value in interpreting results. The researcher by his own skill can overcome the resistance, if any of the respondents; the interview method can be used to get a perfect sample of the general population. Personal information can be obtained easily under this method and non-response remains low. The interviewer may catch the informant off-guard and thus secure the most spontaneous reactions that would not be the case if a mailed questionnaire were used (Kothari, 2004). In this research, both structured and unstructured interview schedules were used.

The interview method can be prone to subjectivity and bias on the part of the interviewer. The interviewer may be inclined to lead the responded to expected answers (Cohen and Manion, 1995). In order to overcome the above limitations, the researcher probed or paused to give the interviewees time to think and respond to questions.

3.6 DATA COLLECTION TECHNIQUES

Data collection is a process of discovery and is influenced by the way in which the researcher views the world (Baker, 1994). Data collection techniques are essential as an accumulation of information with a view to gaining answers to the research question (De Vos et al, 2002). In view of this, in this research a combination of data collection methods were used. The researcher's role in all of these was to create an open environment (Poggenpoel, 1993) so that the *Jua Kali* artisans, the director and tutors of ISBI could express themselves freely. In this research the following communication skills were

employed in data collection: summarizing the content of the interview for the respondents and requesting clarification when responses in the interview were vague or confusing. After each question had been asked, field notes were made about the interview situation and the researcher's impression thereof.

The researcher avoided being biased through personal characteristics and also by recording the information accurately, by avoiding translating the idea of the participant into the interviewer's own views, and by avoiding writing down only a summary or part of the answer as this could affect the answer of the participant (Bless and Higson-Smith, 2000).

The researcher ensured that he created a positive atmosphere for the artisans who were interviewed to avoid the following: unco-operating artisans answering at random, some artisans giving false information on purpose due to mistrust, fear, conformity or social status pressure.

The documents that were used to give further evidence included; letters, memoranda, agendas, administrative documents and seminar records. The documents served to corroborate the evidence from interview schedule and observations and were useful in making further inferences about events (Glesne and Peshkin, 1992). Not all sources of information were relevant for this study (Yin, 1994), the researcher dealt with all of them as it were necessary, but each case presented different opportunities for data collection.

3.7 PILOT STUDY

The term 'pilot study' can refer to so-called feasibility studies which are small scale versions or trial runs, done in preparation for the major study (Polit et al, 2001). The term 'pilot study' can also refer to the pre-testing or trying-out of a particular research

instrument (Baker, 1994). A pilot study using the interview schedule was conducted on a population equivalent to 1% of the study sample, which constituted 13 people. The sample constituted 12 *Jua Kali* artisans, 6 of whom had attended the ISBI courses and 6 of whom had not attended the ISBI courses. One ISBI tutor was selected using systematic sampling technique. The pilot study determined external validity of the instruments only. The sample that was selected for the pilot study had the same characteristics as those in the study sample i.e. they came from the same environment as those who had attended the ISBI courses and those who had not attended them. The piloting helped in discovering deficiencies like unclear directions, insufficient space to write the responses, clustered questions and wrong phrasing of questions. Questions that were vague were revealed, as respondents could interpret them differently. The piloting also revealed whether the anticipated analytical techniques were appropriate. The pilot exercise took two weeks.

3.7.1 VALIDITY OF THE RESEARCH INSTRUMENT

This is the degree to which the instruments reflect adequacy or appropriateness (Barrow and Milburn, 1986). It is the extent to which the instrument measures what it is supposed to measure (Holloway and Wheeler, 1997). Validity of the instrument was determined through content validity procedure through discussions and by getting expert judgment from the supervisors.

3.7.2 RELIABILITY OF THE RESEARCH INSTRUMENT

Reliability of the instrument is the degree of consistency that the instrument demonstrates (Best, 1998). It is the extent to which the instrument when used more than once will produce the same results in the research (Holloway and Wheeler, 1997). It is the extent to

which the instrument yields the same results on repeated trials. According to Carmines and Zeller (1979), it is the tendency toward consistency found in repeated measurements. The researcher applied the split halves method to test the internal consistency of the instrument. Here, scores on the odd-numbered items (1, 3, 5, 7, 9,.....) were correlated with scores on the even-numbered items (2, 4, 6, 8,)

The Pearson product Moment Correlation was used to calculate r.

The Spearman-Brown formula was used, that is,

$$\text{Reliability of the instrument} = \frac{2r}{1+r} = \frac{2(0.67)}{(1+0.67)} = 0.8$$

(Best, 1998)

A correlation coefficient of 0.8 was considered high enough to judge the instrument as reliable for the study.

3.8 METHOD OF DATA ANALYSIS

The term “analysis” means the resolution of a complex whole into its parts (Mouton and Marais, 1998). The data that was analysed came from transcribed interviews, observation and field notes. Data was analysed using Tech’s descriptive open coding method (Cresswell, 1994). Qualitative analysis refers to methods for examining social research data without converting them to a numerical format (Babbie, 2001). It is the non-numerical assessment of observations made through participant observation, content analysis, in-depth interviews, and other qualitative research techniques. In this research the data obtained was both qualitative and quantitative in nature.

Bless and Higson-Smith (2000) define data analysis process as allowing the researcher to generalise the findings from the sample used in the research, to the larger population in

which the research is interested. Data analysis is a continuous process that cannot be demarcated into interim later and/or final analysis (Miles and Huberman, 1994). The coding scheme was prepared after the fieldwork on the basis of the categories that emerged from the information given. The filled interview schedules were analyzed separately for artisans who had attended ISBI courses and those who had not. Then a comparison was made between the two categories of artisans on the basis of business skills (benefits for those who have undergone training) and decisions made out of them (extent of the benefits for those who have undergone training). The data was checked and analyzed in a computer using statistical package for social sciences. The main statistical procedures that were used to describe the characteristics of the variables were frequencies, percentages and inferential statistics using the Z-test statistic.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION.

4.0 INTRODUCTION

This chapter explains the findings with regard to the stated research questions. This chapter presents results of data analysis. The analysis is done by descriptive and inferential statistics. Descriptive statistics show frequencies and percentages of the variables whereas inferential statistics show to what extent have *Jua Kali* artisans benefited from the ISBI training.

4.1 ORGANIZATIONAL STRUCTURE OF ISBI

ISBI has a project manager, a director, business development manager, a marketing manager and 6 tutors. The project manager, the director, the business development manager and all the six tutors are well-trained people who have university education and are trained in short courses on entrepreneurship, accounting, computer packages, management, business ethics and marketing. The artisans are trained for one month and then there is a follow up to ensure that the skills they are taught are implemented in running their businesses. The follow up of former artisan students is done by the business development manager who goes round checking whether the artisans are putting into practice what they were taught at ISBI and therefore acts as a consultant. The marketing manager goes round informing artisans on the courses that ISBI offers and how they will help the artisans if they enrolled. The director sees the day to day running of ISBI. Some students from Strathmore University on community service also help in going round to help the ISBI business manager to identify artisans who can come for training at ISBI; this community service is considered as a unit by Strathmore University. The students are

supposed to write a report at the end of this exercise for presentation to the university. The artisans who undergo the course are also advised to inform their friends who have not attended the ISBI courses the importance of the courses, especially by emphasizing on how the courses have helped them in running their businesses. Figure 4.1 is the complete organizational structure of ISBI. The workshop and seminar facilitators are volunteers and are not paid by ISBI. The business incubator mentors are professionals who look at the artisans businesses and help them to improve them by acting as consultants till these businesses become formal.

Organizational structure of ISBI

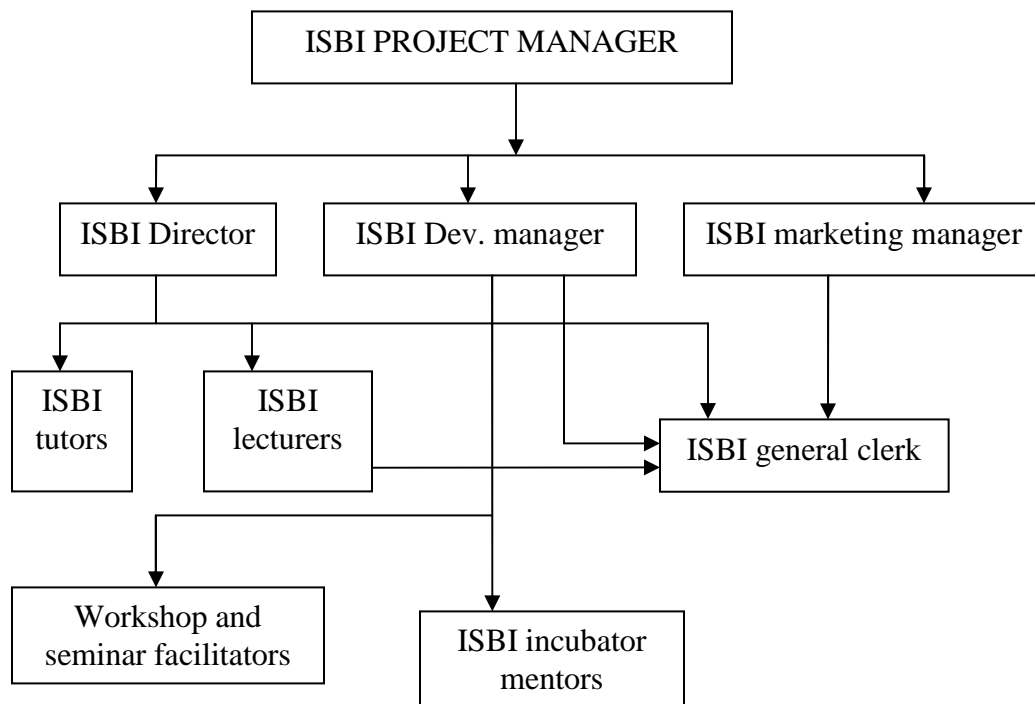


Figure 4.1

4.2 FUNDING OF ISBI

ISBI is supported by overseas donors as well as local well wishers. This overseas donors are contacted using friends and by writing proposals to international NGOs. The main fund

was a start up fund in the year 2004 when ISBI started which was given by the Strathmore Educational Trust. Other donors like Microsoft support specific short programmes like computer packages, giving technical advice and donating software. Microsoft also donated computers for use in the training of computer skills. ISBI charges a small fee on participants to supplement funds raised abroad and from local individual donors who contribute by giving ISBI a certain amount of money on a monthly basis.

4.3 SUMMARY OF RAW DATA

The data obtained from the research was recorded in tables according to themes derived from the research objectives. The data is recorded in 17 tables numbered in a chronological manner. The main statistical analysis methods used are descriptive and inferential statistics.

4.3.1 The method through which artisans gained their skills

Information was gathered on how *Jua Kali* artisans gained their skills and the findings are summarized in Table 4.3.1

Table 4.3.1 How the *Jua Kali* artisans gained their skills

Means through which skills were gained	Undergone ISBI training	%	Not undergone ISBI training	%
Apprenticeship	33	55	36	60
Vocational training	27	45	24	40

Source: data obtained from administration of research instrument in April 2007

*Table 4.3.1 shows the method through which *Jua Kali* artisans acquired their skills. The data is organized according to those who have undergone the ISBI training and those who have not undergone it.*

Table 4.3.1 shows that those artisans who gained their skills through apprenticeship were 55% for those artisans who had undergone the ISBI training and 60% for those who had

not undergone the ISBI training. Those artisans who had gained their skills through vocational training were fewer in both cases as they were 45% of those artisans who had undergone the ISBI training and 60% of those artisans who had not undergone the ISBI training. In both cases more artisans had gained their skills through apprenticeship than through vocational training and one of the major reasons why the artisans opted for apprenticeship training within the informal sector was that this kind of training was more practical oriented than the vocational institution based training. The artisans who underwent the vocational institution training had again to seek attachment in the informal sector to master practical skills.

4.3.2 Business practices that artisans observed before training at ISBI

Data was collected on business practices that the *Jua Kali* artisans observed before training at ISBI. The data is presented in Table 4.3.2

Table 4.3.2 Business practices observed before training at ISBI

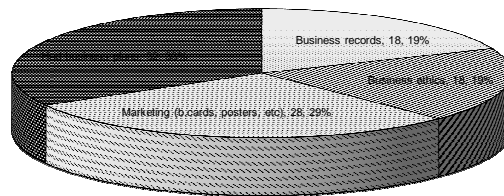
Business practice	Frequency	Percentage
Business records	18	30
Business ethics	18	30
Marketing (b.cards, posters, etc)	28	46.67
Had business plans	32	53.33

Source: data obtained from administration of research instrument in April 2007

Table 4.3.2 shows the numbers of Jua Kali artisans who observed business ethics, kept business records, had business plans and had a diversified marketing strategy.

Chart 4.3.2

BUSINESS PRACTICES OBSERVED BEFORE TRAINING AT ISBI



4.3.3 The benefits of ISBI courses to *Jua Kali* artisans

Information was gathered about specific courses offered at ISBI whether they were beneficial to *Jua Kali* artisans and the information gathered is recorded in Table 4.3.2.

Table 4.3.3 The benefits of ISBI courses to *Jua Kali* artisans

Skills taught at ISBI	Knowledge skills has helped (frequency)	Percentage %
Marketing	60	100
Business ethics	28	28.67
Business English	56	93.33
Basic accounting	60	100
Computer skills	60	100
Business planning	51	85
Management	37	61.67

Source: data obtained from administration of research instrument in April 2007

Table 4.3.3 presents a summary of the courses taught at ISBI and the number of artisans who have benefited by attending the courses.

4.3.4 Benefits of marketing course to *Jua Kali* artisans

Table 4.3.2 Shows that those artisans who had undergone the ISBI training, when they were asked whether the training in marketing had helped them, 100% said yes. Twenty three artisans (38.33%) of artisans interviewed said that marketing skills had made them improve the labelling of their products, realize the essence of advertising and helped them develop an image for their business enterprises. Nineteen, (31.67%) of the artisans interviewed said that the training in marketing helped them diversify their marketing strategies; they were able to use several methods to market their products. Eight, (13.33%) of the artisans interviewed had managed to have their own showrooms as a result of being taught marketing, they had been using other artisan's showrooms, after the training, they managed to open their own. Ten, (16.67%) of the artisans said that they had improved their relationship with customers after being taught marketing at ISBI. The artisans were able to put into practise what they had been taught at ISBI about marketing and the follow up by ISBI, after learning these skills, it became easier for the artisans to improve where they had not perfected.

4.3.5 Marketing techniques used by *Jua kali* artisans

Data was gathered on the marketing techniques the *Jua Kali* artisans were using and is presented in Table 4.3.5

Table 4.3.5 Marketing techniques used by *Jua kali* artisans

Marketing technique	Trained at ISBI	%	Not trained at ISBI	%
Business cards	56	93.33	15	40
Stickers	34	56.67	6	10
Posters	21	35	4	6.67
Hawking	0	0	5	8.33
Middlemen	13	21.67	10	16.67
By word of mouth	20	33.33	29	48.33
Display at premises	40	66.67	5	8.33
Exhibitions	17	28.33	1	1.67

Source: data obtained from administration of research instrument in April 2007

Table 4.3.5. Shows the marketing techniques used by Jua Kali artisans. The data is arranged according to the number of artisans who use them in marketing their products and in order of those who have undergone the ISBI training and those who have not undergone it.

Table 4.3.5 shows that more of the *Jua Kali* artisans who had undergone the ISBI training used a combination of marketing tactics as compared to those who had not undergone the ISBI training. A higher number of those artisans who had trained at ISBI used Business cards 93.33%, stickers (56.7%), posters (35%), word of mouth (33.3%), middlemen (21.67%), displayed at premises (66.67%) exhibitions (28.33%) and hawking (0%) to market their products. whereas those who had not undergone the ISBI training used word of mouth (48.33%), business cards (40%), middlemen (16.67%), stickers (10%), displayed at premises (8.33%), hawking (8.33%), posters (6.67%) and exhibitions (1.67%) to market their products. The artisans who had undergone the ISBI training were relatively better in marketing as they used different marketing tactics compared to those who had not undergone the ISBI training, this diversification was due to the knowledge they gained by undergoing the ISBI training.

4.3.6 Benefits of Business Ethics course to *Jua Kali* artisans

From Table 4.3.2 only 28 (46.67%) artisans out of the 60 (100%) artisans interviewed said that they had benefited from the business ethics course they were taught at ISBI. Eight artisans, (28.6%) who were interviewed said that they had managed to maintain a good relationship with their customers by eliminating unethical business practices and also they had improved in their public relations with other people including their customers; by listening and improving their language. Six artisans, (21.4%) said that they had known more about unethical business practices that they didn't know before, they now consult the ISBI business consultant always before undertaking any business transaction whose ethical implications they don't know. Two artisans, (7.1%) said that they had managed to make a good marketing strategy which was ethical. Four artisans, (14.3%) said that they had set aside a specific day of paying their workers and had also improved the satisfaction of employees by good interactions. Eight artisans, (28.6%) said that their businesses had grown because of practicing business ethics which they were taught at ISBI.

4.3.7 Benefits of Business English course to *Jua Kali* artisans.

From Table 4.1.2, fifty six, (93.3%) of the artisans interviewed said that the Business English course they were taught at ISBI had helped them in carrying out their business transactions. The artisans were able to write business letters, invoices, business plans, and introductory business letters to prospective clients. Instead of going to the supplier's place, the artisans could write a letter to the suppliers thus saving time doing other things related to their business enterprises. After learning computer courses at ISBI it became easy for the artisans to write introductory letters and post them on the internet, thus reaching many clients interested in buying their products.

4.3.8 Benefits of the computer packages course to *Jua Kali* artisans.

Data was gathered on how the *Jua Kali* artisans use their computer knowledge and the data obtained is presented in Table 4.3.8

Table 4.3.8 Benefits of the computer packages course to *Jua Kali* artisans

Business practice	Trained at ISBI (frequency)	%	Didn't train at ISBI (frequency)	%
Marketing	20	33	3	5
Keeping business records	32	53	0	0
Writing business plans	46	77	0	0
Writing business documents (invoices, reports, letters, etc	56	93	3	5

Source: data obtained from administration of research instrument in April 2007

Table 4.3.8 shows how artisans use their computer skills. The data is arranged according to how the artisans use their computer skills and according to whether they have undergone the ISBI training or not.

Those artisans who had attended the ISBI training in business skills had an advantage in the application of computer knowledge in the day to day running of their business enterprises as 33 % use these skills in marketing. For example the artisans market their products over the internet, by posting their products and addresses for contact by respective buyers. Those who use computer skills in keeping business records were 53% and 77% said that the computer skills helped them write business plans and 93% said that the computer skills were beneficial to them in writing business documents like invoices, reports and letters. A majority of artisans benefited from more than one use of the computer skills and hence the overlap. The usage of computer skills is low among those artisans who had not undergone the ISBI training as only 5% used computer skills in marketing and in writing invoices, reports and letters. The computer skills taught at ISBI has helped the *Jua Kali* artisans prepare letter heads, write introductory letters and write quotations; 11.6 % of

the artisans interviewed had bought computers for management purposes of their business enterprises.

4.3.9 The benefits of management course to *Jua Kali* artisans

Majority of the artisans interviewed (61.67%) said that the management course they were taught at ISBI benefited them. Fourteen artisans, (37.84%) said that they had improved their relationship with customers by managing them better than before. Eighteen artisans (48.65%) of the artisans interviewed said they were able to cut down the number of days and money spent out of their business enterprises. Five artisans (13.51%) of the artisans interviewed said that they were able to negotiate with suppliers, to take care of their products, and had managed to own their own business enterprises after undergoing the management course, before the training they were working for others.

4.3.10 The benefits of basic accounting course to *Jua Kali* artisans

All the 60 artisans (100%), who were interviewed, said that the basic accounting course they were taught at ISBI had helped them; they had seen the reason why they should keep business records. Twenty artisans (33.33%) of the artisans interviewed said that the basic accounting they were taught at ISBI had helped them to keep a cash flow analysis on a daily basis. Fifteen artisans (25%) of the artisans interviewed said that the basic accounting had helped them to start keeping business records, were able to project finances, to debit and credit and could use the business records for future reference. Ten artisans (16.67%) of the artisans interviewed said that they had improved their discipline in their expenditure and as a result expanded their business enterprises. Another ten artisans (16.67%) of the artisans interviewed said that they were able to calculate how much profit they were

making by keeping a profit and loss account. Five artisans (8.33%) of the artisans interviewed said that the basic accounting they were taught at ISBI had helped them to manage workers as they were able to prevent theft by the workers as they could ask them for records and not money. By eliminating theft by workers, they were able to do other things concerning their business enterprises and had managed to expand them.

4.3.11 The benefits of Business Planning course to *Jua Kali* Artisans

Majority of the 60 artisans interviewed (85%) said that the business planning course they were taught at ISBI had helped them to come up with business plans, helped them see what their business enterprises can achieve, helped them know how to plan their business enterprises, how to get capital to expand their businesses and how to come up with a business plan on pricing. Their business plans accompanied with business records enabled them to get financial help from financial institutions and that is the reason why more artisans who had attended the ISBI courses had taken credit from financial institutions than those who had undergone the ISBI courses. Accompanied by the other skills taught at ISBI, the artisans were able to project into the future by making savings as one of the ways of accumulating capital for future expansion.

Table 4.3.11 The number of *Jua Kali* artisans who have business plans

	Trained at ISBI	%	Didn't train at ISBI	%
Written	56	93.33	26	43.33
Not-written	4	6.67	34	56.67
TOTAL	60	100	60	100

Source: data obtained from administration of research instrument in April 2007

*Table 4.3.11 Shows the numbers of *Jua Kali* artisans who had business plans and those who didn't have. The data is arranged according to those who had undergone the ISBI training and those who had not.*

More artisans who had undergone the ISBI training had written business plans, 93.33 % compared to 43.33% of those who had not undergone the ISBI training. Only 6.67% of the artisans who had undergone the ISBI training did not have written business plans compared to 56.67% of those artisans who had not undergone the ISBI training. Those who did not have written business plans gave reasons such as; the business is not doing well, this is how we have been doing things, it is not necessary, we were taught the same things by NCKK and still things did not work and these things are for young people and not for us old people. Those who had attended the ISBI training and did not have written business plans said that they had business plans but had not written them down.

4.4 FORMAL EDUCATION AND TRAINING

Majority of the artisans interviewed (93.33%) said that the business English course they were taught at ISBI had helped them. They were able to write business documents, for example writing a formal business letter, had improved their communication thus reducing the cost of transporting goods by making orders; it had also improved their language and how to talk to customers. The language which they were using before was not proper as some were very rude to their customers especially to those customers who were not satisfied with their products. At ISBI artisans were taught to tolerate the customer's complaints and explain to them even if the customers were wrong so that they could rectify whatever the customers were complaining about.

Data was gathered on the level of formal education attained by the *Jua Kali* artisans and the data is recorded in table 4.4.

Table 4.4 Level of Formal Education attained by the *Jua Kali* artisans

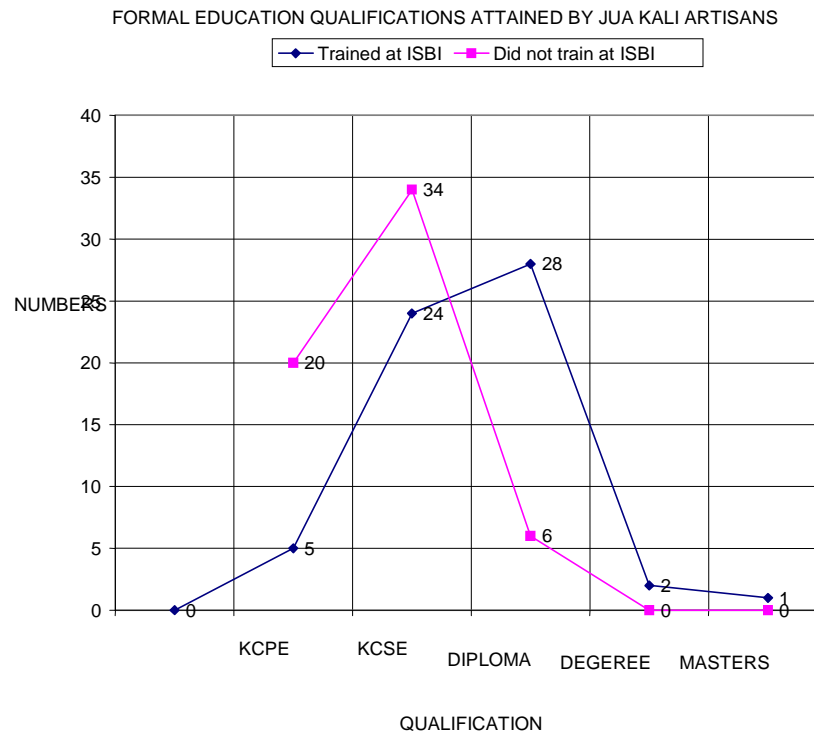
Level of education	Trained at ISBI (frequency)	Percentage %	Did not train at ISBI (frequency)	Percentage %
KCPE	5	8.33	20	33.33
KCSE	24	40	34	56.67
DIPLOMA	28	46.67	6	10
DEGEREE	2	3.33	0	0
MASTERS	1	1.67	0	0

Source: data obtained from administration of research instrument in April 2007

Table 4.4 shows the numbers of Jua Kali artisans who have attained certain levels of formal education. The data is arranged according to those artisans who have attended the ISBI training and those who have not.

Those artisans who had attended ISBI training were more qualified in terms of formal education qualifications compared to those who had not undergone the ISBI training. Twenty eight artisans (46.7%) had post secondary training compared to six artisans (10%) of those who had not undergone the ISBI training. Twenty four artisans (40 %) of those interviewed and had undergone the ISBI training had O-level formal education qualification compared to thirty four artisans (56.67%) of those who had not undergone the ISBI training. Five artisans (8.33%) of those who had undergone the ISBI training had attained primary school level education compared to twenty artisans (33.3%) of those who had not undergone the ISBI training. In general those artisans who had undergone the ISBI training had higher qualifications of formal education training than those who had not undergone the ISBI training.

Chart 4.4



4.5 Ages of the Jua Kali artisans

Data was gathered on the ages of the *Jua Kali* artisans and the data is presented in

Table 4.5

Table 4.5 Ages of the Jua Kali artisans

Age	Trained at ISBI (frequency)	Percentage %	Didn't train at ISBI (frequency)	Percentage %
21 - 25	23	38.33	3	5
26 - 30	23	38.33	21	35
31 - 35	14	23.33	13	21.67
36 - 40	0	0	13	21.67
41 - 45	0	0	0	0
46 - 50	0	0	7	11.67
51 - 55	0	0	0	0
56 - 60	0	0	3	5
Total	60	100	60	100

Source: data obtained from administration of research instrument in April 2007

Table 4.5 shows the ages of the Jua Kali artisans. The ages of the artisans are arranged according those who had undergone the ISBI training and those who had not undergone it.

The artisans who had undergone the ISBI training were relatively young compared to those who had not undergone the ISBI training. Twenty three artisans (38.33%) were between the ages of 21 – 25 years another twenty three artisans (38.33%) were between the ages of 26 – 30 years and fourteen artisans (23.33%) were between the ages of 31- 35. Compared to those artisans who had not undergone the ISBI training who had three artisans (5%) between the ages of 20 – 25 years, twenty one artisans (35%) between the ages of 26 – 30 years, Thirteen artisans (21.67%) between the ages of 31 – 35 years and 36 – 40 years respectively, seven artisans (11.67%) between the ages of 46 – 50 years and three artisans (5%) between the ages of 56 – 60 years.

4.6 Employment history of the Jua Kali artisans

Data was gathered on whether the Artisans were employed in the informal/formal sector before starting their own business enterprises and the data is presented in Table 4.6

Table 4.6 Employment history of the Jua Kali artisans

	Trained at ISBI	Didn't train at ISBI
Worked before starting own business	36	32
Didn't work before starting own business	24	28
Total	60	60

Source: data obtained from administration of research instrument in April 2007

Table 4.6 shows the number of Jua Kali artisans who worked in the informal/formal sector before starting their own business enterprises and those who did not.

4.7 Credit and practice of Business Ethics

Data was gathered on artisans who practice business ethics and have taken loans from financial institutions. The data is presented is presented in Table 4.7

Table 4.7 Credit and practice of Business Ethics

	Trained at ISBI	Didn't train at ISBI
Practice business ethics	15 (25%)	7 (11.67%)
Don't practice business ethics	45 (75%)	53 (83.33%)
Taken credit from financial institutions	37 (61%)	5 (8.33%)

Source: data obtained from administration of research instrument in April 2007

Table 4.7 shows the numbers of Jua Kali artisans who practice business ethics. The data is organized according to the artisans who have undergone training at ISBI and those who have not.

Most artisans, both those who had undergone the ISBI training and those who had not undergone the ISBI training do not practice business ethics, this is a major course taught at ISBI. The prevalence of those who do not practice business ethics is more with those artisans who had not undergone the ISBI training than those who had undergone it. Fifteen artisans (25%) of those artisans who had undergone the ISBI training said that they practise business ethics whereas only seven artisans (11.67%) of those who had not undergone the ISBI training said that they practised business ethics. On the other hand when asked whether they had taken credit from any financial institution, thirty seven artisans (61%) of those artisans who had undergone the ISBI training said yes against five artisans (8.33%) of those who had not undergone the ISBI training.

4.8 Courses popular with artisans who have not trained at ISBI

Data was gathered from artisans who had not undergone the ISBI training on the courses which they would have liked to be trained in. The data is presented in Table 4.8.

Table 4.8 Courses popular with artisans who have not trained at ISBI

Course	Frequency	Percentage
Business ethics	26	43
Marketing	21	35
Management	21	35
Business English	19	32
Book keeping	14	23

Source: data obtained from administration of research instrument in April 2007

Table 4.8 shows the numbers of those artisans who have not undergone training at ISBI and the courses they will prefer to be trained in.

4.9 Time spent by *Jua Kali* artisans in the informal sector

Data was gathered on the length of time the *Jua Kali* artisans have spent in the informal sector and the data is presented in Table 4.9.

Table 4.9 Time spent by *Jua Kali* artisans in the informal sector

Number of years	Trained at ISBI (frequency)	%	Not trained at ISBI (frequency)	%
Below one year	6	10	0	0
2 - 5	39	65	18	30
6 - 9	10	17	12	20
10 -13	5	8	15	25
14 - 17	0	0	12	20
18 - 21	0	0	3	5
Total	60	100	60	100

Source: data obtained from administration of research instrument in April 2007

*Table 4.9 shows data on the time spent by *Jua Kali* artisans in the informal sector. The data is arranged according to whether the artisans had attended the ISBI courses or not.*

4.9.1 Time artisans spent in employment before starting their own business enterprises.

Data was collected on the time that the *Jua Kali* artisans had spent working in the informal/formal sector before starting their own business enterprises and the information is presented in Table 4.1.9

Table 4.9.1. Time spent by *Jua Kali* artisans in the informal sector before starting their own business

Number of years	Trained at ISBI (Frequency)	%	Not trained at ISBI (Frequency)	%
Below one year	27	45	10	17
2 - 5	7	12	16	27
6 - 9	8	13	6	10
10 -13	6	10	15	25
14 - 17	7	12	3	5
18 - 21	3	5	2	3
22 - 26	2	3	3	5
27 - 30	0	0	5	8
Total	60	100	60	100

Source: data obtained from administration of research instrument in April 2007

Table 4.9.1 shows data on the time the *Jua Kali* artisans spent working in the formal/informal sector before starting their own business enterprises. The data is arranged according to whether the artisans had undergone the ISBI training or not.

The artisans who had undergone the ISBI training had taken a relatively short time in employment before starting their own business enterprises compared to those artisans who had not undergone the ISBI training. Twenty seven artisans (45%) of those artisans who had undergone the ISBI training had spent less than one year before starting their own business enterprises compared to ten artisans (17%) of those who had not undergone the ISBI training. Seven artisans (12%) of those artisans who had undergone the ISBI training had spent between 2-5 years in employment before starting their own business enterprises compared to sixteen artisans (27%) of those who had not undergone the ISBI training. This

data shows that those artisans who had stayed longer in the informal sector were not interested in any further training as the majority from this group did not undergo the ISBI training.

4.10 The extent to which *Jua Kali* artisans have benefited from the ISBI courses

The extent to which the *Jua Kali* artisans had benefited from the ISBI training was done by comparing the means of the artisans who had undergone the ISBI course and those who had not undergone it. In business practices such as use of Information Technology in business and marketing techniques using a Z- test statistic at 1% level of significance.

4.10.1 Z – test statistic on business practices

A Comparison was done between the artisans who had undergone the ISBI training and those who had not undergone it in practicing of business ethics, taking credit from financial institutions, having business plans, keeping business records and use of Information Technology skills in business using a Z – test statistic. The data is summarised in table 4.10.1

Table 4.10.1 Z – test statistic on business practices

Business practices observed by artisans	ISBI ARTISANS		NON-ISBI ARTISANS	
	Number	%	Number	%
Practice business ethics	25	41.67	7	11.67
Have taken credit	37	61.67	5	8.33
Have business plans	56	93.33	26	43.33
Keep business records	32	53.33	0	0.00
Use IT in business	38	63.33	6	10.00

Source: data obtained from administration of research instrument in April 2007

*Table 4.10.1 summarises data in terms of frequencies and percentages on the *Jua Kali* artisan’s practice of business ethics, taking credit, having business plans, keeping business records and use of Information Technology skills in business.*

Ho – there is no significant difference in practice of business ethics, keeping business records, having business plans, taking credit from financial institutions and using Information Technology skills in business management between artisans who have undergone the ISBI training and those who haven't undergone it i.e.

$$p_1 = p_2$$

H₁ – there is a significant difference in practice of business ethics, keeping business records, having business plans, taking credit from financial institutions and using Information Technology skills in business management between artisans who have undergone the ISBI training and those who have not undergone it i.e.

$$p_1 \neq p_2$$

$$p_1 = \frac{41.67 + 61.67 + 93.33 + 53.33 + 63.33}{5} = 62.67\%$$

$$p_2 = \frac{11.67 + 8.33 + 43.33 + 0.00 + 10}{5} = 14.67\%$$

$$p_1 = 62.67\% , \quad p_2 = 14.67\%$$

We use the Z statistic for difference in proportions,

$$Z = \frac{p_1 - p_2}{\sqrt{p_c(1-p_c)\left(\frac{1}{n_1} + \frac{1}{n_2}\right)}}$$

$$\text{Where; } p_c = \frac{p_1 + p_2}{n_1 + n_2}$$

$$\text{In this case; } p_c = \frac{62.67 + 14.67}{60 + 60} = 0.65$$

$$Z_c = \frac{62.67 - 14.67}{\sqrt{0.65(1-0.65)\left(\frac{1}{60} + \frac{1}{60}\right)}} = \frac{48}{\sqrt{0.65 \times 0.35 \times 0.033}} = \frac{48}{0.0867} = 553.63$$

At 1% level of significance the tabulated Z_T value is 2.58

Since $Z_C > Z_T$, the null hypothesis is rejected in favour of the alternative hypothesis. We therefore say that there is a higher percentage of artisans who have undergone through the ISBI training who practice business ethics, keep business records, have business plans, have taken credit from financial institutions and use Information Technology skills in business management than those who hadn't undergone through the ISBI training.

4.10.2 Z – test statistic on use of Information Technology skills in business

A Comparison was done between the artisans who had undergone the ISBI training and those who had not in use of Information Technology in business using a Z - test. The data is summarised in table 4.10.2.

Table 4.10.2 Z-test statistic on use of Information Technology skills in business

How artisans use IT skills in their business	ISBI ARTISANS		NON-ISBI ARTISANS	
	Number	%	Number	%
Marketing	20	33.33	3	5.00
Keeping business records	32	53.33	0	0.00
Writing business plans	46	76.67	0	0.00
Writing other b. documents	56	93.33	3	5.00

Source: data obtained from administration of research instrument in April 2007

Table 4.10.2 summarises data in terms of frequencies and percentages on the Jua Kali artisan's use of Information Technology skills in marketing, keeping business records, writing business plans and other business documents.

H_0 - there is no significant difference in percentage in the usage of Information Technology skills in marketing, keeping business records, writing business plans and other business documents between artisans who have undergone the ISBI training and those who have not undergone through the ISBI training i.e.

$$p_1 = p_2$$

H_1 - there is a significant difference in percentage in the usage of Information Technology skills in marketing, keeping business records, writing business plans and other business documents between artisans who have undergone the ISBI training and those who have not undergone through the ISBI training i.e.

$$p_1 \neq p_2$$

$$p_1 = \frac{33.33 + 53.33 + 76.67 + 93.33}{4} = 64.17\%$$

$$p_2 = \frac{5.00 + 0.00 + 0.00 + 5.00}{4} = 2.5\%$$

We use the Z statistic for difference in proportions,

$$Z = \frac{p_1 - p_2}{\sqrt{p_c(1-p_c)\left(\frac{1}{n_1} + \frac{1}{n_2}\right)}} :$$

$$\text{Where; } p_c = \frac{p_1 - p_2}{n_1 - n_2}$$

$$\text{In this case; } p_c = \frac{64.17 - 2.5}{60 - 60} = 0.56$$

$$\begin{aligned} Z_c &= \frac{64.17 - 2.5}{\sqrt{0.56(1-0.56)\left(\frac{1}{60} + \frac{1}{60}\right)}} = \frac{61.67}{\sqrt{0.56 \times 0.44 \times 0.033}} \\ &= \frac{680.46}{0.0911} = 7469.37 \end{aligned}$$

At 1% level of significance the tabulated Z value Z_T is 2.58

Since $Z_c > Z_T$ The null hypothesis is rejected in favour of the alternative hypothesis. We conclude that the percentage of the artisans who have undergone the ISBI training who use Information Technology skills in marketing is significantly higher than those artisans who haven't undergone through the ISBI training.

4.10.3 Z- test statistic on marketing techniques

Table 4.10.3 Z - test statistic on marketing techniques

Marketing technique used by artisans	ISBI ARTISANS		NON-ISBI ARTISANS	
	Number	%	Number	%
Business cards	56	93.33	15	25.00
Stickers	34	56.67	6	10.00
Posters	21	35.00	4	6.67
Hawking	0	0.00	5	8.33
Middlemen	13	21.67	10	16.67
Word of mouth	20	33.33	29	48.33
Display at premises	40	66.67	5	8.33
Exhibitions	17	28.33	1	1.67

Source: data obtained from administration of research instrument in April 2007

Table 4.10.3 summarises data in terms of frequencies and percentages on the Jua Kali artisan's use of different marketing techniques in business.

H_0 , there is no significant difference in percentages in the usage of different marketing techniques between artisans who have undergone the ISBI training and those who have not undergone it, i.e.

$$p_1 = p_2$$

H_1 , there is a significant difference in percentages in the usage of different marketing techniques between artisans who have undergone the ISBI training and those who have not undergone it, i.e.

$$p_1 \neq p_2$$

$$P_1 = \frac{93.33 + 56.67 + 35.00 + 0.00 + 21.67 + 37.33 + 66.67 + 28.33}{8} = 41.88\%$$

$$P_2 = \frac{25.00 + 10.00 + 6.67 + 8.33 + 16.67 + 48.33 + 8.33 + 1.67}{8} = 51.63\%$$

We use the Z statistic for difference in proportions,

$$Z = \frac{P_1 - P_2}{\sqrt{p_c(1-p_c)\left(\frac{1}{n_1} + \frac{1}{n_2}\right)}}$$

$$\text{Where; } p_c = \frac{P_1 + P_2}{n_1 + n_2}$$

$$\text{In this case; } p_c = \frac{41.88 + 15.63}{60 + 60} = 0.48$$

$$Z_c = \frac{41.88 - 15.63}{\sqrt{0.48(1-0.48)\left(\frac{1}{60} + \frac{1}{60}\right)}} = \frac{26.25}{\sqrt{0.48 \times 0.52 \times 0.033}} = 289.22$$

At 1% level of significance the tabulated Z value Z_T is 2.58

Since $Z_c > Z_T$, the null hypothesis is rejected in favour of alternative hypothesis. We conclude that the percentage of artisans who have undergone the ISBI training who use different marketing techniques in business is significantly higher than those artisans who haven't undergone through the ISBI training.

4.11 The problems that *Jua Kali* artisans face in carrying out their business

The *Jua Kali* artisans are forced to pay taxes twice to the city council, they are supposed to pay a monthly rate. The city council officials who come to collect license fees at times before the month elapses demand that the artisans pay a weekly rate even if they have paid the monthly rate. Those artisans who pay for a yearly license are forced to pay the monthly rate for some months as they await the allocation of a license from the city council. This normally happens at the beginning of the year. The inefficiency of the city council causes the *Jua Kali* artisans to incur extra expenses which eat into their profits. The taxes are simply too many and very expensive, the city council demands four types of licenses from the *Jua Kali* artisans. The city council *Askaris* are also irresponsible and do not keep

records and therefore end up demanding license fees from people whom they have already collected license fees from, especially the weekly fees.

There is a general problem of insecurity as *Jua Kali* artisan's business premises are broken into at night and at times this is due to non payment of security fees to some vigilante groups that have taken advantage of the insecurity to exploit the *Jua Kali* artisans. It is also not possible to operate late at night for fear of thugs, the *Jua Kali* artisans fear having very expensive items lest they are stolen. There is also the problem of the government tendering process which is biased against *Jua Kali* artisans as there are requirements that they are required to meet which are way beyond the *Jua Kali* artisan's reach. Some middlemen who are well connected take advantage by seeking quotations from *Jua Kali* artisans under pretext of giving them tenders to supply the items they make to some government department but instead present these quotations themselves using the quotations given them by *Jua Kali* artisans and get these tenders. Government regulations like Electronic Tax Registers (ETRs) and Personal Identification Numbers (PIN) numbers complicate the matter even more as most *Jua Kali* artisans are not compliant. Government tendering has become the preserve of the well established formal business enterprises which in turn solicit their supplies from the informal sector thus taking advantage of these government requirements.

The mainstream banks refuse to extend credit services to *Jua Kali* artisans, even to those artisans who bank with them because of the security requirements. Some *Jua Kali* artisans have excellent business plans, but this is a non-issue to the major financial institutions which insist on security as a major guarantee for credit consideration. The *Jua Kali* artisans

depend on the rotational credit Saccos as a means of getting credit to expand their businesses normally these Saccos do not give much credit. The other means which the *Jua Kali* artisans are left with is borrowing from friends, and in order to get this kind of credit, one has to agree to share the profit with the debtor. The micro credit institutions insist on formation of groups as a means of assurance of getting credit from them. The group members act as guarantors for each other and in case one defaults, the other members will pay the amount due to the micro-finance institution. The credit extended to the groups is not much after it is divided among the group members. The method is not popular with the *Jua Kali* artisans as they undertake their business enterprises individually. The microfinance institutions start deducting their interest immediately without a grace period. Getting capital for *Jua Kali* artisans becomes very difficult as the conditionalities put by the financial institutions are many which the *Jua Kali* artisans can not meet. The government's effort to start the youth fund is not helping much as most of the youth are seen to be irresponsible and lack a work ethic. The youth fund does not cater for the elderly who have experience in business and have a work ethic besides the women fund which does not cater for men either. The government effort cuts out some groups and therefore is not the best method to address the issue of lack of funds as the efforts do not include all groups.

Competition of goods produced locally and imported goods. Most Kenyans, especially the middle class and the upper class do not buy locally made goods; they go for imported goods even if these goods are of low quality. This is brought about by the fact that most *Jua Kali* artisans don't have showrooms in places where the middle class and upper class can be reached and buy. The *Jua Kali* artisans are forced to sell their products to people within

their area of stay even if they have good products this compromises the standards of goods produced as they are made only for the local market. In the case of Makadara area of Nairobi the place is inhabited by low income earners who cannot afford the products if they are expensive and these forces the *Jua Kali* artisans to produce products of a lower quality for these people. The upper class goes to showrooms located in prestigious places to buy imported goods even if they are of low quality. Those who deal with clothing and textiles are also affected by second hand clothing as they are cheap and people go for them at the expense of locally produced clothing and textiles. The competition does not come only from goods which originate from outside the country, but also goods that originate from within the country. The apprentices who are trained within the informal sector normally accumulate money and start their own businesses thus creating competition as they start them within the neighbourhood of their training masters.

Jua Kali artisans also lack places from which to conduct their businesses. There is a constant collision between *Jua Kali* artisans and the City Council *Askaris*, occasionally their temporal structures are brought down as they stand on land set aside for road expansion. Some of the artisans can only do their businesses when it is dry as they operate from open spaces, they can't conduct their business when it is wet. They can't as they lack shelters to cover their products from rain and direct sunlight. Storage is also a problem as the artisans lack enough space to store their finished products; they resort to making a few products for display and wait for customers to make an order which they work on and deliver to the owner.

The *Jua Kali* artisans also have problems with difficult clients, some clients order for items to be made, but they take long to pay for them. These uncollected items hold a lot of money

tied in these uncollected commodities. At the same time they also face the problem of under quotation, when their competitor's lower prices to attract clients they are also forced to lower the prices and end up under quoting thus making losses out of this. Some buyers are not serious as they ask for prices when they are not interested in buying the items they show interest in, some resort to making payments on an installment basis.

4.12 The problems that ISBI face in training *Jua Kali* artisans

Some of the problems that ISBI face are summarized in the document in the appendix B, and one of the problems is getting new clients as most of the artisans give various excuses why they cannot attend the ISBI training as indicated in the document in appendix B.

ISBI faces a tough challenge to convince artisans to come for the ISBI courses. From the document in appendix B, some artisans are disgruntled because they did not gain from past experiences especially one that was conducted by the NCKK and MSETTP. The artisans expected to be connected to good micro-finance institutions, others said that they did not have time; while others wanted to be told how they were going to benefit before enrolling. Some artisans expected to be given some loan from ISBI after undergoing their training programme; others feared the city council demolishing their shades and therefore could not attend the courses. Some of the artisans simply did not expect to succeed whereas others wanted the fee charged for the courses lowered for them to attend the courses. The idea of training artisans in business skills is a new concept and most of the artisans are used to training in technical skills only, they could not believe that they also need to train in business skills as well, to succeed in their business enterprises.

4.12.1 Number of artisans who have attended the ISBI training

Data was obtained on the number of artisans who have attended the ISBI training. The data is presented in Table 4.11.1

Table 4.12.1 the number of *Jua Kali* artisans who have attended the ISBI training

Year	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
2004	0	7	3	3	2	0	2	3	5	6	4	0	35
2005	1	2	0	0	5	3	2	10	10	4	0	0	37
2006	4	0	8	20	20	23	16	0	12	0	0	0	67
2007	0	0	0	0	19	0	28	0	6	8	0	0	71

Source: data obtained from ISBI records April 2007

In table 4.11.1 the number of artisans is recorded in numbers according to the months in which the artisans attended the ISBI training and the total number of artisans is given per month and year from 2004 to 2007.

The ISBI training programme is planned to take one month, from the table it can be noted that some months there were no artisan students. The tutors had to be paid even though there were no students to be taught. This makes the mounting of this training programme very expensive in terms of the unit cost.

Table 4.12.2 The number of seminars artisans have attended at ISBI.

Seminar	Date	No. of participants		Facilitators
		TOTAL	ISBI	
Legal requirements	29/4/06	16	4	Mukoma and Nyiha Advocates
Business plan	01/5/06	13	5	Strathmore University
Taxation	01/6/06	21	6	Mukoma and Nyiha Advocates
Accounting	29/7/06	9	4	Strathmore University
Sources of capital	30/9/06	23	5	Credit Controller Equity Bank
Business incubator	09/4/07	12	12	PriceWater House Coopers

Source: data obtained from ISBI documents April 2007

In table 4.11.2 business seminars are arranged in a chronological order in numbers of artisans in attendance and according to the date they were held and the facilitators.

Apart from the business incubator seminar, all the other seminar attendance was dominated by artisans who had not attended the ISBI training. From the ground business consultant's follow up on past ISBI artisan students for purposes of helping them put into practise what they had been taught at ISBI, the seminars were also supposed to enhance the skills taught at ISBI. Some of the reasons given for non-attendance were that the facilitators were out of touch with the reality of *Jua Kali* artisans and could not help much. Some suggested that one of the *Jua Kali* artisans who had succeeded in implementing the skills taught at ISBI should be invited alongside the corporate experts.

Table 4.12.3 Reasons why artisan have not attended ISBI courses

Reason for not attending ISBI courses	Frequency	Percentage
Time constraints	26	43.33
Have no interest	10	16.67
Knows but does not what it is all about	6	10
Does not need training	5	8.33
Would like but lacks money	4	6.67
Knows but does not need training because of age	4	6.67
Language problems	3	5
Would like if business was theirs	2	3.33

Source: data obtained from administration of research instrument in April 2007

Table 4.11.3 summarises the reasons why Jua kali artisans have not attended the ISBI training and the data is arranged in frequencies and percentage.

From table 4.7.3 majority (43.33%) of the artisans who had not attended the ISBI courses said that they did not have time to attend the ISBI training and at the same time attend to their business enterprises. Out of the 60 artisans who were interviewed, 16.67% said they did not have any interest in attending the courses, 5% said that they had language problems, 8.33% said that they did not need any training, 6.67% said that they would like but they lacked money, 10% said they knew ISBI but did not know what it was all about,

6.67% said that they did not need training because of their advanced age and 3% said that they would like if they had their own business enterprises.

Table 4.12.4 Pending courses and balances

year	B.Ethics & B. Eng	accounting 1	accounting 2	marketing	management	balances (Kshs)
2004	6	2	4	2	3	13600
2005	6	2	4	6	6	20800
2006						67770
2007	9	4	4	5	1	35600

Source: data obtained from ISBI documents in April 2007

Table 4.11.4 shows pending courses and balances arranged according to the year and the number of artisans who did not complete them.

Some *Jua Kali* artisans were unable to pay their tuition fees for the ISBI training. This has led ISBI to incur large fees balances owed her by former artisan students. The year that ISBI incurred the highest fees balance is the year 2006. In 2006 ISBI incurred a fees balance of kshs 67770 even after awarding bursaries to some needy artisans; they were unable to collect all their money from the artisans due to non-payment of tuition fees. From the table above, some artisans were unable to complete their training; one of the reasons why they did not complete their training was that the time was not compatible with their business enterprises. While others said that their business enterprises had picked up and needed their attention, therefore could not get time to attend the ISBI training as the time they were supposed to be in class they were supervising their business enterprises. Some said they were unable to raise the money due to personal problems which could not allow them to continue with the training as they were forced to spend a lot of money.

Every donor who sponsors a programme in ISBI will always plan objectives and ways of measuring performance. Depending on the project period, the donors may require biannual

or quarterly reports. The director of ISBI said that his main problem as a director was convincing artisans why they need to attend short business courses organized by ISBI. The director of ISBI said that it is only 5% of the artisans who enroll that do not complete their courses due to various reasons as they lack a proper drive and motivation.

The premises where ISBI is temporarily situated is becoming small as the institution continues to grow, there is need to expand them as many artisans continue to attend its courses. The Strathmore Educational Trust has a plan to buy 10 acres of land to relocate the ISBI project; the current premises are too small as the ISBI project has outgrown them. This piece of land if acquired near the industrial area of Nairobi will help many artisans as it is in a centralized area. It will be strategic to most artisans within the wider Eastlands area. The letter in appendix C gives a summary of what ISBI intends to do in the future. For this plan to succeed the Strathmore educational trust needs land to expand the ISBI project. Similar efforts before to acquire some parcel of land along Kangundo Road failed as the owner of the ten acres of the land sold it to someone else who wanted to put up houses for sale. By the time of sale the Strathmore Educational Trust was in the process of raising money to acquire the piece of land. This piece of land was also strategic as it was near the Industrial Area and close to the ISBI catchment area.

4.13 How ISBI is solving some of the problems that it is facing

ISBI has established partnerships with Strathmore University and as a result of this, Strathmore University lecturers train the ISBI trainers. It has good links with donors both locally and abroad and is well known within the immediate neighbourhood. It has an ICT centre co-sponsored with Microsoft and 700 youths have been trained in one year (2006).

ISBI has also an after school library facility whereby students from upper primary to form 4 study in the library.

ISBI started a website in 2006 where artisans can display their products and services on the internet, also there is a bureau to help artisans make calls, photocopy and print their documents at cheaper rates. A Microsoft \$ 1 million partnership with the International Youth Foundation (IYF) pilot programme was recently launched in the country. This programme aims at enhancing sustainable employment opportunities for up to 40,000 young people aged between 16 and 35 years in Kenya, Nigeria, Senegal and Tanzania. In Kenya this initiative will be implemented by ISBI in partnership with the Ministry of Youth Affairs among others.

Publicizing its activities in the local media, on Wednesday 27th June 2007 an article appeared in the Daily Nation Newspaper titled “Shs 112 m to boost Microsoft social work initiatives” (Michael Kinyanjui, Daily Nation, 27th June 2007, page 12). On Thursday June 28th 2007 another article titled “Boon project for the youth” appeared in the Daily Nation’s money magazine highlighting the benefits of *Jua Kali* artisans from attending the ISBI courses (Justus Ondari, Daily Nation, 28th June 2007, page 5). And again on 20th June 2007, an article appeared in the Daily Nation’s Business pullout highlighting an award to ISBI by Microsoft as the best youth programme in the Sub-Saharan region at the Norfolk Hotel on 19th October 2007. This publicity is creating awareness about the ISBI programme and many people are getting to know ISBI even those from outside Nairobi.

ISBI organizes seminars which artisans attend both those who have attended the ISBI training programme and those who have not attended it. The seminars are held during

public holidays when most artisans are free and can attend the seminars. Experts are invited to talk to the artisans on specific issues that affect them, this way many people are getting to know ISBI. Also during the prize giving ceremonies, senior government officials are invited to come and attend or preside over the ceremonies. Past students are also encouraged to inform their friends on the benefits of attending the ISBI courses by showing them what they can do after attending the courses. Students from Strathmore University also market ISBI during their community service activities.

4.14 The future plans of ISBI

The future plans of ISBI are outlined in the letter in the appendix C which was sent to the Kenya Association of Manufacturers on 7th November 2006. From the letter, ISBI has a future plan to establish a Technical Vocational and Entrepreneurial College in Eastlands Nairobi, to offer technical-vocational courses for the benefit of the less privileged in the Kenyan Society. The venture will contribute to the economy of Kenya by improving the quality of technical-vocational education and training in Nairobi by adapting a dual partnership system of education and training.

To train ICT-oriented middle-level manpower, the ICT has not been fully incorporated into vocational training and this has led to vocational training institutions lagging behind in training computer skills which are necessary in the modern sector. The Vocational Training Institute will also train middle-level manpower for technical maintenance needs of industries in processing, manufacturing, buildings, construction and transportation. Technicians from the industries will train for some days and go for technical training during other days; this training will be partially paid for by the industries as it will be

geared to improving the performance of technicians working in the industries. The institute will also improve the quality of the middle-level manpower (mechanics, electricians, maintenance technicians, and skilled production technicians, shop floor engineers, and shop floor managers) of industries.

To train micro-entrepreneurs by training them in business skills offered by ISBI, *Jua Kali* artisans come to the institute and are trained in business management, business planning, computer packages, basic accounting, marketing and business ethics. This venture will be expanded into neighbouring places and eventually reach many people in their places of work. Currently it is based in Nairobi and has just started in Kisumu whereby fishermen are taught the same skills as the artisans who enroll with ISBI but geared to fishing.

4.15 WHAT THE GOVERNMENT SHOULD DO

The artisans were asked how the government should intervene so that they may improve their performance within the informal sector most gave the following suggestions:

- (i) The government loaning programme should leave out the age and gender factor, the youth fund has an age limit, those that are above 35 years of age are not eligible to get this loan. The women fund leaves out men.
- (ii) The requirement that one has to be a member of a group in order to qualify to get these loans should be done away with. The government should also come up with a policy to streamline its funding and should consider the informal sector more than the formal sector

- (iii) The government should facilitate construction of storied shades as the ones that are there are too few, the artisans end up constructing temporary shades which the city council demolishes as they are build on road reserves.
- (iv) The government should fund research on new innovations so that the artisans can produce quality products besides assisting in the marketing of *Jua Kali* artisan's products.
- (v) The Kenya Beaural of Standards (KBS) should be involved in vetting the quality of products that are produced by the *Jua Kali* artisans as well as imported products.
- (vi) The government should set up the informal sector training programmes close to where people stay or work so that people can make it to training easily.
- (vii) The government should start exchange programmes in the informal sector to improve networking and diversification and should create a link between the formal sector and the informal sector so that the two sectors can learn from each other.
- (viii) The Electronic Tax Registers (ETRs) machines should be abolished, rates should be lowered, and the Nairobi City Council should minimize regulations and provide space for the artisans to operate their businesses from. Import duty should be abolished on machines imported by *Jua Kali* artisans to make them cheaper for the artisans.
- (ix) The government should improve security as there is a lot of insecurity, most artisans fear installing expensive items as they may be stolen.

- (x) The government should create a *Jua kali* information centre to advertise the *Jua Kali* artisan's products as most people nowadays prefer buying imported products even if they are of poor quality.
- (xi) The government should act on the strategic plans; for example strategic development plan no. 10 of 1965 whose recommendations were never implemented.
- (xii) Education programmes meant for the informal sector should be designed to educate the artisans on government taxation and also on how the stock exchange works so that they can invest in alternative markets.

4.16 WHAT ISBI SHOULD DO

The artisans gave several suggestions on what ISBI should do to improve its courses further.

- (i) The ISBI courses should be advanced further especially Accounting, Business Planning and Business English so that one can write a magazine in case of the business English course.
- (ii) ISBI should teach a particular format of keeping business records
- (iii) The time arrangement for the courses is unfavourable to some artisans and therefore should be rearranged so that classes can begin at 4 pm and the four hour sessions should be broken into two hour sessions.
- (iv) Artisans should be made to sit some examination at the end of the course
- (v) Those artisans who undergo the training should be networked with NGOs and other ISBI artisans

- (vi) ISBI should vigorously market itself through electronic and print media as some people don't know what it is all about

CHAPTER FIVE

SUMMARY, IMPLICATIONS, CONCLUSION AND RECOMMENDATIONS

5.0 INTRODUCTION

This chapter presents a summary of the findings of this study as well as the conclusions drawn there from. It also presents the suggestions on the way forward in the light of the findings and conclusions, and provides a glimpse into the areas for further research on the subject.

5.1 SUMMARY

The *Jua Kali* informal sector is major contributor to the economic growth and creation of jobs in Kenya and needs to be supported both financially and academically through education. Most *Jua Kali* artisans lack business skills, as this study has shown, those artisans who have undergone some training in business skills are better than those who have not undergone the same training. Therefore training in business skills should be major component in the skills training meant for the *Jua Kali* sector, so that the artisans who join the informal sector are able to start business enterprises that can grow and become formal business enterprises employing other artisans thus creating more employment. In this research, it was observed that the *Jua Kali* artisans were manufacturers and salesmen of their products, this has created a congestion of many artisans in the same business as the business enterprises are only serving their subsistence needs.

The educational level has an impact on the attendance of the ISBI courses as most of the artisans who have attended the courses have post secondary formal qualifications followed by those who have secondary education level qualifications. On the other hand the artisans

who had not attended the ISBI courses had a higher percentage of secondary education qualifications. At the same time, those who had not attended the ISBI courses had a higher number of artisans with only primary level education. The level of education was a major determinant of the attendance of the ISBI courses as those with higher formal qualifications opted to attend the ISBI courses than those with low formal education qualifications.

Age of the artisans was another major factor influencing the attendance of ISBI courses, most of those artisans who had attended ISBI courses were below the age of 30 years as compared to those who had not attended the course whose average age was above 30 years. The young artisans could see the reason for further training whereas the older artisans could not. The older artisans were asking why they should go further training in business management, business ethics, computers, basic accounting and business English as they have been running their business enterprises without these skills. Others said that they were too old to be subjected into learning, which they had given up long time ago and some suggested that the ISBI training programme was good but for the young people.

The research found that the artisans who had attended the ISBI programme had spent less than one year in employment than those who had no attended. The older artisans spent more time in employment than young people and were generally well established in their business enterprises in terms of facilities than younger artisans. Most of the older artisans had retired from formal employment and used their retirement benefits to buy the necessary facilities and equipment to start their own business enterprises. This is the reason why they were a bit complacent with whatever business practices that they were practicing; they were not ready for anything new.

The research also discovered that those artisans who had not attended the ISBI courses had spent more time in the informal sector than those who had attended the ISBI courses. The more time an artisan had spent in the informal sector the more he/she was well established and the more equipment he/she had. The artisans who had spent more time in the informal sector were more established in their business enterprises than those artisans who had spent little time in the informal sector. They also seemed to have more employees working under them as apprentices, reason why they could not get time to come and train at ISBI as they had to keep a close check on their apprentices.

More artisans gained their skills through the apprenticeship method in the informal sector, some of the artisans made money from this by levying some money on the trainees. On being asked why they preferred this form of training, they replied that it was more practical as compared to the theoretical approach used by vocational training institutions. The mode of payment is friendly as the owners of business enterprises allow the new apprentices to pay in instalments or do work equivalent to a certain amount of money. Most village polytechniques are experiencing under enrollment due to most artisans' preference to train through apprenticeship method in the informal sector.

The follow up programme by the ISBI grassroot business consultant is necessary as it helps the *Jua Kali* artisans do consultations on a number of issues affecting their business enterprises especially on the application of the skills taught at ISBI. The training for once and for all approach has not helped many artisans. There were many other training programmes by NGOs geared towards skills enhancement for the informal sector but they did not go far as there was no follow up. However it was noticed by this research that most

of those who have attended the business seminars apart from the business incubator seminar are artisans who had not attended the ISBI training.

5.2 IMPLICATIONS OF THE FINDINGS

Most people enter the informal sector without business skills and this is the main reason why most business enterprises in the informal sector do not grow into formal business as they remain at the subsistence level. With proper training in business skills Small and Micro-enterprises can grow to become big business enterprises creating further employment. Lack of information has led to duplication of the same business enterprises by those who enter the informal sector, this has led to competition as there is no diversification. There are many things that the *Jua Kali* artisans can produce locally if they had information on how these items are made from wherever they are imported from; this is the main reason why there is no diversification.

The notion that the *Jua Kali* artisans are not qualified to be trained further does not augur well with this research; the research confirms that those with higher qualifications are trainable as they are the majority of those artisans who have attended the ISBI courses. Those with little formal education do not see the reason for doing things differently from the way they have been doing them. The dissemination of information to *Jua Kali* artisans should be continuous as knowledge keeps changing, what was appropriate a few years ago may not be appropriate in a few years to come, some skills will take the *Jua Kali* artisans a longer time to implement and therefore need for constant follow up.

Information technology should be incorporated into all training programmes meant to improve skills for the informal sector. Any training which does not take this into

consideration becomes irrelevant in this information age. Information technology revolutionalises all the skills that the informal sector needs; it also makes it easy for artisans to search for information quickly. In this research, Information Technology improved the artisan's record keeping, marketing and business planning. The artisans were able to advertise their products on the internet and write all their business documents using computers after undergoing the ISBI training.

5.3 CONCLUSION

The ISBI training has helped the *Jua Kali* artisans realize certain aspects of business which they didn't know before. The marketing skills used by the artisans who have undergone the ISBI training had improved. The artisans diversified their marketing tactics by using a combination of methods as compared to those artisans who had not undergone the ISBI training. ICT skills had an impact on all the other business skills the artisans were taught at ISBI. It revolutionalised their marketing, keeping business records and business planning as it became easier for the artisasn to practice these skills using a computer.

The artisans who had undergone the ISBI training were more qualified in terms of formal education qualifications compared to those artisans who had not undergone the ISBI training. The attendance of the ISBI training had a gender bias, 60% of those artisans who had undergone the training were men compared to 40% who were women.

5.4 RECOMMENDATIONS

Information technology should be incorporated into training programmes meant for the informal sector, the village polytechniques and technical training institutes should embrace it. The artisans who trained in computer packages at ISBI revolutionalized the way they

used to conduct their business. This knowledge helped them to improve their marketing skills, keeping business records and writing business documents. Seven artisans (11%) of the artisans saw the reason why they should use computers in running their business enterprises. Most of the courses taught were incomplete without computer knowledge. The starting of an ICT centre and hosting of a website by ISBI for the artisans to display their products on the internet to attract more customers is an indication of how information technology skills are necessary for the informal sector in this age of Information Technology.

The artisans were well qualified in skills related to mechanical production but had not ventured into electronics. The research recommends that incentives be given to institutions ready to train *Jua Kali* artisans in electronics. This training should have a long term vision whereby the artisans should be able to assemble and finally manufacture electronic products in the future, which are being imported from countries like China and Japan. This will help the country make a big leap in development as a lot of foreign exchange will be saved for development besides creating job opportunities. During the research, only one industry was noticed in the specified area which was manufacturing plastic products. There should also be incentives to teach and train *Jua Kali* artisans on how some of the products that Kenya imports are made so that the *Jua Kali* artisans themselves will start making them locally. Spare parts for motor vehicles can be made locally by the *Jua Kali* artisans, there is a huge market for motor vehicle spare parts, if they can be made locally, many jobs will be created.

Government funding for informal sector projects should not be based on gender or age. The current funding projects are biased, the youth fund is biased against adults (those above 35 years of age) and the women fund is biased against men. The members of society which the government funding is biased against could be the most productive. From this research it was noticed that those artisans who are above 30 are well established in the informal sector in terms of facilities. The government funding should not be discriminative and the group funding method does not help the *Jua Kali* artisans. Funds should be distributed to individual artisans depending on their creditworthiness and friendly borrowing terms should be offered to the *Jua Kali* artisans.

Government tendering procedures are also discriminative, some of the requirements one needs to fulfill in order to get a government tender are not necessary. To get a government tender one has to have an ETR machine in his business and must have a pin number. The *Jua Kali* artisans are not able to tender to the government, during the research the above stated reasons were cited. The *Jua Kali* artisans don't tender to the government, it seems that government tenders are meant for big companies which can meet the set requirements. Those who import things that can be made locally continue to dominate government tenders at the expense of *Jua Kali* artisans irrespective of the quality of the products. The government should carry an awareness campaign to encourage buying of locally made products; this should start with the government buying locally made products.

The government should facilitate the construction of *Jua Kali* exhibition centres where *Jua Kali* artisans can display their products. The government should also assist in marketing of

Jua Kali artisan's products, by provision of information to the artisans about overseas markets; this can be done over the internet at subsidized rates.

Entrepreneurial skills should be taught at all levels of education, more emphasis should be at the tertiary institutions. Most of the *Jua Kali* artisans who had attended the ISBI courses had post secondary formal education qualifications. This indicates that artisans with higher levels of education are likely to realise the importance of further training as compared to those artisans who do not have high levels of formal education. Non-Formal education should be used to as a means of attaining the millennium development goals of which Education for All (EFA) is one of the objectives. The introduction of free primary education in the year 2003 boosted the enrollment rates in primary schools but this Gross Enrolment Ratio (GER) is not 100%, meaning that not all the school going pupils are enrolled in primary schools. The transition from primary to secondary school has risen from 57% to 60% and is likely to rise as the government is paying part of the tuition fees for secondary school students starting January 2008. But still the enrolment in Kenyan secondary schools is not 100%. Therefore most of those not enrolled will join the informal sector. It is also likely that those who are already in the informal sector may not prefer going back to school as the opportunity cost will be high; they are already doing something in the informal sector or have acquired some skill. The NFE programmes are not recognized by the Government, apart from the adult education programme which the government supports. Programmes like the one organised by ISBI should be encouraged by the government in order to reach many people, especially the overwhelming majority in the informal sector who can not join formal learning institutions. The government should fund any initiative that is meant to improve the informal sector.

All the universities in Kenya should encourage their students to do at least a 6 month community work in the informal sector. The students should write reports on their findings at the end of their community work and give recommendations on what should be done to improve the informal sector. This will help university graduates to have some knowledge on what goes on in the informal sector.

The attainment of EFA by 2015 as one of the millennium development goals will not be achieved if the majority of the people who do not continue with formal education are neglected. The government does not consider those out of the formal education system, focus is only on those in the formal education system. There is need to use NFE to reach all people out of the formal education system so as to teach them certain skills which will make them better in what they are doing.

There should be a linkage between the informal sector and the formal education system, so that skills acquired in the informal sector can be recognized in the formal sector. From the research most artisans prefer getting their skills through apprenticeship training within the informal sector than to train at vocational training institutions. There should be emphasis on practical skills as some of those who qualify from vocational training institutions seek internship in the informal sector to practice the skills they are taught in the vocational training institutions.

5.5 FURTHER RESEARCH

Further research can be carried out in the following areas since the research did not cover all the mentioned areas below.

- (i) Factors that hinder *Jua Kali* artisans from forming groups to ease production through the division of labour
- (ii) The impact of government regulations on the productivity of the *Jua Kali* artisans
- (iii) The problems that *Jua Kali* artisans experience in obtaining credit to expand their business enterprises
- (iv) Why apprenticeship method of acquiring skills is preferred by *Jua Kali* artisans than the vocational training institutions

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