FACTORs LEADING TO LACK OF BUSINESS DIVERSIFICATION OF WOMEN FISH TRADERS IN HOMA-BAY TOWN, KENYA

By: LAURENCE S. OCHIENG
REG.NO. D53 / 0L / 4224 / 04

A RESEARCH PROPOSAL SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL FULFILLMENT FOR THE REQUIREMENT OF THE AWARD OF MASTER OF BUSINESS ADMINISTRATION (ENTREPRENEURSHIP) OF KENYATTA UNIVERSITY

March 2009
Ochieng Laurence S.
Factors leading to lack of business
DECLARATION

I declare that this is my original work and has not been submitted to any University or institution of higher learning for examination.

All the references from various authors have been acknowledged as required.

Signature........................................ Date..............................

Laurence Shikuku Ochieng’
Reg. No.  D53/OL/4224/04

Supervisors

This proposal has been submitted with my approval for examination as the University supervisor/s.

1. Wilson A.P Otengah (PhD)
Signature........................................ Date..............................
Department of Business Administration

2. Chairman

Mr. Dominic K Ngaba
Signature........................................ Date..............................
Department of Business Administration
Kenyatta University.

ii
DEDICATION

This work is dedicated to the love of my life, Maureen for her tremendous support and constant encouragement; to my children Diana and Robin for their understanding for not spending quality time with them.

To you all I say you are my inspiration and I sincerely love you; and may the grace of the Lord be upon you.
ACKNOWLEDGEMENT

May I take this opportunity to thank the Almighty God for the blessing He has continued to shower to me and more specifically to the realization of this work; my outmost gratitude goes to all those people who contributed to the realization of this project.

Special mention goes to my parents the late Ochieng Murewe and Marciana Ochieng for having inculcated in me a sense of perseverance, the drive to always give my best and the trust in God in the journey of life.

My lecturers stand out for the diligence and committed they put to their work which enabled me realize this dream; very special and kind mention goes to my ever committed supervisor Dr. Wilson Otengah for his exemplary guidance, patience and the necessary critique which made this work a success.

I especially salute my classmate at the Institute of Open Learning, Kisumu Centre, for their constant support and encouragement especially when the going got tough, which enabled me to plough on against the insurmountable odds, for which I will forever be indebted to more so Dedan, Dora, Atemba, Wendot and Okibo.

Despite everything I’m sincerely grateful to the interviewees for having sacrificed their precious time and gave candid response upon which this work is based on. I further salute the four research assistants for having the will and determination to administer the interview schedules and doing their best under the challenging circumstances.

To all of you I say thank you.
ABSTRACT

Business diversification is the increase in the variety of business, service or products in a business entity. Businesses resort to it so as to capture new business opportunities in its bid to expand or diversify its product/service portfolio (Chisnall, 1995). The introduction of Nile perch (*Lates niloticus*) in Lake Victoria in 1950’s led to influx of women in fish trade in the three East Africa countries (Johnson 2006). However the emergence of the lucrative Nile perch fillet export market in mid 1980’s, set in stiff competition amongst the processing factories, forcing them into vertical integration; this pushed the women fish traders into the less lucrative factory by products, Nile perch frames. The latter has however found increased use in the animal feeds industry leading to scarcity as well as scrambling of this product by the women fish traders and the animal feeds industry. It is on this premise that the study set to investigate the reasons these traders continue to engage in this trade despite the myriads of odds facing them. The study broad objective was to identify the factors that lead to lack of business diversification by women fish traders engaged in mgongo wazi trade. A descriptive cross-sectional study design was used to conduct the study in Homa bay town, Homa bay district. The primary data was collected using interview schedules and Focused Group Discussion (FGD), 104 women fish traders were interviewed. The data was analyzed using Statistical Package for Social Science (SPSS) and is presented using frequency tables, percentages, bar charts and graphs. The secondary data was collected from scholarly journals, thesis among others from various libraries and resource centres. The study established that the large number of dependants led to financial constraint; the lack of capital due to the fear to borrow loans from banks, embezzlement of members saving by MFI officials are some of the factors which curtails the women fish traders from accessing funds to diversifying their businesses.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Declaration</td>
<td>ii</td>
</tr>
<tr>
<td>Dedication</td>
<td>iii</td>
</tr>
<tr>
<td>Acknowledgement</td>
<td>iv</td>
</tr>
<tr>
<td>Abstract</td>
<td>v</td>
</tr>
<tr>
<td>Table of Contents</td>
<td>vi</td>
</tr>
<tr>
<td>List of Tables</td>
<td>ix</td>
</tr>
<tr>
<td>List of Figures</td>
<td>x</td>
</tr>
<tr>
<td>List of Abbreviation</td>
<td>xi</td>
</tr>
<tr>
<td>Definition of Terms</td>
<td>xii</td>
</tr>
<tr>
<td>Chapter One: Introduction</td>
<td>1</td>
</tr>
<tr>
<td>1.1 Introduction</td>
<td>1</td>
</tr>
<tr>
<td>1.2 Background of the Study</td>
<td>1</td>
</tr>
<tr>
<td>1.3 Statement of the Problem</td>
<td>4</td>
</tr>
<tr>
<td>1.4 Objectives of the Study</td>
<td>5</td>
</tr>
<tr>
<td>1.5 Research Questions</td>
<td>5</td>
</tr>
<tr>
<td>1.6 Significance of the Study</td>
<td>6</td>
</tr>
<tr>
<td>1.7 Scope and Delimitations of the Study</td>
<td>6</td>
</tr>
<tr>
<td>Chapter Two: Literature Review</td>
<td>7</td>
</tr>
<tr>
<td>2.1 Introduction</td>
<td>7</td>
</tr>
<tr>
<td>2.2 Socio-economic Background</td>
<td>8</td>
</tr>
<tr>
<td>2.3 Understanding of Business Diversification</td>
<td>9</td>
</tr>
<tr>
<td>2.4 Challenges of Business Diversification</td>
<td>11</td>
</tr>
<tr>
<td>2.5 Future Plans</td>
<td>12</td>
</tr>
<tr>
<td>2.6 Theoretical Framework</td>
<td>13</td>
</tr>
<tr>
<td>2.7 Conceptual Framework</td>
<td>14</td>
</tr>
<tr>
<td>2.8 Summary and Gaps to be Filled by the Study</td>
<td>15</td>
</tr>
<tr>
<td>Chapter Three: Research Methodology</td>
<td>16</td>
</tr>
<tr>
<td>3.1 Introduction</td>
<td>16</td>
</tr>
<tr>
<td>3.2 Study Area</td>
<td>16</td>
</tr>
<tr>
<td>3.3 Research Design</td>
<td>16</td>
</tr>
<tr>
<td>3.4 Target Population</td>
<td>17</td>
</tr>
<tr>
<td>3.5 Sample size and Sampling Design</td>
<td>17</td>
</tr>
<tr>
<td>3.6 Data Collection</td>
<td>18</td>
</tr>
<tr>
<td>3.7 Data Analysis</td>
<td>19</td>
</tr>
<tr>
<td>3.8 Expected Output</td>
<td>19</td>
</tr>
</tbody>
</table>
CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS

4.1 Introduction .............................................................................................................. 20
4.1.1 Bio data .............................................................................................................. 20
4.2 Socio-economic Background ................................................................................. 20
4.2.1 Age and Marital status ...................................................................................... 20
Fig. 4.1 Age distribution ............................................................................................. 21
4.2.2 Education levels ................................................................................................. 21
Table 4.1 Education levels .......................................................................................... 22
4.2.3 Number of children ............................................................................................ 22
Table 4.2 Number of children ..................................................................................... 23
4.2.4 Introducer to trade ............................................................................................. 23
Table 4.3 Introducer to trade ....................................................................................... 24
Fig. 4.2 Reasons for choosing Nile perch trade ............................................................ 25

4.3 Understanding of Business Diversification .............................................................. 25
4.3.1 Other business opportunities ............................................................................ 25
4.3.2 Other Income generating activity ..................................................................... 26
Table 4.4 Available farming opportunities ................................................................ 26
4.3.3 Plans to venture into another business ............................................................... 27
Fig. 4.3 Plans to venture into another business ............................................................. 27
4.3.4 Value Addition before selling ......................................................................... 28
4.3.5 Participation in Fishing ..................................................................................... 28
4.3.6 Possibilities of venturing to another business ................................................... 29
Table 4.5 Opportunities respondents will opt to ......................................................... 29
4.3.7 Factors influencing business diversification ....................................................... 29
Age ............................................................................................................................... 29
Fig 4.4 Age .................................................................................................................. 30
Education level ........................................................................................................... 30
Fig 4.5 Education level ............................................................................................... 31
Number of children ..................................................................................................... 31
Fig. 4.6 Number of children ....................................................................................... 32

4.4 Challenges faced in Business Diversification ......................................................... 32
4.4.1 Major challenges ............................................................................................... 32
Table 4.6 Major challenges ....................................................................................... 33
4.4.2 Existing Market Outlets .................................................................................... 34
4.4.3 Challenges in Value Addition ........................................................................... 34
4.4.4 Challenges in acquiring stock .......................................................................... 35
4.4.5 Main type of fish ............................................................................................... 35
4.4.6 Available Saving Institutions .......................................................................... 35
Table 4.7 Saving Institutions ...................................................................................... 35
Fig. 4.7 Saving Institutions ......................................................................................... 36
4.4.7 Financing of business ....................................................................................... 36

4.5 Future Plans towards Business Diversification ....................................................... 37
4.5.1 Dependents ....................................................................................................... 37
Table 4.8 Number of dependants .............................................................................. 37
4.5.2 Future Plans for the Business ........................................................................... 38
4.5.3 Support needed to improve the trade ................................................................ 38
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction ................................................................. 39
5.2 Summary ........................................................................ 39
5.3 Conclusion ...................................................................... 46
5.4 Recommendation ........................................................... 47
5.5 Limitation of the Study ..................................................... 48
5.6 Suggestion for further Study .............................................. 48

REFERENCES ........................................................................ 49

APPENDIX I ........................................................................ 52
BUDGET ................................................................................ 52

APPENDIX II ......................................................................... 53
TIME SCHEDULE ................................................................... 53

APPENDIX III ....................................................................... 54
INTERVIEW SCHEDULE .......................................................... 54

APPENDIX IV ...................................................................... 59
FOCUSED GROUP DISCUSSION ............................................. 59

APPENDIX V ......................................................................... 60
RECOMMENDATION LETTER .................................................. 60
LIST OF TABLES

Table 3.1 Nile perch frame women traders..........................17
Table 4.1 Education levels...........................................22
Table 4.2 Number of children........................................23
Table 4.3 Introducer to trade........................................24
Table 4.4 Available farming opportunities .......................26
Table 4.5 Opportunity respondents will opt to..................29
Table 4.6 Major challenges..........................................33
Table 4.7 Saving Institutions........................................35
Table 4.8 Number of dependants...................................37
LIST OF FIGURES

Figure 4.1 Age distributions................................................................. 21
Figure 4.2 Reason for choosing trade.................................................... 25
Figure 4.3 Plan to venture into another business...................................... 27
Figure 4.4 Age....................................................................................... 30
Figure 4.5 Education level................................................................. 31
Figure 4.6 Number of children.......................................................... 32
Figure 4.7 Saving Institutions............................................................ 36
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIDS</td>
<td>Acquired Immuno-deficiency Syndrome</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FGD</td>
<td>Focused Group Discussion</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GOK</td>
<td>Government of Kenya</td>
</tr>
<tr>
<td>HIV</td>
<td>Human Immunodeficiency Virus</td>
</tr>
<tr>
<td>LVFRP</td>
<td>Lake Victoria Fisheries Research Project</td>
</tr>
<tr>
<td>MFI</td>
<td>Micro Finance Institution</td>
</tr>
<tr>
<td>PRSP</td>
<td>Poverty Reduction Strategy Paper</td>
</tr>
<tr>
<td>SEDAWOG</td>
<td>Socio Economic Data Working Group</td>
</tr>
<tr>
<td>SMEs</td>
<td>Small and Medium Enterprises</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for Social Science</td>
</tr>
</tbody>
</table>
## DEFINITION OF TERMS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Artisanal</td>
<td>A small scale commercial fish business</td>
</tr>
<tr>
<td>Fish meal</td>
<td>An ingredient of animal feed formulation got from fish either whole or part of it used in animal feeds formulation</td>
</tr>
<tr>
<td>Nile perch frame</td>
<td>Is the skeleton of processed Nile perch with minimal meat/ flesh on it, interchangeably called ‘mgongo wazi’</td>
</tr>
<tr>
<td>Women fish trader</td>
<td>A female with dependant engaged in fish trade.</td>
</tr>
<tr>
<td>Vertical Integration</td>
<td>Controlling the supply chain of raw material (Nile perch) by the fish factory.</td>
</tr>
</tbody>
</table>
CHAPTER ONE
INTRODUCTION

1.1 Introduction

Business diversification is a strategy to increase the variety of business, service or product type within a business set up; it seeks to increase profitability through increased sale volume obtained from new products and markets (Chisnall, 1995). The business through diversification may expand into new segment within the existing business realm or into totally different business line. Business diversification might be done as a growth strategy when the profit margins are decreasing due to competition or shrinking market (Chisnall, 1995).

Women generally are engaged in business due to the desire for cash to meet household responsibilities such as cost of feeding, clothing and school fee payment. Further insufficient source of income and the women not wanting to bother their husbands for money may contribute to them venturing into business (Medard 1996).

1.2 BACKGROUND OF THE STUDY

The introduction of the Nile perch (*Lates niloticus*) in the Lake Victoria in 1950’s led to flourishing of the fish industry in the three East Africa countries (Uganda, Tanzania and Kenya) with an increase of fishing folk from 11,000 in 1971 to 124,639 in 2000; leading to decline in local prices over the period between 1975-1985 (Johnson 2006). This boom enhanced the earning of those involved in traditional fish processing activities (extra volumes offsetting the declining prices) and encouraged the influx of individuals principally women into fish trade. However, the introduction of Nile perch fillet export market in mid 1980’s to EU, Israel, Australia and Japan (Bokea and Ikiara 2000) led to tremendous export earning for the three East Africa countries which stood...
at US$ 280-400 million in 1999, with Kenya earning US$ 97.6 million (Bokea and Ikiara 2000). The lucrative export business led to stiff competition for the Nile perch among the processing factories; who in order to get more Nile perch from the lake vertically integrated, whereby apart from fish processing they ventured and control the lower levels of supply chain (Medard 2000). According to Geheb (1997) the factories controlled the chain by purchasing boats and other fishing gears which they leased to the fishermen to be repaid from the sales of delivered fish (Mitullah 2001) which tied the fishermen to the factories. This led to increase in Nile perch prices and exclusion from the business of the local chain participants- fish mongers and traditional processors, who are mainly women, were forced to look for alternative source of income (Abila and Jansen 1997).

In the 1980’s the factories didn’t know what to do with the large quantity of the by product, Nile perch frames, arising from the processing of Nile perch fillet (Abila and Jansen 1997). But due to the inability to access the Nile perch; the women having been disposed of their livelihood reprocessed and sold the Nile perch frames to the local community as a source of food. According to Abila and Jansen (1997) by 1990’s, 75% of the Nile perch frames had found market for the local poor people in Western Kenya. However with the rapid expansion of the animal feed industry in Kenya, which requires large quantities of animal feed formulation ingredient has seen increased use of the relatively cheaper Nile perch frames in the fast growing animal feed industry. This has led to scarcity and scrambling of the Nile perch frames between the women fish traders and the animal feed industry. According to Jansen and Abila (1997) 55%-65% of the frames produced in Kenya went to animal feed industry in 1996; this led to 50-60% of people employed in artisanal Nile perch frames in Kenya losing employment and source of income in a period of five years (1992 to 1997). The scarcity of the fish frames has
led to price increase and stiff competition of the commodity. This scenario has disadvantaged the women fish traders who for years have relied on fish trade as a source of livelihood. Despite this many more women continue to join the trade and the ones who have done the fish trade for ages have failed to diversify into other business ventures (Abila and Jansen 1997).

This research was aimed at finding out factors that make these women to prefer the fish trade in mgongo wazi despite the reducing profit margins brought about by the increased competition from fellow traders, animals' feeds processors and the processing expenses which has continued to reduce their profit margin.
1.3 STATEMENT OF THE PROBLEM

Women occupy a central role in fishing sector representing 70-80% of the artisanal fish processors and traders in Lake Victoria (Saudanno 1999). This is spurred by women taking up the role of breadwinners due to widowhood, migration of men into urban centres and the need to supplement spousal income (Medard 2000).

The emergence of the lucrative Nile perch fillet export market in the 1980's led to increased demand of the fish by the Nile perch processing factories. To ensure steady supply of Nile perch for processing, the factories leased fishing boats and gears to fishermen. This bound the latter to deliver their fish catch to these factories as they repay for the leased boats and fishing gears. The fishermen failure to deliver fish to the said factories led to stiff penalties such as seizure of leased fishing gear and boats (Mitullah 2001). This scenario forced the women fish traders to resort to trade in the factory by product, Nile perch frames. However, in efforts to cut production cost the players in the rapidly expanding animal feed industry have resorted to the use of the relatively cheap Nile perch frames in feed formulation. This according to Jansen and Abila (1997) led to massive job losses of (60%) in the in artisanal Nile perch frames in Kenya.

Despite the loss of business, these women have continued to engage in Nile perch frames trade and many more have continued to join and rely on this trade as a means of livelihood.

This research was set to identify the factors leading to lack of business diversification by women fish traders in Homa bay town.
1.4 OBJECTIVES OF THE STUDY

The broad objective was to identify the factors that lead to lack of business diversification by women fish traders engaged in Nile perch frames trade in Homa-Bay town.

SPECIFIC OBJECTIVES

a. To investigate the socio-economic background of the women fish traders.

b. To establish the women fish traders understanding of business diversification.

c. To establish the challenges faced by women fish traders towards business diversification.

d. To identify the future plans of women fish traders towards business diversification.

1.5 RESEARCH QUESTIONS

The following research questions were used to guide the study.

a) What is the socio-economic background of the women fish traders?

b) What is the understanding of women fish traders of business diversification?

c) What challenges face women fish traders in business diversification?

d) What are the future plans of women fish traders towards business identification?
1.6 SIGNIFICANCE OF THE STUDY
The findings will help policy makers to design policies which are friendly to promote the growth of the small-scale entrepreneurs.

The findings of the study will help decision makers come up with decisions that will improve the management of the fisher folk's trade.

The recommendations will form a basis for further research on small-scale entrepreneurs and in particular women fish traders and help in generation of ideas for the betterment of the fish trade industry.

1.7 SCOPE AND DELIMITATIONS OF THE STUDY
This study looked at the factors that lead to lack of business diversification by women fish traders engaged in Nile perch frames trade in Homa bay town.

The researcher interviewed 104 women fish traders engaged in Nile perch frame trade which they acquire from Capital Fish Company, Homa bay. The respondents were interviewed using interview schedule; the study excluded all men fish traders and targeted women who had been in this trade for more than three years. In an ideal situation the research should have covered most if not all the women fish traders within Homa-Bay town and around Lake Victoria, however being academic research its time plan is programmed to fit within an academic period.

Most of the available literatures have regional and global orientation therefore may not be fully applicable to the local situation in the area of study.
2.1 INTRODUCTION

The Small and Medium Enterprises (SMEs) form an important aspect of a country’s economic growth as they exploit those markets which the large firms may not exploit profitably due to large overheads and shortage of capital (Kuratko 1995). However due to labour surpluses, resulting into unemployment in the formal sector has seen emergence of entrepreneurs/ business people who have exploited “the neglected markets” as they require lower levels of capital (Kuratko 1995).

In developed countries Small and Medium Enterprises (SMEs) represent half of the Gross Domestic Product (GDP); nevertheless they are largely absent or ignored in the formal economy of developing countries. Kenya being a developing country has strived to develop its informal sector through various sessional papers such as Sessional Paper No.1 of 1986 on “Economic Management for Renewed Growth” and Sessional papers No. 2 of 1992 on “Jua Kali development in Kenya” which outlines the government policies and strategies for small enterprise development (G.O.K 1992).

Despite the foregoing, the Small and Medium Enterprises are faced with a lot of challenges such as lack of capital, inaccessibility to market/ merchandise, competition, weakness in managerial functions, inaccessibility to information, unsupportive government policies and regulations (Kaplinsky 2001). These and many more cause tremendous challenges to the survival and growth/diversification of Small Medium Enterprises as this study sets to study.
2.2 **SOCIO-ECONOMIC BACKGROUND**

According to Saundauno (1999) women form the majority of the artisanal fish trade of Lake Victoria. Their participation in fish marketing is spurred by cultural, social, economic and political factors. Francis (1995) argues that the migration of men to other parts of the lake and urban centres has forced the women to take up the roles traditionally taken by men hence their participation in fish trade as a source of income. Majority of these women are single, divorced, widowed and separated mothers (Geheb 1997). A study conducted by SEDA WOG (1999) showed that these women are aged 25-45 years, have more than three (3) children and other relatives dependant.

In a study conducted by Bokea and Ikiara (2000) they found that 8% of fish traders had no education while 65% had not gone beyond primary level of education. Two thirds of these traders had at most primary educational level (Wakwabi et alia 2003). The low level of literacy amongst the fisher folks limited their ability to attend training; this therefore allowed only the educated group officials to attend specialized training on fish group management, leadership roles, accountancy and gender awareness. The failure to attend such training affected the performance of the marketing and processing fish groups leading to exploitation by middlemen (Medard 2000).

According to Geheb (1997) most of the women joining the fish trade were introduced into it by parents, friends, relatives or husbands upon marriage. Lwenya and Abila (1999) found out that other factors making these women join the fish trade included family business heritage and a net decline in agricultural production. Geheb (1997) argues that many women's desire for cash stems from household responsibilities such as cost of feeding, clothing and school fees payment. Further insufficient subsistence sources of income and the women not wanting to bother their husbands for money may contribute for them joining the fish trade.
Medard (1996) found out that the women fish traders go into this trade because it requires little start up capital which they can easily borrow from husbands, friends or family members. It was also found that they could easily store the fish and further fish was the most commonly found commodity in the area and they were able to realize profits immediately. The fish prices were found to be lower compared to beef hence customers preferred Nayak (2000). Lwenya and Abila (1999) found out that women join the fish business since it is a family heritage; further the decline in agricultural production brought about by changing climate has made women to seek for alternative sources of livelihood; whereby if there is no work in the farms the women are forced to seek for alternative source of income such as trade in Nile perch frames (Francis 1995).

2.3 UNDERSTANDING OF BUSINESS DIVERSIFICATION
Abila and Jansen (1997) say that women who form the majority in fish marketing trade join the fish market because of the need of income and lack understanding of alternative business venture. Fish trade among the women fish traders is both specialized and combined with other activities. According to SEDAWOG/LVFRP (1999) majority of women (56%) earn an income purely on fish trade while 43% combine fish trading with other businesses. A further 40.2% (N=326) of these women were involved in farming, 50.4% (N=417) had no second activity while the rest were involved in food stall business, handicrafts and sale of other consumable goods. A study by SEDAWOG/LVFRP (1999) showed that 40.2% (N=326) of the women fish traders and processors were involved in farming while 50.4% (N=417) had no second activity; while the rest were involved in food stall business, handicrafts and sale of other consumable goods. With the rain fed farming; the study found that during the dry spell when families had less food such as vegetables, beans and other food stuffs; women
around the lake relied on fish as food by bartering with other commodities such as fire woods, cereals and others.

Fishing is seen to be purely men's work, while women are mainly engaged in post-harvest activities like smoking, drying and marketing which earn them a narrower profit margin compared to fish catchers/processors (Mbega 1999). In order to get better earning women mainly salt and or dry the fish, sometimes even extracting fish oil and thereby preserving the catch for later use (Nayak 2000). Fish processing is done to preserve and improve its (fish) flavour and is categorized into full processing or semi-processing; but due to high cost of processing the women are generally involved in semi-processing.

According to Nayak (2000) active fishing in the lake is predominantly men's work because it required a lot of time, energy and very risky which doesn't favour women. However there were no taboos or religious and traditional beliefs that prohibit women from fishing. However Geheb (1997) found that women active participation in fishing in Lake Victoria is limited to hauling seines. The owners of boats prefer women in pulling beach seines because they were trusted reveal the actual amount from fish sales. A study conducted by Medard (1996) found that only 3% of women were fishers; they owned boats, nets or both and hired crews. While in some instances they hired them out to the men for cash or in return for share of the catch. A study conducted by Geheb (1997) found out that 56% of the women fish traders would opt for alternative sources of income if they had other opportunities. This is mainly due to decline in performance of fishery sector; while 43.5% of respondent said they would not accept alternative source of income (employment) as they did not believe that any work beyond the lake would pay them as well as fishing.
2.4 CHALLENGES OF BUSINESS DIVERSIFICATION

According to Medard (2000) the low level or lack of education amongst the fisher folks limited their communication to the outside world where they would have been able to get better profit margins.

According to Wakwabi et alia (2003) the income from fish varied widely between individuals, market sites, types of activity, levels of investment and season. Most women fish traders transport fish to market 2-3 days in a week while other days are spent seeking supplies and processing fish. Studies by SEDAWOG (1999) indicated that most women deal with fresh fish, as they did not own bicycles, which would ease the transport of dried fish to inland markets where they would get better prices. The study found that fresh fish are sold at a lower price than processed fish. Fish is a highly perishable good and requires to be processed in order to preserve and improve the flavour of fish. However the high capital requirement for purchase of firewood and construction of kiln disadvantages women in the Nile perch frame trade as without processing they are forced to sell their fish merchandise at a throw away price in order to avoid losses due to spoilage.

According to Johnson (2006) by 2000 the dwindling Nile perch catches saw the fish processing plants operating at best at only 50% capacity this led to reduced Nile perch frames being released to the market effectively increasing the competition among the women fish traders. The increased use of Nile perch frame in animal feeds industry has further led to scarcity of the product as it has led increased demand Nile perch frames.

With the ability to buy the Nile perch frame in bulk by the animal feeds processing industry, the fish processing factories prefer them as it affords them faster disposal of the by product, Nile perch frames. According Abila and Jansen (1997) the use of Nile perch frames in animal feeds industry has led to 50-60% of artisanal Nile perch frames processors in Kenya to lose employment and a source of livelihood within a period of
five years 1992-1997. As a coping strategy according to Mutoro (1997) some of the women have special arrangement with the factory agents which could be gift of food and loans of money; other women may prostitute themselves to the factory agents in order to obtain favours, low prices and guaranteed supplies.

Nzioki (2007) argues that lack of credit facilities hinders the women from expanding their businesses; this is mainly due to inability to access collaterals such as land which will help them acquire loans. Nzioki (2007) argues that the women’s right to land and property are secured through marriage and if that ends through abandonment, divorce or death, a woman’s right to land or home may cease. Wakwabi et alia (2003) further argues that these women are constraint by lack of information on saving options, poor business management skills, inadequate saving facilities as well as lack of skills for alternative livelihood.

2.5 Future Plans
The large number of dependants is a major handicap to these traders whereby the dependency ratio stood at 100:109 in 1999 whereby the dependency ratio examines the size of the population of the producers, aged 15-59 vis-à-vis the consumers aged 0-15 and over 60 years (Homa bay 2002-2008). The dependency is made worse by the high prevalence rate of HIV/AIDS which stood at 32% in Homa bay district compared to country’s 14%. The in depth poverty assessment carried out in Nyamira district Nyanza province (PRSSP 2004) shows that families have been defeated to take care of HIV/AIDS orphans- whereby they are forced to sell their land and other properties in order to meet the medical expenses; this has led to families which initially seem to be well off to be left in very poor condition (PRSSP 2004). The excessive burden of the would be investors by the extended family of orphans left behind by dead relatives, high incidence of HIV/AIDS related death (Homa bay 2002-2008).
2.6 THEORETICAL FRAMEWORK

According to Calori and Harvatopoulos (Kaplinsky 2001), there are two dimensions on rationale of business diversification.

The first dimension of business diversification is related to the business strategic objectives, which may be defensive or offensive. The defensive reason is meant to spread the risk of market contraction or being forced to diversify when current products/services or current market orientation seems to provide no further opportunities for growth. Offensive reasons may be conquering new positions, taking opportunities that promise greater profitability than expansion opportunities or using the retained cash that exceeds total expansion needs.

The second dimension involves the expected outcomes of diversification: management may expect great economic value (growth, profitability) or first and foremost great coherence and complementarities with their current activities (exploitation of know-how, more efficient use of available resources and capacities). In addition an entrepreneur may also explore diversification just to get a valuable comparison between this strategy and expansion (Kaplinsky 2001).

The defensive or offensive theory is the one which is more applicable to the women fish traders since it looks at businesses whose market is contracting. According to the literature review there is dwindling fish stock supply from the lake as well as more players joining the trade such as the animal feeds industry as well as other women joining the mgongo wazi trade therefore increasing the competition. This calls for offensive or defensive diversification so as to survive in this trade.
2.7 CONCEPTUAL FRAMEWORK

INDEPENDENT VARIABLES
- Marital status
- Level of Education
- Capital
- Value Addition
- Competition

INTERVENING VARIABLES
- Political
- Economic
- Socio-cultural
- Legal
- Technology

BUSINESS DIVERSIFICATION

DEPENDENT VARIABLE

Source: Author (2009)
2.8 SUMMARY AND GAPS TO BE FILLED BY THE STUDY

Small and Medium Enterprises (SMEs), though faced with a myriad of problems such as lack of capital, competition and unfavourable policies. They tend to exploit the neglected markets left by the large firms, therefore contributing to a country’s Gross Domestic Product (GDP) through provision of employment and income to the surplus manpower who are not in formal employment in an economy.

Women who join the fish trade do so due to the need of income to support their families, the fish is readily available and requires little start up capital. This trade is either specialized or combined with other activities such as farming, small stall businesses and sale of other household consumables.

The women are largely involved in post-harvest trade such as smoking, drying and selling of the fish to the end consumer; which earns low profit margins compared to the fishing which is a preserve of men.

Various challenges face them such as stiff competition for the Nile perch frames from the animal feeds processing industry, lack of credit facilities and low profit margins.

The effect of large families and diseases such as HIV/AIDS cause a lot of strain to their business due to the enormous amount of money used in feeding/clothing the family as well as lost man-hours attending to the sick, money to purchase drugs among others.

This research was aimed at identifying factors that lead to lack of business diversification by women fish traders engaged in Nile perch frames trade in Homa bay town.
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 INTRODUCTION
This chapter covers the study area, the research design, target population, sample size and sampling techniques. Further the chapter covers the data collection, data analysis, time frame as well as the budget.

3.2 STUDY AREA
The study was conducted in Homa bay town, Homa bay district, Nyanza Province in Kenya. The town was chosen due to presence of Capital Fish Company a privately owned Nile perch processing factory. Capital Fish Company is the largest fish processing factory in the Southern Nyanza and processes Nile perch catch from the larger Southern Nyanza districts (Homa bay, Suba, Rachuonyo and Migori) and adjoining districts as well as from the neighbouring countries- Uganda and Tanzania. This gives the town a large output of Nile perch frames (over ten tonne produced per day) (Homa bay 2002-2008). Further the presence of both local and migrant women engaged in Nile perch frames trade made it an ideal study area.

3.3 RESEARCH DESIGN
The study was conducted through a descriptive cross-sectional study. Descriptive studies are those studies which are concerned with describing the characteristics of a particular individual or a group (Kothari, 2005).
3.4 TARGET POPULATION

This study targeted 305 women engaged in Nile perch frame trade in Homa bay town. Out of these a sample was drawn on basis of the four groups that is Shauri Yako, Otwenyo, Lela B and Kandiege.

3.5 SAMPLE SIZE AND SAMPLING DESIGN

The target population was stratified according to the respective groups (Shauri Yako, Otwenyo, Lela B and Kandiege). A third of each of the group was sampled leading to 104 respondents which according to Mulusa (1990) is representative of the population was interviewed (See table below).

Table 3.1: Nile perch frame Women Traders, Homa bay town

<table>
<thead>
<tr>
<th>Name of Women Group</th>
<th>Population of Group</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shauri Yako</td>
<td>64</td>
<td>22</td>
</tr>
<tr>
<td>Otwenyo</td>
<td>94</td>
<td>32</td>
</tr>
<tr>
<td>Lela B</td>
<td>73</td>
<td>25</td>
</tr>
<tr>
<td>Kandiege</td>
<td>74</td>
<td>25</td>
</tr>
<tr>
<td>TOTAL</td>
<td>305</td>
<td>104</td>
</tr>
</tbody>
</table>

Source: Fishery Department, Homa bay

The study employed purposive sampling in selecting two key respondents from each group; these were group' officials preferably the chairperson and secretary who keep the records of the group (Boyd 2000). The key respondents were eight.

Convenient sampling was used to select the other 96 main respondents which was based on ease of accessing them (Kothari 2005).
One Focus Group Discussion (FGD) was conducted for each of the women groups—Shauri Yako, Otwenyo, Lela B and Kandiege groups.

3.6 DATA COLLECTION

The secondary data was collected from scholarly journals, thesis, dissertations, government documents, papers presented at conferences, books, references quoted in books and periodicals which are in the libraries and other resource centres. Further document analysis which entailed critical examination of public or private recorded information related to the issue and the investigation were used to obtain unobtrusive information at the pleasure of the researcher and without interrupting the researched. (Kothari, 2005).

Interview schedules and Focused Group Discussion (FGD) were used to collect the primary data. The Focused Group Discussions was used to cross check the responses from the interview schedules. Interview schedule is similar to a questionnaire; the difference is that in interview schedule it is the enumerator(s) who fills in the answers given by the respondent, while in use of questionnaire the respondent fills in the answer he/herself (Kothari 2005). The interview schedule was chosen due to the supposedly low level of education of women fish traders who could not comprehensively understand and fill the questions effectively on their own (Ikiara, 1999).

FGD is unstructured interview with small groups of people who interact with each other and a focused group leader (researcher); it makes use of group dynamics to stimulate discussions, gain insight and generate ideas on a given topic of study (Ochola 2002).
3.7 DATA ANALYSIS

The process of data analysis was done using descriptive statistics. The process involved editing of the FGD tools and interview schedule to check the completeness, and coding of similar themes based on research objectives. The raw data was put into Statistical Package for Social Science (SPSS) spreadsheet after which a formula was applied to determine percentages of aspects under study. Frequency tables, pie charts and bar charts were used for ease of comparison and summary of the various data.

3.9 EXPECTED OUTPUT

The processed data being descriptive is presented using figures, graphs, tables and percentages. This ensures ease of interpretation, clarity and preciseness.
CHAPTER FOUR
DATA PRESENTATION AND ANALYSIS

4.1 INTRODUCTION

In this chapter, the findings are analyzed using SPSS (Statistical Package for Social Sciences) and presented in form of figures, graphs and tables as appropriate. Measure of central tendency (means, frequency distributions and percentages) were calculated for the responses received from the sampled population. A total of 104 women fish traders were interviewed and a Focus Group Discussions (FGD) was conducted for each of the four groups.

4.1.1 Bio data of the fish traders

The sampled Nile perch frame women fish traders had organized themselves in four main groups along the beach. 24% (n = 25) of the fish traders were in Kandiege group, 21.2% (n = 22) in Shauri yako, 30.9% (n = 32) in Otwenyo and 24.0% (n = 25) of the women were in Lela B group.

4.2 Socio-economic background

This section look at the women fish traders age, marital status, education level, number of children and who introduced them to Nile perch frame trade.

4.2.1 Age and Marital status

31.7% (n = 33) of the women traders were in their ages of 31 – 40 years; 28.8% (n = 30) were aged 41 – 55 years; 15.4% (n = 16) in the ages of 21 – 30 years; 11.5% (n = 12) in the ages of 15 – 20 years while 12.5% (n = 13) were over 55 years.
Majority of the women fish traders were married, 54.8% (n = 57); 19.2% (n = 20) of the women were single; 24.0% (n = 25) were widowed while 1.9% (n = 2) of them were divorced.

![Age distribution chart](image)

**Figure 4.1 Age distribution**

### 4.2.2 Education levels

33.7% (n = 35) of sampled women fish traders had secondary level of education, 39.4% (n = 41) of them were primary 4 – 8 while 6.7% (n = 7) were primary 1 – 3 school leavers. 13.5% (n = 14) of the women had no education; 5.8% (n = 6) had obtained tertiary education.
Table 4.1: Education levels

<table>
<thead>
<tr>
<th>Education level</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nil</td>
<td>14</td>
<td>13.5</td>
</tr>
<tr>
<td>Primary 1 – 3</td>
<td>7</td>
<td>6.7</td>
</tr>
<tr>
<td>Primary 4 - 8</td>
<td>41</td>
<td>39.4</td>
</tr>
<tr>
<td>Secondary</td>
<td>35</td>
<td>33.7</td>
</tr>
<tr>
<td>Tertiary</td>
<td>6</td>
<td>5.8</td>
</tr>
<tr>
<td>None committal</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>104</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

4.2.3 Number of children

Women traders had mainly between 2 – 5 children. 19.2% (n = 20) of the women had 2 children, while 15.4% (n = 16) had 3 children and a similar number had 4 children. 9.6% (n = 10) of the traders had 5 children while 20.2% (n = 21) had more than 5 children.
### Table 4.2: Number of children

<table>
<thead>
<tr>
<th>Number of children</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No child</td>
<td>11</td>
<td>10.6</td>
</tr>
<tr>
<td>1</td>
<td>9</td>
<td>8.7</td>
</tr>
<tr>
<td>2</td>
<td>20</td>
<td>19.2</td>
</tr>
<tr>
<td>3</td>
<td>16</td>
<td>15.4</td>
</tr>
<tr>
<td>4</td>
<td>16</td>
<td>15.4</td>
</tr>
<tr>
<td>5</td>
<td>10</td>
<td>9.6</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>5.8</td>
</tr>
<tr>
<td>8</td>
<td>7</td>
<td>6.7</td>
</tr>
<tr>
<td>9</td>
<td>3</td>
<td>2.9</td>
</tr>
<tr>
<td>10</td>
<td>2</td>
<td>1.9</td>
</tr>
<tr>
<td>12</td>
<td>3</td>
<td>2.9</td>
</tr>
<tr>
<td>None committal</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td>Total</td>
<td>104</td>
<td>100%</td>
</tr>
</tbody>
</table>

### 4.2.4 Introducer to the Trade

When the women fish traders started Nile perch frame trade, 40.4% (n = 42) of the women were introduced by their friends, 18.3% (n = 19) by the relatives, 12.5% (n = 13) by the parents, 8.7% (n = 9) by their husbands, 5.8% (n = 6) by the in-laws and 10.6% (n = 11) of the women were introduced by other sources. It was however noted that 3.8% (n = 4) of the women traders inherited the business.
Introduction of the women traders to Nile perch frame trade was significantly associated, $\chi^2 = 29.051$, df = 18, $P = 0.048$, to the marital status of the women. In this study, it was noted that friends were the major introducers to Nile perch frame trade.

Table 4.3: Introducer to Nile perch frame trade

<table>
<thead>
<tr>
<th>Introduced by</th>
<th>Single</th>
<th>Married</th>
<th>Divorced</th>
<th>Widowed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Husband</td>
<td>0 (0%)</td>
<td>7(12.3%)</td>
<td>0(0%)</td>
<td>2(8.0%)</td>
</tr>
<tr>
<td>Parents</td>
<td>6(30.0%)</td>
<td>7(12.3%)</td>
<td>0(0%)</td>
<td>0(0%)</td>
</tr>
<tr>
<td>In-laws</td>
<td>2(10.0%)</td>
<td>4(7.0%)</td>
<td>0(0%)</td>
<td>0(0%)</td>
</tr>
<tr>
<td>Relatives</td>
<td>1(5.0%)</td>
<td>12(21.1%)</td>
<td>0(0%)</td>
<td>6(24.0%)</td>
</tr>
<tr>
<td>Friends</td>
<td>7(35.0%)</td>
<td>21(36.8%)</td>
<td>2(100.0%)</td>
<td>12(48.0%)</td>
</tr>
<tr>
<td>Family heritage</td>
<td>3(15.0%)</td>
<td>0(0%)</td>
<td>0(0%)</td>
<td>1(4.0%)</td>
</tr>
<tr>
<td>Others</td>
<td>1(5.0%)</td>
<td>6(10.5%)</td>
<td>0(0%)</td>
<td>4(16.0%)</td>
</tr>
<tr>
<td>Total</td>
<td>20(100%)</td>
<td>57(100%)</td>
<td>2(100%)</td>
<td>25(100%)</td>
</tr>
</tbody>
</table>

In many cases, the women fish traders chose to deal specifically with Nile perch frame trade because it is easily accessible to them.
Figure 4.2 Reasons for choosing Nile perch frame trade.

4.3 Understanding of business diversification

This section set to establish the business opportunities available, other income generating activity, plans to venture into another trade, value addition before selling, participation in fishing, possibility of venturing to another business and factors that influence business diversification of the women fish traders.

4.3.1 Other business opportunities

Knowledge of the women on understanding of business diversification was established in this study. 69.2% (n = 72) of the women have ventured in another business apart from Nile perch frame trade. However, 30.8% (n = 32) of the women had never ventured in any business mainly because:
- They do not have enough capital to diversify
- They have just started doing business and are yet to accumulate enough funds to diversify
- No interest in starting another business
- Fish trade is their first business and they have no experience in any other business

4.3.2 Other Income generating activity

Apart from Nile perch frame business 30.8% (n = 32) of the women have some other income generating activities they are currently undertaking; while 69.2% (n = 72) of them have no other activities.

The main income generating activities the women are involved in include were found to be hairdressing, selling second hand clothes, farming, particularly Horticultural farming, bicycle taxi operation, hawking, dry maize selling, poultry keeping and butchery.

The farming activities the women are involved in were horticultural and maize crop farming as well as livestock farming which mainly is poultry farming.

Table 4.4 Type of farming activities

<table>
<thead>
<tr>
<th>Type of farming</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maize crop farming</td>
<td>61</td>
<td>58.7</td>
</tr>
<tr>
<td>Horticulture</td>
<td>11</td>
<td>10.6</td>
</tr>
<tr>
<td>Livestock</td>
<td>21</td>
<td>20.2</td>
</tr>
<tr>
<td>Poultry</td>
<td>2</td>
<td>1.9</td>
</tr>
<tr>
<td>None committal</td>
<td>9</td>
<td>8.7</td>
</tr>
</tbody>
</table>
4.3.3 Plans to venture into another business

When they are given an adequate capital and an opportunity, 42.3% (n = 44) of the women have plans to venture into other businesses. However, 57.7% (n = 60) of the women do not have plans to venture into any other business.

Types of business the women plan to venture into included selling shoes and second hand clothes, grocery, running a boutique and salon, sale of chicken and eggs, running food kiosks, selling maize and milling Nile perch frames.

Figure 4.3 Plans to venture into other types of business
Women who do not have plans to venture into any other businesses have reasons including:

- Lack of adequate funds to venture into other business
- Satisfied with the current business and would only like to expand the business
- No interest in any other business
- They get adequate funds to feed their families

4.3.4 Value Addition before selling

Before selling the fish, it was noted that the fish is mainly dried and fried. 38.5% (n = 40) of the sampled women subject the fish to drying, 25.0% (n = 26) fry, and 6.7% (n = 7) of them smoke their fish. 29.8% (n = 31) of the respondents were none committal.

The activity undertaken on the fish before selling is done because:

- The customers' need. Most customers prefer deep fried fish
- To avoid perishability of their fish
- Make the fish stay longer
- Dry fish is best for milling

4.3.5 Participation in fishing

Besides their business in Nile perch frame trade, 5.8% (n = 6) of the women were identified to be engaged in fishing activity. 89.4% (n = 93) were however not involved in any fishing activity. Two of the women respondents had their own fishing gear while 1 woman joins the fishing team in the lake.
4.3.6 Possibilities of venturing to another business

Given a chance, 57.7% (n = 60) of the respondents would opt for another business activity. 34.6% (n = 36) would not opt for another business but would like to expand their business. Those who would mainly opt for another business need to do so since they need to:

- supplement their income and earn more
- since fish trade is tiresome

Table 4.5 Opportunities respondents will opt to

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farming</td>
<td>6</td>
<td>5.8</td>
</tr>
<tr>
<td>Employment</td>
<td>9</td>
<td>8.7</td>
</tr>
<tr>
<td>Other businesses</td>
<td>45</td>
<td>43.3</td>
</tr>
<tr>
<td>Stick to fish business</td>
<td>5</td>
<td>4.8</td>
</tr>
</tbody>
</table>

4.3.7 Factors influencing business diversification

Age: In this study, it was significantly ($\chi^2 = 17.245$, df = 4, P = 0.002) noted that more younger women fish traders when given a chance would opt for another business activity. Fewer older women would opt for another business activity.
Education level

Education was found to significantly influence ($\chi^2 = 11.745$, df = 4, $P = 0.019$) the need to opt for another business. Relatively more educated women were established to opt for another business when given a chance. Women with less education tend to stick to this same business.
Number of children: The number of children the women had significantly $\chi^2 = 22.756$, df = 10, $P = 0.12$) influenced their opting for another business given chance. More of the women fish traders who had more children did not opt for another business. Those women traders having fewer children would opt for other business activities other than fish trade.
4.4 The Challenges faced in business diversification

This section looks at the main challenges facing the women fish traders, the existing markets outlet, ability to sell the stock, challenges faced in acquiring the Nile perch frame, main type of fish they deal in, the available saving institutions and sources of financing.

4.4.1 Major challenges

These were established as mainly:

- lack of adequate funds to diversify into other businesses
- Competition from other traders
- Perish ability of fish
- Transportation of fish- require large financial outlay
Table 4.6 Major challenges

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Number/percentage of traders facing the challenge</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>74 (71.2%)</td>
<td>1</td>
</tr>
<tr>
<td>Competition</td>
<td>59 (56.7%)</td>
<td>2</td>
</tr>
<tr>
<td>Perish ability</td>
<td>48 (46.2%)</td>
<td>3</td>
</tr>
<tr>
<td>Transportation</td>
<td>34 (32.7%)</td>
<td>4</td>
</tr>
<tr>
<td>Licenses/fee</td>
<td>12 (11.5%)</td>
<td>5</td>
</tr>
<tr>
<td>Large family size</td>
<td>10 (9.6%)</td>
<td>6</td>
</tr>
</tbody>
</table>

Lack of enough capital was a major challenge since the traders were not able to purchase more of the commodity as the customers demanded. The business could not therefore expand as expected.

Effects of Competition were experienced when traders are many and the fish fetches low prices. Fresh fish cannot keep for long and traders are forced to sell at low prices.

Traders with larger family are not able to feed their families effectively and at the same time expand their business. They are therefore forced to sell on credit at a lower price.
4.4.2 Existing Market Outlets

65.4% (n = 68) of the traders do not sell their fish outside Homa-Bay town. 34.6% (n = 36) of them, however do sell outside the town. The reasons given for not selling outside Homa-bay town were;

- Adequate customers available in the town
- The traders do not have transport to go outside the town
- The traders sell fish in small quantities
- Insufficient capital for purchase of more fish

4.4.3 Challenges in Value Addition

It was established that 52.9% (n = 55) of the women traders were able to sell all their fish stock on time. 37.5% (n = 39) of them however were not able to sell all their stock. As a result of unsold stock, the women either fry their remaining stock, preserve using ice coolers, dry their stock or smoking.

When they opt to deep fry their stock, the major challenge they get is high price of oil since this requires a lot of cooking oil. When the traders decide to dry their product, they face the challenge of unpredictable weather pattern. If there is not enough sunlight, there is always a problem. For those who use ice for freeze drying, they face the problem of getting ice crystals.

To cope with high cost of oil, the traders find it a bit cheaper to buy oil in large amount. They are also forced to use the remaining oil for the next day.

The traders evade the cost of smoking by joining their remaining stock with those of the other traders and smoking together once they identify a good fish smoker.
4.4.4 Challenges in acquiring Nile perch stock

In acquiring Nile perch stock, 56.7% (n = 59) of the traders have no challenge whereas 42.3% (n = 44) of them get challenges. Common challenges they get includes:

- high demand of fish by other traders
- Competition
- High prices of fish caused by low production of fish
- Low fish production of fish

4.4.5 Main type of fish

The study realized that most of the fish traders trade in fresh fish; however processed fish fetches higher prices.

4.4.6 Available Saving Institutions

78.8% (n = 82) of the traders do save their proceeds money with financial institutions. 19.2% (n = 20) of them do not save. Those who save mainly save in the banks.

Table 4.7 Available Saving Institutions

<table>
<thead>
<tr>
<th>Institution</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merry go round</td>
<td>20</td>
<td>19.2</td>
</tr>
<tr>
<td>MFI</td>
<td>13</td>
<td>12.5</td>
</tr>
<tr>
<td>Banks</td>
<td>44</td>
<td>42.3</td>
</tr>
<tr>
<td>Others</td>
<td>4</td>
<td>3.8</td>
</tr>
<tr>
<td>None committal</td>
<td>23</td>
<td>22.1</td>
</tr>
<tr>
<td>Total</td>
<td>104</td>
<td>100%</td>
</tr>
</tbody>
</table>
4.4.7 Financing of business

To finance their business, 55.8% (n = 58) of the traders have approached the financing institutions for a loan. 44.2% (n = 46) of the sampled women traders have not approached these financial institutions for a loan. This was mainly because:

- Some women have enough capital to run the business
- They have no idea about the Institutions possibility of giving a loan
- The business does not require a lot of money
- Women are not interested in taking a loan
4.5  Future plans towards business diversification

This sections examines the relationship of dependants on future plans of diversification as well the support needed to improve the Nile perch frame trade

4.5.1  Dependents

A part from their nuclear family, 65.4% (n = 68) have other dependants. These include extended families, parents, siblings and siblings children. The numbers of dependants were noted to be up to 14 in two of the women traders’ families

Table 4.8 Number of dependants

<table>
<thead>
<tr>
<th>Number of dependents</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>4</td>
<td>3.8</td>
</tr>
<tr>
<td>2</td>
<td>30</td>
<td>28.8</td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>1.9</td>
</tr>
<tr>
<td>4</td>
<td>10</td>
<td>9.6</td>
</tr>
<tr>
<td>5</td>
<td>6</td>
<td>5.8</td>
</tr>
<tr>
<td>6</td>
<td>8</td>
<td>7.7</td>
</tr>
<tr>
<td>7</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td>10</td>
<td>2</td>
<td>1.9</td>
</tr>
<tr>
<td>11</td>
<td>2</td>
<td>1.9</td>
</tr>
<tr>
<td>14</td>
<td>2</td>
<td>1.9</td>
</tr>
<tr>
<td>None committal</td>
<td>37</td>
<td>35.6</td>
</tr>
</tbody>
</table>

Dependants of the families were as a result of orphanage, death of their breadwinners, bankruptcy and other sources. In 61.5% (n = 64) of the traders, the availability of the
dependants have never affected their businesses. However, 30.8% (n = 32) of the women noted that the dependants affect their business.

In this study, it was established that, high number of dependants significantly ($\chi^2 = 23.171, df = 9, P = 0.006$) affected the women’s businesses. Four of the women traders who indicated to have 11 and 14 dependants experienced financial constrains as dependants’ effect on their businesses. They feel because of the dependants, their business cannot expand. They are therefore forced to look for more capital.

4.5.2 Future Plans for the Business

In future 89.4% (n = 93) of the traders would like to continue with Nile perch frame trade business and expand it, 3.8% (n = 4) would like to diversify to other business, 3.8% (n = 4) would like to do other things eg poultry farming, salon etc. together with the business while 3.8% (n = 4) would like to drop this type of business.

4.5.3 Support needed to improve the trade

Traders suggested improvement strategies will include;

- Introduction of fish storage facilities to preserve fish products.
- Construct more fish storage plant to store the produce
- Improve transportation system by improving the roads
- Build milling factories
CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This study was undertaken to identify factors leading to lack of business diversification of women fish traders engaged in Nile perch frame trade in Homa bay town. The study looked at these traders socio-economic background and their understanding of business diversification. It further sought to study the challenges they face and their future plans in relationship to their business diversification.

Finally the study was undertaken to give recommendations on how to improve the Small and Medium Enterprise (SMEs) which form the bulk of businesses in our society.

5.2 Summary

On marital status, the study showed that 78.8% (4.2.1 pg 20) of these women were either married or widowed while 19.2% (4.2.1 pg 20) were single, the study established through Focused Group Discussion that these were either too young to be married or are yet to get somebody to marry them; a paltry 1.9% were found to be divorcees (4.2.1 pg 20). This disagrees with Geheb (1997) who found that the majority of these women were single, divorced, widowed or separated mothers.

On age, this study revealed that 60.5% of the women traders were in the age bracket of 31 – 55 years and were the majority (Fig.4.1 pg 21). This agrees with study done by SEDAWOG (1999) which placed their age range at 25-45 years; the study established that at this age range, the families are faced with heavy financial burden such as cost of feeding, clothing, paying school/ college fee of their large or expanding family. The age range 21-30 years represent only 15.4% (Fig.4.1 pg 21); this age bracket was found to be either procreating or the children are in primary school, and as such didn’t have
heavy financial burden, while those above 55 years accounted for 12.5% (Fig. 4.1 pg 21) were largely found to be supporting their grandchildren.

On level of education, this study indicated that 13.5% (Table 4.1 pg 21) of the women fish traders had not gone to school, which disagrees with a study by Bokea and Ikiara (2000) which placed this at 8%. The study further showed that those with primary level of education were 46.1% (Table 4.1 pg 21), however similar studies by Wakwabi et alia (2003), Bokea and Ikiara (2000) placed this at 65%. It is evident that the literacy level in Homa bay town amongst the women fish traders was comparatively low. This was attributed to the large number of orphans, which was largely due to the high HIV/AIDS prevalence which stood at 32% in Homa bay district compared to country’s 14%; due to lack of resources to cater for their education majority of these orphans are forced to drop out of school (PRSSP 2004). The study established that the low literacy level impacted on the ability of these women to venture into other businesses, for instance the Focused Group Discussion established that the relatively more educated women would venture into other business opportunities compared to the less educated women who tend to stick to the same business (Fig. 4.5 pg 30). This findings agree with Medard (2000) who argues that the low literacy level affected the performance of the marketing and processing of fish groups due to exploitation by middlemen; this limited the women’s ability to attend training on fish group management, leadership and accountancy.

On number of children the study indicated 60.5% (Table 4.2 pg 23) of the sampled women had three or more children; which agree with a study by SEDAWOG (1999) which showed that majority of the women had more than three children. The large number of children in these households, the study found caused financial strain in the
family finances hence they didn’t have extra income to enable them diversify their businesses (Fig. 4.6 pg 32).

On introduction to Nile perch frame trade, the study showed that friends (42%), relatives (19%) were the major introducers to Nile perch frame trade (Table 4.3 pg 24); while in other cases it was established, these traders chose to deal specifically with Nile perch frame because it was easily accessible to them; which agrees with Geheb (1997) who found that most of these women were introduced by parents, friends, relatives or husbands upon marriage.

The study showed that 69.2% (4.3.1 pg 25) of the women fish traders had ventured into other businesses apart from Nile perch frame; however it revealed that 30.8% (4.3.1 pg 25) had not ventured into any business. This the study established was due to lack of enough capital, un-interested in venturing into other business or having known fish trade as the only business and therefore felt they lack the experience and the will to venture into other business. This study however disagrees with a study by SEDAWOG/LVFRP (1999) which found the majority of women fish traders (56%) earn an income purely on fish trade while 43% combine fish trade with other businesses; it further showed that 40.2% of these traders were involved in farming while 50.4% had no second activity; the rest were involved in food stall business, handicrafts and sale of other consumable goods.

This study indicated that with adequate capital and opportunity 42.3% (Fig. 4.3 pg 27) of the women planned to venture into other businesses. These business opportunities included sale of shoes and second hand clothes, running grocery shop, boutique and salon or hotel/restaurant. Others would venture into selling of chickens and eggs, maize and lastly milling the Nile perch frames for sale to animal feeds manufacturers. Nevertheless the study shows that 57.7% (Fig. 4.3 pg 27) of the women
did not have plans to venture into any other business, which they attributed to lack of adequate funds, lack of interest in other businesses, while others say that what they got from the fish trade was adequate to feed their families and some will only expand their fish businesses. This disagrees with Geheb (1997) who found 56% of these traders would opt for alternative sources of income, which they attributed to the declining performance in the fishery sector; while 43.5% would not accept alternative source of income (employment) as they believe it was not as lucrative as fish trade.

On value addition, this study showed that 38.5% of the sampled women fish traders dried the fish while 25.0% fried the fish and 6.7% of them smoked their fish (4.3.4 pg 28). These activities are undertaken so as to meet the customers' needs, most customers prefer deep fried fish; or to avoid perishability of the fish stock or drying the fish for milling purposes. These findings agree with study by Nayak (2000) who says these activities are undertaken so as to get better earning, and that it preserves and improves the fish flavour.

On women fish traders participation on fishing activity in the lake, the study revealed 5.8% (4.3.5 pg 28) were engaged in fishing activity in the lake, this agrees with Medard (1996) who found that only 3% of women were fishers, they owned boats, nets or both and hired crews; or hired them out to men for cash or in return for share of the catch. This study revealed that one woman joins the fishing team in the lake (4.3.5 pg 28), this agrees with studies by Nayak (2000) which showed that there were no taboos, religious or traditional beliefs which inhibited the women from participating in fish trade. However, studies by Mbega (1999) and Nayak (2000) found out that fishing in the lake was purely men's work as it required a lot of time, energy and was very risky and therefore didn't favour women.
On willingness to opt to other businesses, this study found that 57.7% (Table 4.5 pg 29) of the respondent would opt for other business activity agreeing with Geheb (1997) who found 56% will opt for other business venture due to the declining performance of the fishery sector.

On factors influencing business diversification- age, education and number of children (4.3.7 pg 29) were found to have a direct correlation with business diversification. The younger women given a chance would easily diversify compared to the older women. The level of education it was established played a major role; relatively more educated women given a chance will diversify their business and further they had other options such as joining the employment rank. Number of children affected the ability to diversify the business in that the more children one had the more the financial burden hence the less the chance of diversifying their businesses.

On major challenge facing the women fish traders; this study revealed that lack of enough capital at 74% was the major challenge (Table 4.6 pg 32) in business diversification as it affected the traders' ability to purchase the commodity demanded by customers. This findings agrees with SEDAWOG (1999) who says the high capital requirement for purchase of firewood and construction of kiln disadvantaged women fish traders as they are forced to sell their unprocessed fish at a throw away prices so as to avoid losses due to spoilage.

On existing market outlet, this study shows that the majority of the women fish traders 65.4% (4.4.2 pg 34) sell their fish stock in Homa-Bay town, from where they received lower profit margin. This they attributed to lack of transport means and capital which hindered them from purchasing in bulk- through which they will benefit from economy of scale, thereby they are only able to buy in small quantities and sell only
within Homa bay town. According to finding by Wakwabi et alia (2003) income from fish varied widely between individuals market.

On the ability to sell all their fish stock, the study revealed that 37.5% (4.4.3 pg 34) of the women were not able to sell all their fish stock on time. As a result of unsold stock, they are forced to incur expenses in preserving the fish stock by use of ice coolers, drying or smoking. This result in extra expenses in purchase of frying oil, however in order to cut cost they are forced to re-use the oil. The unpredictable weather pattern while drying of the fish was a major worry; since this could lead to great loss of fish through spoilage.

On acquisition of Nile perch stock, the study showed that 42.3% (4.4.4 pg 35) of the traders encountered challenges in acquiring the fish stock; these challenges was mainly competition from animal feeds industries, fellow women traders, the dwindling number of fish in the lake as well as improved factory technology which leads to very little Nile perch frames being produced. According to Johnson (2000) the dwindling Nile perch catches has led to reduction by a half of the processing capacity of the factories. According to this study competition was a major challenge in acquiring the Nile perch frames at 56.7% (Table 4.6 pg 33), this agrees with Abila and Jansen (1997) who found the increased use of Nile perch frames in animal feeds industry led to 50-60% of artisanal traders losing their livelihood in the period from 1992-1997. According to Mutoro (1997) due to the increased competition in acquiring the Nile perch frames the women fish traders had to bribe in order to get the fish stock this could be in terms of money, food or sexual favours.

On saving of proceeds from fish trade, this study showed that 42.3% (Table 4.7 pg 35) save their proceeds in banks; however 44.2% (4.4.7 pg 34) of the sampled women traders have not approached these financial institutions for a loan. This they indicated
was due to ignorance such as having no idea that these institutions could give them loans or the business didn’t require a lot of money while others are not interested in taking a loan, through Focused Group Discussion these traders lamented that they fear taking loans from banks due to supposedly high bank charges while some MFI have gone under with their hard earned money; this agrees with Wakwabi et alia (2003) who says these women are constraint by lack of information on saving options, poor business management skills, inadequate saving facilities as well as lack of skills for alternative livelihood.

On their future plans; this study revealed that the high number of dependants which was as high as 14 dependants who are mainly orphans (Table 4.8 pg 37) significantly affected the women’s businesses. The dependants of the families were found to be mainly as a result of orphans, death of breadwinners, bankruptcy which led to great financial constraints to the women fish traders businesses. These traders felt because of the dependants, their business cannot expand. Though it was beyond the scope of this study deaths arising from HIV/AIDS according to Homa bay Development report (Homa bay 2002-2008) led to excessive burden of the would be investors by the extended family mainly taking care of the sick, orphans and the old which greatly affected these women’s business.

On future plan plans of the women fish traders, the study revealed that 89.4% (4.5.2 pg 36) of the women fish traders would continue with Nile perch frame trade business and expand it while 3.8% (4.5.2 pg 36) would like to diversify to other business. The study established that 3.8% (4.5.2 pg 36) would venture into other businesses such as poultry farming and salon; while 3.8% (4.5.2 pg 36) would drop the fish business altogether.
5.3 CONCLUSION

From the data analyzed a few things have emerged:

- Financial burden such as the cost of feeding, clothing, paying school/college fee made the women fish traders engage in Nile perch frame trade. Majority of these traders were either married or widowed at 78.8% which implies that marriage is valued by this society. It further established that those with low level of education tended to stick to the same business while the relatively well educated ones tended to venture to other businesses or seek employment opportunities altogether. 60.5% of these women had more than three children thus putting a lot of strain on family resources; as such it led to lack of funds to enable them diversify their businesses. Friends were found to be the main introducers to fish trade; easy accessibility to the fish also made these women to venture into fish trade.

- Lack of capital, lack of interest in other business ventures and having known fish as the only business made these women not to venture to other business opportunities. The available business opportunities for women fish traders though lowly exploited were sale of shoes and second hand clothes, grocery shop, boutique, salon, hotels, chicken/egg trade, maize and milling the Nile perch frames for sale to animal feeds manufacturers. Several activities were undertaken on the Nile perch frames in order to meet the customers’ satisfaction or for preservation purposes which included drying, smoking or frying. Fewer women were found to engage in fishing 5.8%; as fishing was taken to be risky, time consuming and require a lot of energy which didn’t favour the women. However there were no taboos, religious beliefs or traditions barring these women from participating in fishing. Due to the declining performance of the
The study established that 57.7% of these traders will opt for other businesses opportunities.

- Lack of enough capital to purchase the merchandise in bulk and transport means limited them not to exploit the business outside Homa bay town where they would get better profit margin. Stiff competition from the animal feeds industry threatens these traders livelihood, the latter have large financial outlay and tend to purchase the bulk of the Nile perch frame from the factories. The study established that the constraint to information on saving options limited these traders from accessing loans from banks.

- The large number of dependants was found to cause heavy financial burden leading to the inability to expand or diversify their businesses. Majority of these traders 89.4% indicated that they will continue with the Nile perch frame trade and only 3.8% (4.5.2) would drop this business altogether.

5.4 Recommendations

- Financial institutions such as banks need to develop products which are friendly to the women fish traders and other SMEs so as to attract them to save and access loan facilities which will enable them expand/ diversify their businesses.

- The concerned government agencies and other stakeholders need to develop training programme on marketing of fish which are comprehensible to the concerned traders so as to minimize exploitation by middlemen.

- There is need to develop effective Co-operative Societies dealing with fish traders, through which the traders will be able to address their problems such as exploitation by suppliers (fishermen) and middlemen. Through Co-operative Societies they will be able to buy in bulk therefore benefiting from economy of scale.
• The government needs to set strict guideline on MFI operations, as a number of these institutions have gone under or embezzled gullible traders' life time savings.

• There is need for the opinion leaders in this region to encourage the small scale traders to take loan from the available financial institutions so as to diversify and expand business. Most interviewees were reluctant to borrow from the banks because of the fear that should they fail to pay back the loan their properties will be auctioned.

5.5 Limitation of the Study

• There was reluctance by the respondents to divulge personal information; this can lead to inadequate data collection.

• Some respondents were none co-operative hence the need to skip them and get others to respond.

• Interruptions by customers who had to be served first before the interview could continue.

• The researcher was treated with suspicion by some respondents who believed that the data collected will be used by the responded for fund-raising purposes which will not benefit them.

5.6 Suggestion for Further Study

• The research covered only the women fish traders involved in Nile perch frame trade but did not include other types of fish as well as men traders.

• A similar study can be conducted to identify factors inhibiting other SMEs from diversifying.
REFERENCES


Bokea C. and Ikiara M. (2000): *Increased Fish consumption through Improved Fish handling and distribution*. Symposium on Increasing Fish consumption through improved Fish handling and Distribution 16-31, October, FAO, Rome.


Lwenya C. and R. Abila (1999): *The gender role in fish processing and trading in Lake Victoria, Kenya*


50


## APPENDIX I: BUDGET

<table>
<thead>
<tr>
<th>ITEM</th>
<th>QUANTITY</th>
<th>UNIT COST IN KSHS</th>
<th>TOTAL COST IN KSHS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MATERIALS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internet services</td>
<td>40</td>
<td>60</td>
<td>2,400</td>
</tr>
<tr>
<td>Field note books</td>
<td>5</td>
<td>50</td>
<td>250</td>
</tr>
<tr>
<td>Pens/Pencils/ Erasers</td>
<td>10</td>
<td>15</td>
<td>150</td>
</tr>
<tr>
<td>Folders</td>
<td>5</td>
<td>50</td>
<td>250</td>
</tr>
<tr>
<td>Ruled Papers (ream)</td>
<td>4</td>
<td>350</td>
<td>1400</td>
</tr>
<tr>
<td><strong>COMPUTER SERVICES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proposal Typing/ Printing (Pages)</td>
<td>42</td>
<td>20</td>
<td>840</td>
</tr>
<tr>
<td>Photocopy document (Pages)</td>
<td>252</td>
<td>2</td>
<td>504</td>
</tr>
<tr>
<td>Photocopy Questionnaires (Pages)</td>
<td>920</td>
<td>2</td>
<td>1840</td>
</tr>
<tr>
<td>Binding documents</td>
<td>7</td>
<td>50</td>
<td>400</td>
</tr>
<tr>
<td><strong>DATA COLLECTION</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel expenses/ subsistence</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Lead Researcher for 2 months</td>
<td>2</td>
<td>15,000</td>
<td>30,000</td>
</tr>
<tr>
<td>- 4 Research Assistants for 2 months</td>
<td>8</td>
<td>5,000</td>
<td>40,000</td>
</tr>
<tr>
<td><strong>DATA ANALYSIS</strong></td>
<td>1</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td><strong>THESIS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Typing/ Printing (pages)</td>
<td>100</td>
<td>20</td>
<td>2,000</td>
</tr>
<tr>
<td>Photocopy (pages)</td>
<td>800</td>
<td>2</td>
<td>1,600</td>
</tr>
<tr>
<td>Binding of thesis</td>
<td>8</td>
<td>250</td>
<td>2,000</td>
</tr>
<tr>
<td><strong>SUB TOTAL</strong></td>
<td></td>
<td></td>
<td>103,634</td>
</tr>
<tr>
<td><strong>10% Contigency</strong></td>
<td></td>
<td></td>
<td>10,363.40</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td></td>
<td></td>
<td>113,399.40</td>
</tr>
</tbody>
</table>
These activities are to run from May 2008 to Feb 2009

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reading Literature</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Define Research Problem</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Draft Research Methodology</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Write Research Proposal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Develop Data collection tools</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pilot Test and Revise Data collection tools</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collect Primary data</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enter the data into computer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Analysis of data</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Draft of thesis and Consultation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revision and Final writing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Publishing and submission</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix III: INTERVIEW SCHEDULE

TOPIC: TO IDENTIFY FACTORS LEADING TO LACK OF BUSINESS DIVERSIFICATION OF WOMEN FISH TRADERS

Date: ___________________ Name of Group: ___________________

Instructions

The person administering the interview schedule should introduce him/herself.

The purpose of the interview should be made clear and the respondent to be assured of the confidentiality of the information to be provided.

SECTION A: SOCIO-ECONOMIC BACKGROUND.

1. What is your marital status?
   - Single [ ]
   - Married [ ]
   - Divorced [ ]
   - Widowed [ ]
   - Separated [ ]
   - Others [ ]

2. What is your age? (Years)
   - 15-20 [ ]
   - 21-30 [ ]
   - 31-40 [ ]
   - 41-55 [ ]
   - above 55 [ ]

3. What is your level of education?
   - Nil [ ]
   - Primary 1-3 [ ]
   - Primary 4-8 [ ]
   - Secondary [ ]
   - Tertiary [ ]

4. How many children do you have? ________________________________

5. Why did you choose specifically to deal in Nile perch frame trade?
   - Easily accessed [ ]
   - Easy to store [ ]
   - Require little start up capital [ ]
   - Profits are instant [ ]
   - Others (Specify) _____________________________________________

6 a) Who introduced you to the Nile perch frame trade?
   - Husband [ ]
   - Parents [ ]
   - In-laws [ ]
   - Family heritage [ ]
   - Relatives [ ]
   - Friends [ ]
   - Others (Specify) [ ]

Section B. UNDERSTANDING BUSINESS DIVERSIFICATION

7. a) Have you ever ventured in another business apart from Nile perch frame trade before?
   - Yes [ ]
   - No [ ]
   
   b) If No; elaborate .............................................................................

...........................................................................................................

8. a) Apart from Nile perch frame business; is there any other income generating activity you are currently undertaking?
   - Yes [ ]
   - No [ ]
   
   b) If Yes which one/s .................................................................

.................................................................
9 a) Are you engaged in any farming activity? Yes [ ] No [ ]
  b) State the type of farming. ..................................................

10 a) Do you have plans to venture into any other business? Yes [ ] No [ ]
  b) If Yes; which one/s ......................................................
  c) If No; elaborate ..................................................................

11. Is there any activity you undertake on the fish before selling them? Yes [ ] No [ ]
  b) If yes which one/s Smoking [ ] b) Drying [ ] c) Others ............... (Specify)
  c) Why do you undertake the activity above? .....................................

12. a) Are you engaged in fishing activity in the lake? Yes [ ] No [ ]
  b) If Yes? (Tick appropriately) i) Own fishing gear [ ] ii) Do join the fishing 
     team in lake [ ] Others {Specify ..................... } [ ]

13. a) Given a chance will you opt for another business activity? Yes [ ] No [ ]
  b) Give reason/s for (a) ..................................................................
  c) If (a) is yes fill in the table below

<table>
<thead>
<tr>
<th>Business Opportunities</th>
<th>Tick Appropriately</th>
<th>Why undertake it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farming</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other businesses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specifying ...........</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Will not undertake any other business except fish trade</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SECTION 3: CHALLENGES FACED

14. a) What are the major challenges facing you as a fish trader? (Tick and Rank as appropriate)

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Tick</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Licenses/ Fee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large family size</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perishability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Specify…………..)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

b) State reason/s for the item ranked first above?

...........................................................................................................................................................................

15. a) Do you sell you fish outside Homa bay town?
   Yes [ ] No [ ]

b) State reasons for (a)?
   ...........................................................................................................................................................................

16 a) Are you able to sell all you fish stock on time?  Yes [ ] No [ ]

b) If No? How do you ensure the fish stock doesn’t get spoilt?
   ...........................................................................................................................................................................

c) What challenges do you encounter in undertaking b) above?
   ...........................................................................................................................................................................
d) How do you cope with c) above?

...........................................................................................................................................

...........................................................................................................................................

17. a) Do you encounter any challenge in acquiring your Nile perch stock?
   Yes [ ] No [ ]
   b) If Yes; state the challenge/s and how do you cope with it?
   ...........................................................................................................................................
   ...........................................................................................................................................

...........................................................................................................................................

18. a) What type of Nile perch frame do you deal with?
   Fresh [ ] Processed {Elaborate} [ ] iii) Both [ ]
   b) Which one fetches higher price
   Fresh [ ] Processed [ ]

19. a) Do you save your proceeds /money from fish trade and other sources with any financial institution?
   Yes [ ] No [ ]
   b) If Yes; state which one?
   Merry go round [ ] MFI [ ] Banks [ ] Other (Specify) [ ]
   c) Have you ever approached any of the above for loan to finance your business?
   Yes [ ] No [ ]
   d) If No, state why? ...........................................................................................................
   ...........................................................................................................................................

Section 4 Future Plans

20. a) Apart from your nuclear family, do you have any dependant?
   Yes [ ] No [ ].
   b) If Yes to a) above who are they (Tick Appropriate ones)
   Parents [ ] Siblings [ ] Sibling children [ ] Extended family [ ]
   c) How many are they? ...............  
   d) What caused them (dependant) to start leaving with you?
   Death of their Breadwinner [ ] Bankruptcy [ ] Old age [ ]
   Others (Specify) [ ]

   e) (i) Has the above affected your business? Yes [ ] No [ ]
ii) If Yes, State how?

........................................................................................................................................
........................................................................................................................................

f) What do you do/plan to reduce the effect of c) to your business?

........................................................................................................................................
........................................................................................................................................

21. a) What plan do you have in future with your business?

Drop it [ ] Continue with it [ ] Diversify to other business Others [ Specify.........................] [ ]

b) State reason for the above

........................................................................................................................................
........................................................................................................................................

22. What do you think can be done to improve the Nile perch frame trade?

........................................................................................................................................
........................................................................................................................................
APPENDIX IV: FOCUSED GROUP DISCUSSION TOOL

Name of Group: ____________________________     Number of Members
Present:_____________________________________

1. What made you choose Nile perch frames trade and not any other business line?

........................................................................................................................................
........................................................................................................................................
........................................................................................................................................

2. Who influenced you to join this particular business?

........................................................................................................................................
........................................................................................................................................
........................................................................................................................................

3. Have you ever ventured into any other business apart from this one? (Probe whether still runs it)

........................................................................................................................................
........................................................................................................................................

4. Given a chance will you venture into another business apart from this?

........................................................................................................................................
........................................................................................................................................

5. What challenges do you face in your current business?

........................................................................................................................................
........................................................................................................................................

6. What future plans do you have for your business?

........................................................................................................................................
........................................................................................................................................
To: TO WHOM IT MAY CONCERN:

Dear Sir/Madam,

RE: RECOMMENDATION FOR LAURENCE S. OCHIENG
REG. NO. D53/OL/4224/04

This is to confirm that the above named is an MBA student undertaking Entrepreneurship Option, in Business Administration Department, School of Business, Kenyatta University.

Mr. Laurence S. Ochieng has successfully completed his coursework and is now embarking on research/data collection, which is a requirement for the award of the Degree.

Any assistance accorded to him will be highly appreciated.

For more information about the student, please contact this office.

Thank you.

ISAAC LOKERIS
FOR: MBA COORDINATOR