THE IMPACT OF HIV/AIDS ON THE DEVELOPMENT OF SMEs AMONG THE URBAN POOR: A CASE STUDY OF MATHARE SLUMS

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Ojode, Nahashon O.
The impact of HIV/AIDS on the
DECLARATION
This research proposal is my original work and has not been presented for a degree award in any university.

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<tr>
<td>SMEs</td>
<td>Small and Medium Enterprises.</td>
</tr>
<tr>
<td>HIV</td>
<td>Human Immuno-deficiency Virus</td>
</tr>
<tr>
<td>AIDS</td>
<td>Acquired Immune Deficiency Syndrome</td>
</tr>
<tr>
<td>NGOs</td>
<td>Non-governmental Organizations</td>
</tr>
<tr>
<td>MFIs</td>
<td>Micro Financial Institutions</td>
</tr>
<tr>
<td>PLWHAs</td>
<td>Persons Living With HIV/AIDS</td>
</tr>
<tr>
<td>VCTs</td>
<td>Voluntary Counseling and Testing Centres</td>
</tr>
<tr>
<td>ARVs</td>
<td>Anti-retroviral drugs</td>
</tr>
<tr>
<td>USAID</td>
<td>U.S. Agency for International Development</td>
</tr>
<tr>
<td>K-Rep</td>
<td>Kenya Rural Enterprise Programme</td>
</tr>
<tr>
<td>ART</td>
<td>Anti Retroviral Treatment</td>
</tr>
<tr>
<td>NACC</td>
<td>National AIDS Control Council</td>
</tr>
<tr>
<td>GOK</td>
<td>Government of Kenya</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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</table>
DEFINITION OF TERMS

**Entrepreneur** – A person who perceives, identifies a business opportunity and takes the risk to successfully implement the business venture with the aim of generating a profit.

**Entrepreneurship** – This is the ability to identify business opportunities and pursue them by setting up a business venture.

**Business enterprise** – An undertaking which a person engages in and is aimed at giving that person profits.

**Constraints** – Barriers, or hindrances inhibiting development of SMEs.

**Business growth** – Development of a business in terms of size, number of employees, improvement in technology or increase in revenue.

**Small and Medium Enterprises** – For the purposes of this study, this term refers to those business operated by 1-50 employees and have not been registered under business names act.

**Interview schedule** - A survey form used by interviewers that consists of the questions to be asked.

**Content validity** - a subjective judgement of whether a measure adequately represents all facets (the domain) of a concept.
Poor and Poverty - For the purpose of this study, “poor” and “poverty” are used with respect to the economic conditions of households and individuals.
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CHAPTER ONE
INTRODUCTION

1.1 Background information

The significance of Kenya's SME sector has continued to grow since the sector was first brought into the limelight in 1972 in a report by the International Labour Organization (ILO) on "Employment Income and Equity in Kenya" (Mullei and Bokea, 1999). This report underscored the sector's critical role in promoting growth in incomes and employment in Kenya.

However, the HIV/AIDS pandemic is unraveling years of hard-won gains in economic and social development. Issues related to HIV/AIDS tend to evoke an image of concern for health and community welfare (Donahue, Kabuccho and Osinde, 2001). There is a lot of medical literature on HIV/AIDS. They are however, looking at the pandemic from a medical point of view which is out of the scope of this study.

Many microfinance institutions view HIV/AIDS as having nothing to do with them because of the apparent health and welfare focus. Yet, with the rising HIV prevalence and AIDS deaths as high as they are in several African countries, it is a given fact that the pandemic has serious economic implications for the general population. Donahue (2000) points out that HIV/AIDS pandemic is unraveling years of hard-won gains in economic and social development in Africa.

The cost of dealing with this pandemic is huge. Repeated bouts of illness and death erode the financial resources of immediate and extended families as they try to pay for multiple hospital trips, medical expenses and funeral costs (Donahue 2000 and USAID, 1996). A
family may reduce or halt its income earning activities as the demands for caring for someone with AIDS mounts.

Experts agree that the consequences of the HIV/AIDS pandemic on the African continent are far reaching (Donahue 2000, USAID 1996, Parker 2000 and Cheruiyot 2000). They share the view that for many families, concern about sliding into poverty as a result of the pandemic subsumes the other effects of HIV/AIDS. Income and savings become crucial weapons as households struggle to build and protect their economic resources.

Most organizations dealing in microfinance have discovered that there is a need for them to understand how this pandemic affects their operations. K-Rep, in their study titled, "Voices of HIV/AIDS in microfinance", states that K-Rep’s usefulness is subject to the stage of illness that the borrower is coping with (Chao, Macharia and Obuya, 2003). The study further points out that financially, a household’s ability to cope with the impact of HIV/AIDS depends on the level of the household’s economic resources before, during and after the disease affects them. Parker (2000) says that microfinance institutions operating in heavily HIV/AIDS affected areas have discovered that, because of the disease, some of their operating principles and initial assumptions no longer hold. Parker (2000) further states that those MFIs that specialize in loan products are likely to be most affected by the changes of a growing HIV/AIDS pandemic.

The above underscores the importance of a family business to act as a safety net for the family. Parker (2000) says that the overall effect of HIV/AIDS on the economic well-being of affected households depends on the availability and size of household financial safety nets. The stronger the household safety net, the better the chances that the
household can withstand the crisis without resorting to coping behaviours such as liquidation of long term assets.

The impact of the pandemic on the operations of microfinancial institutions have also been very well dealt with in the works of Cheruiyot (2000), Donahue (2000), Parker (2000) and Gachanja (2003).

However, little attempt has been made at critically looking at the impact of the pandemic specifically on the development of small and medium enterprises in the urban slums where living standards are very poor. Cheruiyot (2000) and Gachanja (2003) made an attempt at addressing the impact of the pandemic on business operations in general.

Cheruiyot (2000) highlights the following as the impact of the HIV/AIDS pandemic on the operations of a business.

a) Closure of businesses because of sickness in the pre-AIDS period, spending a lot of resources in trying to cure HIV/AIDS related diseases before realizing about the infection.

b) Closure of business enterprise because of lack of enough resources to pay rent and meet other running costs.

c) Shift of the business’s location to non prime areas, in the hope of sustaining the business as well as the family main source of income.

d) As the crisis deepens, savings are liquidated and household assets are sold.

1.2 Problem statement

HIV/AIDS is a health emergency, but it has also created a development crisis of devastating scale – for households, communities, countries, and entire regions. Estimates
of the economic impacts of HIV/AIDS show that it has reversed many of the gains in
development created over the last 30 years (World Bank, 2000). Poor families are among
the most vulnerable, as they have few strategies to cope with the economic impacts of the
disease. And families who climbed out of poverty are pushed backwards by HIV/AIDS,
as they lose productive adults, face crippling health expenditures, and expand household
size to take in children left behind.

The significance of Kenya’s small and medium enterprises activity has continued to grow
since the sector was first brought into the limelight in 1972 (Mullei and Bokea, 1999). However, the HIV/AIDS pandemic has over the years been a major challenge to the
development of this sector.

The HIV/AIDS pandemic has negative economic impact on all sectors of the economy as
it affects adults in their productive ages. Invariably, all sectors of the Kenyan economy
including the SME sector have been affected by this pandemic. The future growth
potential of the SME sector is affected by the impact of HIV/AIDS on productivity, loss
of skilled manpower, increased social and economic burden and diversion of resources
from the productive activities to the social sector. In addition, the scourge has led to high
mortality rates of the SMEs, increased labour costs as a result of absenteeism, not to
mention its negative effects on financial services (Gachanja, 2003).

Unlike the other deadly diseases like ebola, malaria and marburg, whose incubation
periods take a short time and kills those infected suddenly, HIV/AIDS takes along time
going through various stages. In the process a lot of money is used leaving the affected,
the care givers and those offering economic support to those infected very poor and
vulnerable. And yet the victim finally dies (Gachanja 2003).
Those working are in most cases laid off or become too weak to work. Those running their own businesses are not spared either. They end up selling their assets to pay for their medical care. The disease eats and kills their businesses outright. Those trying to assist end up losing their investments because of the huge expense requirements.

Due to these demands any attempt at establishing a small business is faced with stiff constraints as profits would be used in the management of the disease. Eventually, even the capital investment into the business gets depleted and the business dies.

The development of small and medium enterprises is recognized as a major factor in poverty alleviation in the developing countries. A threat to this sector would deal a deadly blow to the fight against poverty alleviation. This problem therefore, needs to be addressed urgently. Experts in the development community recognize that the ability of a household to mitigate the impact of HIV/AIDS relies largely on their capacity to stabilize or increase incomes (Chao, Macharia and Obuya, 2003).

1.3 Study Objectives

1.3.1 General objectives

To assess the impact of HIV/AIDS on the development of SMEs among the urban poor.

1.3.2 Specific objective

i) To identify the constraints faced by entrepreneurs in accessing capital for their businesses as a result of their HIV status.

ii) To assess the capital requirements of SMEs operating in the slums.
iii) To evaluate the various coping mechanisms being used by the entrepreneurs to deal with the constraints of the scourge in ensuring the survival and development of their businesses.

1.4 Research questions

a) What are the sources of capital for HIV infected urban poor entrepreneurs?

b) What is the average capital requirement for small and medium enterprises in the slums?

c) What are the coping methods used by HIV positive entrepreneurs to ensure the survival of their businesses?

1.5 Significance of the study

The findings of this study will be of benefit to the following:

a) Entrepreneurs infected by the pandemic: The study will offer them new ways of coping with the constraints of the pandemic to the development of their small and medium enterprises.

b) NGOs and Government agencies working in the funding of SME ventures among the urban poor. The organizations offering care and support to those infected and the affected.

c) Government agencies charged with policy formulation. It will offer a background upon which appropriate policies can be formulated in supporting development of SMEs in a HIV/AIDS environment.
d) It will act as a reference point for future research in the area of the impacts of HIV/AIDS on the development of small and medium enterprises.

1.6 Scope of the study

The study will be limited to the following categories of businesses operating in Mathare slums.

a) Businesses run by the PLWHAs
b) Businesses run by relatives and caregivers to PLWHAs
c) Businesses employing PLWHAs

This study will not look at the general medical aspects of HIV/AIDS, rather it will critically look at the impacts of the disease on developing and running a small and medium enterprise. The study will also identify the various coping mechanisms that can be adopted to counter the negative impacts of the pandemic on the operations of the small and medium enterprises in the slums.

1.7 Limitations

The study will be affected by the limitations of time. The time available for data collection, analysis and presentation may not allow a comprehensive output. The time would also not allow an extensive and detailed study in the whole of Mathare due to the big size of the area.

The study will also be limited by the constraints due to confidentiality attached to medical records. Most people would not readily reveal their medical records especially about HIV/AIDS because the disease is still looked at with some stigma.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

Virtually all aspects of development have experienced the severe impact of HIV/AIDS at household, community and national level (GOK, 2002). Current estimates indicate that 2.2 million Kenyans are HIV/AIDS positive; 1.5 million have died since 1984, leaving behind about 1.3 million orphans. The majority of AIDS cases fall in the 15-49 year age group who form the pool of trained and productive manpower (GOK, 2002). The pandemic poses a threat to long-term sustainable economic development, if the spread of the virus is not controlled.

2.2 HIV/AIDS in Kenya

The first AIDS case in Kenya was diagnosed in 1984 and it was not until 1987 that the first medium term plan was developed because the government viewed AIDS primarily as a health issue, and hence did not see the need for a comprehensive policy (Stover and Johnson, 1999).

Among the adult population in Kenya, statistics report HIV/AIDS prevalence rates at 17-18% in urban areas (Kenya National AIDS Control Council, 2000). The bulk of those infected in the urban areas live in the slums. According to the Sessional Paper No. 4 of 1997 on AIDS in Kenya, poverty was seen as a key factor in the spread of HIV.

No known cure has been discovered for this pandemic. The only hope currently lies in the use of ARVs which work to prolong the lives of the infected persons. However, these may be very expensive and unaffordable to the poor people. Dr. Mwangi says that in the
management of HIV/AIDS, after the first-line of anti-retroviral drugs have failed, six second-line drugs are used. If those second-line drugs also fail, nine different drugs are used, which may cost thousands of shillings a month. (Daily nation March 30, 2005). The National Development Plan (2002-2008) states that the management of HIV/AIDS infection is too expensive. It further points out that the drugs cost on average about Kshs. 700,000 per person per year.

In an article titled “Poverty blow to health” (Daily Nation, March 30, 2005), the writer stated that nearly half of all Kenyans who fall ill do not seek medical treatment because they are too poor to pay. This is very serious given that 56 percent of Kenya’s population live below the poverty line. The poor form the bulk of the 700 AIDS-related daily deaths in the country because they cannot afford to buy anti-retroviral drugs or feed themselves well. The government is currently working to scale up the number of those accessing ARVs from the current 13,000 to 140,000 in 2006. (Daily Nation, Feb 4, 2005).

2.3 HIV/AIDS and Development of SMEs

There is literature on HIV/AIDS addressing the medical and clinical aspects of the pandemic. Some work has also been recorded on the general economic impacts of the disease (Gachanja, 2003). However, little has been done on the impact of HIV/AIDS on the development of SMEs among the urban poor.

Gachanja (2003) notes that HIV/AIDS has had a diverse effect on the SMEs in various ways. The pandemic has left very little money to be used in other ways to enhance a business other than activities related to the management of the pandemic.
Unless something is done, it is becoming very difficult for people living with HIV/AIDS to access credit for income generating activities (Oketch, 1999). HIV is related to poverty meaning that when one is not economically stable, it becomes more difficult to get a loan for a small enterprise because they have nothing to offer as security (Rhyne and Otero, 1995). At times the poor person may not be in a position to know about the institutions that offer loans.

According to the Sessional paper on development of micro and small enterprises for wealth and employment creation for poverty reduction (GOK, 2004), the Government underscores the role the SME sector plays in the socio-economic development of the country. The paper points out that the significance of the sector can be seen in terms of its contribution towards economic growth, employment creation, poverty reduction and development of an industrial base. The Sessional Paper number 2 of 1996 (GOK, 1996) also shares the same sentiments adding that the importance of this sector extends beyond employment, for it provides a “point of entry” for many Kenyan entrepreneurs into the manufacturing and service sectors. The same sentiments are echoed by Daniels (1995).

The Sessional Paper on Development of Micro and Small Enterprises for Wealth and Employment Creation for Poverty Reduction lists HIV/AIDS as one of the challenges to the development of small and medium enterprise sector in Kenya.

The paper states that in order to address HIV/AIDS in the SME sector, a holistic approach will be developed by the government. In this regard all prevention, care and control programmes under the National AIDS Control Council (NACC) strategic plan will deliberately target SME operators. The SME operators will be encouraged to participate fully in HIV/AIDS activities at the constituency AIDS committee level in the
respective localities. In particular, the SME Associations will spearhead HIV/AIDS campaigns amongst their members. Modalities will also be put in place to encourage MFIs to insure their services and develop relevant medical schemes. In addition, measures will be put in place to encourage insurance companies to develop insurance scheme for SMEs such as health insurance and business cover, and at the same time SMEs will be encouraged to insure their properties.

2.4 Profile of SMEs in Kenya

The Kenyan Government defines Small and Medium Enterprises (SMEs) as those non-farm enterprises both in formal and informal sectors, employing 1-50 employees (GOK, 2004). These enterprises rarely comply with official legal formalities such as registration under the registration of Business Names Act, Cap 499. The sector is also characterized by ease of entry and exit, little capital requirement, little equipment and low incomes (GOK, 2004).

Kenya’s SME sector is dominated by commerce and trade activities, most of which are retailling or vending agricultural products. In addition to the 61% of enterprises in trade, another 27% are in manufacturing and 12% in services (Parker and Torres, 1993). Nearly one third of all SMEs operate from within the home. 50% operate from permanent structures but few have access to electricity or running water on the premise (GOK, 2003). SMEs are most likely to close in their first three years. Parker and Torres (1993) points out that the SMEs now in existence have an average age of five years, showing that the current population includes “survivors” as well as new-comers.
The start-up capital requirement of SMEs varies according to the number of employees at start-up as shown in the table below.

Table i: Capital requirement at start-up by business size

<table>
<thead>
<tr>
<th>Enterprise size at start-up (%)</th>
<th>1</th>
<th>2</th>
<th>3-5</th>
<th>6-10</th>
<th>11-50</th>
</tr>
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<tbody>
<tr>
<td>0-10,000</td>
<td>94</td>
<td>78</td>
<td>59</td>
<td>88</td>
<td>55</td>
</tr>
<tr>
<td>10,001-25,000</td>
<td>4</td>
<td>14</td>
<td>10</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>25,001-50,000</td>
<td>1</td>
<td>1</td>
<td>7</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>50,001-100,000</td>
<td>0</td>
<td>3</td>
<td>4</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Over 100,000</td>
<td>1</td>
<td>4</td>
<td>14</td>
<td>3</td>
<td>38</td>
</tr>
<tr>
<td>Do not know</td>
<td>0</td>
<td>0</td>
<td>6</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: National Baseline survey, 1993

From the above table, it is clear that self-employment activities (one-person enterprises) use the least start-up capital and those enterprises with over ten workers use the most.

The SME sector in Kenya is also faced with several problems as shown in table ii below.

As shown in table ii, the most commonly cited problem faced by SMEs is related to market size. This may result either from market saturation or low demand.

The second major constraint is in accessing non-financial inputs (25%). Problems with insufficient capital comprises 14%.
Table ii. Problems faced by SMEs in Kenya

<table>
<thead>
<tr>
<th>Constraints</th>
<th>Number (%)</th>
</tr>
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<tbody>
<tr>
<td>Market size</td>
<td>30.1</td>
</tr>
<tr>
<td>Input problems</td>
<td>24.7</td>
</tr>
<tr>
<td>Capital shortages</td>
<td>14.2</td>
</tr>
<tr>
<td>Transport</td>
<td>7.0</td>
</tr>
<tr>
<td>Location</td>
<td>7.0</td>
</tr>
<tr>
<td>Risky environment</td>
<td>5.4</td>
</tr>
<tr>
<td>Economic conditions</td>
<td>6.8</td>
</tr>
<tr>
<td>Government involvement</td>
<td>4.8</td>
</tr>
</tbody>
</table>

*Source: National Baseline Survey, 1993*

2.5 HIV/AIDS and Poverty in the slums

Poverty is a deprivation of essential assets and opportunity to which every human being is entitled (Parker and Torres, 1993). While poverty can be defined with either a monetary or non-monetary perspective, poverty mapping research in Kenya has adopted the monetary absolute poverty line derived from the 1997 Welfare Monitoring Survey (GOK, 2004). This measure is on the comparison of individual’s consumption expenditures, with some defined threshold below which they are considered as poor. The poverty line is conceptualized as a minimum standard required by an individual to fulfil his or her basic food and non-food needs. The absolute poverty line has been set at Kshs. 2,648 per adult equivalent in urban areas and at Kshs. 1,238 per adult equivalent per month in rural areas (Parker and Torres, 1993).

In December 2002, the government embarked on the process of preparing an Economic Recovery Strategy for Wealth and Employment Creation which presents a road map for economic recovery (GOK, 2004).

Poverty is no stranger to many people in Africa. In fact, for most households, avoiding poverty or slipping further into it subsumes issues related to HIV/AIDS (Donahue, 2000). The disease is not the only cause of poverty, but poverty intensifies its impact.

Given the vigorous efforts directed towards combating HIV/AIDS pandemic, the prevalence rate in Kenya is expected to attain a constant level of 13% within the next 10 years and thereafter level out at 8.0% by 2020 (GOK, 2003).

Taking into account these dynamics, Kenya’s population is expected to increase but rather slowly from 30.2 million in 2000 to 43.1 million in 2020. In the absence of HIV/AIDS, the population would have increased to 39.0 million in 2010 and to 48.2 million by 2020. HIV/AIDS mortality is going to be a major determinant of Kenya’s future population dynamics (GOK, 2003).

![Graph showing population projections with and without AIDS, 2000-2020](image)

**Table III. Population projections with and without AIDS, 2000-2020**

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>With AIDS</td>
<td>30,208,365</td>
<td>33,445,119</td>
<td>36,508,255</td>
<td>39,714,908</td>
<td>43,113,069</td>
</tr>
<tr>
<td>Without AIDS</td>
<td>30,573,369</td>
<td>34,769,321</td>
<td>39,055,160</td>
<td>43,532,289</td>
<td>48,222,094</td>
</tr>
</tbody>
</table>


The impact of HIV/AIDS on Kenya’s population projections can be seen clearly on the graph below.
2.6 Conceptual Framework

Urban population has grown from 3.8 million in 1989 to 9.9 million in 1999, constituting 34% total population and is projected to grow to 16 million by the end of 2005 (GOK, 2002).

As a result of the rapid urbanization, Kenya is currently experiencing major problems of proliferation of urban informal settlements. Over 47% of Kenyan urban dwellers seek shelter in informal settlements, which are poorly constructed and are in areas of high unemployment, high crime rates and increasing cases of HIV/AIDS. Life in most slums depict conditions of abject urban poverty.

Labour is the key resource of the urban poor, how this is utilized is dependent on the range of livelihood assets available to an individual. The income generating activities of the poor are segregated by gender, capital and skills. Men are generally involved in more skilled activities, which requires a higher level of capital. The range of economic activities include carpentry, metal works, boda boda, taxi driving, tailoring, brick making,
butchers, shops, fish sellers, salons, hawkers, market traders. Women are involved in vegetable selling, second hand clothes, salons, cooked food, retail shops, fish sellers, charcoal sellers, shop attendants, tailoring etc. Tailoring is one of the few skilled activities that is open to both men and women. Most people are involved in more than one income generating activities, reflecting their multiple livelihood strategies. The level of skill and opportunities available influences the type of activity that a person undertakes. It is important to note that HIV/AIDS limits the number of economic activities those infected can engage in.

In an environment where the majority of all households are already very poor, a primary focus of development activities has to be on raising the income levels of the community. However, a case of HIV/AIDS in a poor household can provide an economic shock that can sink the household into destitution, destroying all of its previous efforts to improve its standard of living. While it is difficult to single out HIV/AIDS as the causal factor in a household’s poverty, it is a contributing factor that brings with it specific characteristics that must be addressed, such as the long term, debilitating nature of the disease.

The effects of HIV go well beyond those who are infected, but also affect the economic units (households) that support them.

AIDS focused research has identified the following pattern of events that lead to financial constraints:

- Cost of initial diagnosis and treatment of opportunistic infections;
- Cost of treatment in and out of hospital due to prolonged illness;
- Cost of multiple deaths in close succession
- Death and burial
• Cost of caring for the orphans and their education

All of this is compounded by the opportunity cost of caring for the sick that the affected individuals must bear, which will be both emotional and financial. These costs can lead to spending less time running one’s business, leading to shrinkage of income and eventually loss of access to income.

The impact of HIV/AIDS on the development of SMEs addresses such sensitive issues as stigma and discrimination by customers, discrimination in credit access, licensing problems and gender inequality. It also addresses operational issues such as staffing and remuneration of HIV/AIDS victims.
CHAPTER 3
RESEARCH METHODOLOGY

3.1 Introduction
This study aimed at finding out the impact of HIV/AIDS on the development of SMEs among the urban poor. Close to 70 percent of people with HIV/AIDS live in sub-Saharan Africa and developing countries of Asia. Next to armed conflict, HIV/AIDS is the second most serious development threat facing Africa (GOK, 2002).

HIV/AIDS has greater economic impact than other endemic diseases because it primarily affects adults in their most productive ages. It is projected that the total cost of AIDS to the country reached Kshs 2 billion in 2000 and is projected to reach around Kshs 5.5 billion by 2005. This translates to a loss of about 14.5% of GDP and a drop of about 10% in per capita income (GOK, 2002).

3.2 Research design
A descriptive research design was used for the study. A descriptive research undertakes to collect facts about a specified population or sample (Singleton (1993). The method was appropriate in gathering facts about the impacts of HIV/AIDS on the development of SMEs in Mathare slums.

3.3 Study location
This study was carried out in Mathare slums Nairobi. This is the second largest slum in Nairobi and is home to approximately 500,000 people.
3.4 Study population

The study population consisted of entrepreneurs infected by the pandemic. These were identified from the records held by the MFIs, NGOs and medical organizations operating in Mathare. However, these organizations requested the researcher to treat the information with utmost confidentiality and not to reveal their names in the study report.

Table iv: Target population

<table>
<thead>
<tr>
<th>Administrative areas</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Area 3</td>
<td>152</td>
</tr>
<tr>
<td>b) Area 4A</td>
<td>45</td>
</tr>
<tr>
<td>c) Area 4B</td>
<td>213</td>
</tr>
<tr>
<td>Total population</td>
<td>410</td>
</tr>
</tbody>
</table>

3.5 Sampling strategy

The stratified sampling method was used for the study. The population was stratified according to the various administrative regions of Mathare namely; area 3, 4A and 4B as shown in table 1.1 above.

3.6 Sampling procedure

From the above target population, a sample of 10% was picked from each group to form the sample population for the study. Saunders (2000) states that a minimum of 30 units is required for any statistical analysis. For this study 41, which represented 10% of the target population was appropriate given that some of the respondents were not available at the time of the study. These were either admitted into hospitals or simply refused to be interviewed.
Table v: Sample population

<table>
<thead>
<tr>
<th>Administrative areas</th>
<th>Number</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>d) Area 3</td>
<td>152</td>
<td>15</td>
</tr>
<tr>
<td>e) Area 4A</td>
<td>45</td>
<td>5</td>
</tr>
<tr>
<td>f) Area 4B</td>
<td>213</td>
<td>21</td>
</tr>
<tr>
<td>Total</td>
<td>410</td>
<td>41</td>
</tr>
</tbody>
</table>

3.7 Data collection

3.7.1 Data collection instruments

An interview schedule was prepared to present a standardized tool for interview with the entrepreneurs. This reminded the researcher of the main questions to ask during the oral interview.

In addition, a researcher administered questionnaire was constructed to get information from respondents with whom an interview was not possible. The questions were formed and arranged in a logical order using the funneling technique, where the more general questions were followed by the more specific ones.

3.7.2 Piloting

The interview schedule and the questionnaire were pre-tested in a pilot study to ensure their effectiveness before being actually administered.

A pilot study was carried out using 5 respondents. These acted to pre-test the research instruments before the actual study. This number was chosen because it represented ten percent of the sample, a number accepted for a pilot testing of the data collection instruments (Mugenda and Mugenda, 1999).
The pilot study enabled the identification of shortfalls in the instruments, and also assisted in identifying suitable methods to analyze the data. (Mugenda and Mugenda, 1999).

3.7.3 Validity

The content validity of the research instruments was ascertained by giving the instruments to the supervisors to cross check and approve that it would collect the required data.

3.7.4 Reliability

The reliability of the instruments was tested during the pilot study to confirm whether the respondents understood the questions the same way. This confirmed that the questions were clear to the respondents.

3.8 Field data collection

The entrepreneurs were interviewed by the researcher and two assistants following the interview schedule prepared. Keen observations were made to assess the impacts of the pandemic on the operations of the SMEs. These included such aspects as quality of service and customer reactions.

In addition to observing how things were done, the researcher also perused the available documented sources to gather more information.
3.9 Data analysis

The data collected was analyzed using descriptive statistics, which included percentages, bar graphs and frequency distribution tables. Statistical Package for Social Sciences (SPSS) was also used to enhance accuracy in data analysis.
CHAPTER FOUR
DATA PRESENTATION AND ANALYSIS

4.1 Introduction

In this chapter, data is presented, analyzed and discussed. This study aimed at finding the impact of HIV/AIDS on the development of small and medium enterprises among the urban poor: a case study of Mathare slums. The study attempted to answer the following research questions:

a) What are the sources of capital for HIV infected urban poor entrepreneurs?

b) What is the average capital requirement for small and medium enterprises in the slums?

c) What are the coping methods used by HIV positive entrepreneurs to ensure the survival of their businesses?

4.2 Information on respondents

Responses were obtained from 35 respondents through questionnaires, interview schedules, and observation checklists. Frequency and percentages were used to show the responses to the various items. Out of a sample of 41 respondents, only 35 respondents were available to take part in the study. Two of the respondents did not take part because they were admitted into the hospitals due to ill health. The other four simply refused to take part in the study. Those who took part in the study constituted 85 percent of the total sample population.
4.3 Results and findings

4.3.1 Results on business background

On the question to find out the number of years the businesses have been in operation, 42.9 percent said they had been in operation for less than one year, 31.4 percent had been in operation for between one to two years, 17.1 percent had been in operation for between three to four years and only 8.6 percent had been in operation for over five years.

Personal savings were found to be the main source of startup capital for HIV positive entrepreneurs. This constituted 82.9 percent of all the businesses. The next major source of startup capital was from MFI's which constituted 8.5 percent. 2.9 percent said that they got their startup capital from friends and relatives while 5.7 percent of the respondents said that they got their startup capital from other sources. None got their startup capital from a commercial bank.

The amount of startup capital varied depending on the type of business. 74.3 percent of the businesses started off with between Ksh. 0-10,000, 17.1 percent started off with between 10,001-25,000, 5.7 percent started off with between 25,001-50,000 and 2.9 percent started off with between 50,001-10,000. None of the businesses started off with a startup capital of more than Ksh. 100,000.

On the question about problems encountered by the HIV positive entrepreneurs when accessing capital, the results were as follows: 85.1 percent said that discrimination was
the biggest problem they faced in accessing capital, 10.2 cited lack of collateral while 4.7 percent cited high interest rates as the main problem in capital access.

The number of customers served per day varied in relation to the type of business. 20.0 percent served between 1-10 customers, 51.4 percent served between 11-20 customers, 17.1 percent served between 21-30 customer while 11.4 percent served over 30 customers per day.

4.3.2 Impact of HIV/AIDS on the business operations

Asked to state the number of days they had been admitted into hospitals, 65.7 percent of the respondents stated that they had been admitted in a hospital for between 1-7 days, 20.0 percent for between 8 days to two weeks and 14.3 percent for over two weeks.

When asked whether being HIV positive had negatively or positively affected the operations of their businesses, 100 percent said that HIV/AIDS had negatively affected the operations of their businesses. They rated the impact of the pandemic on the various business operation activities as shown on the table below.
<table>
<thead>
<tr>
<th>No.</th>
<th>Business activity</th>
<th>Frequency (percentages)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Least serious</td>
</tr>
<tr>
<td>1</td>
<td>Access to credit and loans</td>
<td>0</td>
</tr>
<tr>
<td>2</td>
<td>Staffing</td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td>Expansion and mergers</td>
<td>8</td>
</tr>
<tr>
<td>4</td>
<td>Licensing</td>
<td>53</td>
</tr>
<tr>
<td>5</td>
<td>Marketing</td>
<td>0</td>
</tr>
<tr>
<td>6</td>
<td>Customer service</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>Profit margins</td>
<td>3</td>
</tr>
<tr>
<td>8</td>
<td>Long term business planning</td>
<td>5</td>
</tr>
<tr>
<td>9</td>
<td>Accumulation of assets</td>
<td>5</td>
</tr>
<tr>
<td>10</td>
<td>Diversification</td>
<td>4</td>
</tr>
<tr>
<td>12</td>
<td>Credit from suppliers</td>
<td>1</td>
</tr>
<tr>
<td>13</td>
<td>New product development</td>
<td>1</td>
</tr>
</tbody>
</table>

a) Access to credit and loans

Ninety percent of the respondents said that HIV/AIDS had an extremely serious impact on access to credit and loans for their businesses. Four percent said the impact was very serious, 4 percent said it was serious while 2 percent said the impact of HIV/AIDS on access to credit and loans for their businesses was slightly serious.
b) Staffing

Fifty two percent said the impact was extremely serious, 43 percent said it was very serious while 5 percent said it was serious.

c) Expansion and mergers

Three percent said the impact of HIV/AIDS on the expansion of their businesses was extremely serious, 55 percent said it was very serious, 30 percent said it serious, 4 percent said it was slightly serious while 8 percent said it was slightly serious.

d) Licensing

Fifty three percent said HIV/AIDS had a least impact on licensing of their businesses, 36 percent said the impact was slightly serious, 12 percent said it was serious while 2 percent said the impact of HIV/AIDS on licensing was very serious.

e) Marketing
Seventy five percent said the impact of HIV/AIDS on their marketing activities was extremely serious, 15 percent said the impact was very serious, 9 percent said it was serious while 1 percent said the impact was slightly serious.

f) Customer service

Thirty percent said the impact was extremely serious, 28 percent said it was very serious, 34 percent said it was serious, 7 percent said it was slightly serious while 1 percent said it was least serious.

g) Profit margins

Sixty five percent said HIV/AIDS had an extremely serious impact on their profit margins, 8 percent said the impact was very serious, 14 percent said it was serious, 10 percent said it was slightly serious while 3 percent said the impact was least serious.

This implies that only a few of the businesses (3 percent) are able to retain some profit for reinvestment into the business. For a majority of the businesses (87 percent) the financial stress posed by the demands of the pandemic offers no chance for growth in their profit margins.
h) Long term business planning

Twenty percent said it was extremely serious, 50 percent said it was very serious, 10 percent said the impact on long term business planning was serious, 15 percent said it was slightly serious and 5 percent said the impact was least serious.

i) Accumulation of assets

Fifty one percent of the respondents were of the opinion that the impact of HIV/AIDS on accumulation of assets by their businesses was extremely serious, 16 percent said it was very serious, 21 percent said it was serious, 9 percent said it was slightly serious and 5 percent said it was least serious.

![Impact of HIV/AIDS on accumulation of assets](image)

j) Diversification

Twenty five percent of the respondents said that the impact of HIV/AIDS on their diversification attempts was extremely serious, 30 percent said it was very serious, 30 percent said it was serious, 11 percent said it was slightly serious and 4 percent said the impact was least serious.

k) Credit from suppliers
Thirty percent said it was extremely serious, 34 percent said it was very serious, 25 percent said the impact was serious, 10 percent said it was slightly serious and 1 percent said the impact of HIV/AIDS on getting credit from their suppliers was least serious.

1) New product development

Sixty nine percent agreed that the impact of HIV/AIDS on new product development was extremely serious, 20 percent said the impact was very serious, 6 percent said it was serious, 4 percent said it was slightly serious and 1 percent said the impact was least serious.

4.3.3 Coping methods

Due to the challenges posed by HIV/AIDS to their businesses, the entrepreneurs identified the following as the main coping methods they have adopted to ensure the survival of their businesses.

a) Liquidating savings accounts to invest in their businesses.

b) Borrowing from formal or informal sources of credit.

c) Selling off productive assets such as land, equipment, or tools.

d) Changing income earning activities by reducing business volume or even shifting to less risky types of businesses.

e) Joining rotating credit and savings associations (RoSCAs) where members contribute a fixed amount to a fund on a regular basis. Distribution of the fund rotates in turn to each member. It is not a loan and the fund does not accumulate. These funds may be used for daily expenses like food, thus enabling the entrepreneurs to channel their savings from the business to other uses.
4.4 Conclusion

The HIV/AIDS pandemic has had a major impact on poor households, driving them down further into poverty. This has greatly hampered the development of SMEs by the poor as their financial safety net becomes totally eroded by the financial stress posed by the pandemic. In response, regular income and stable savings are needed to help households combat the economic impact of HIV/AIDS.
CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of research findings, conclusions, and recommendations of the study and suggestions for further research. The purpose of this study was to find out the impact of HIV/AIDS on the development of small and medium enterprises among the urban poor: a case study of Mathare slums. This study employed interview schedules, and observation checklists as the main instruments for data collection.

5.2 Summary of research findings

a) It was found that 42.9 percent of the SMEs in Mathare had been in operation for less than one year, 31.4 percent had been in operation for between one to two years, 17.1 percent had been in operation for between three to four years and only 8.6 percent had been in operation for over five years. SMEs in Kenya are most likely to close in their first three years. Parker and Torres (1993) points out that the SMEs now in existence have an average age of five years.

b) Personal savings is the main source of startup capital for HIV/AIDS infected entrepreneurs in Mathare slums. From the study, it was found out that 82.9 percent of the entrepreneurs started off with money from their personal savings. It is worth noting that most of these savings were from the terminal benefits from previous employment. On finding out their HIV status most of the entrepreneurs either resigned from their jobs or got laid off from their jobs on medical grounds.
c) Most of the SMEs in Mathare slums (74.3 %) were started off with a startup capital of less than Ksh. 10,000. However, the startup capital requirement was found to be dependent on the type of business. Those businesses that required the purchase of machinery and equipment at startup stage needed more capital. None of the businesses started off with a startup capital of more than Ksh. 100,000.

d) 85.1 percent of the HIV positive entrepreneurs cited discrimination as the main problem in accessing capital. Lack of collateral (10.2 percent) and high interest rates (4.7 percent) were the other bottlenecks to capital access. It was found out that none of the entrepreneurs got startup capital from a commercial bank. Commercial banks are not offering much support in small business startups. No participants reported having a relationship with a commercial bank. Banks are seen as for the rich and not for the poor.

e) The strong stigma attached to AIDS in the community was also found to hinder the development of SMEs. People who are infected by the disease hide themselves, or are hidden by the family. It was found out that once the pandemic has taken its full toll on a patient, the relatives in most cases take them back to their villages to die. Other sick people move from where they had been staying to other estates where nobody knows of their status. This interferes with the operations of their businesses.

f) HIV/AIDS leads to frequent bouts of opportunistic diseases like TB which lead to frequent visits to the hospital and at times require that the patient be admitted for close medical supervision. It was found out that 65.7 percent of the respondents have been admitted in a hospital for between 1-7 days, 20.0 percent for between 8 to two weeks and 14.3 percent for over two weeks. Time spent at the hospital means the
business remains closed because most of these businesses are run by one owner/manager. The closures eventually lead to loss of customers. When the business re-opens when the owner comes back, the customers will have moved to other businesses. Every time the entrepreneur is discharged he has to embark on getting new customers for the business. This is very costly and it takes time to build a pool of loyal clientele. These frequent disruptions to business operations due to admissions may lead to the downfall of the business.

g) The HIV/AIDS pandemic was found to have extremely serious negative impact on the core areas of a business operations namely; Access to credit (90 percent), marketing (75 percent), profit margins (65 percent), and new product development (69 percent).

h) It was found that most HIV/AIDS affected entrepreneurs were forced to draw down their assets to meet costs associated with the pandemic. First, they dip into savings that can be easily liquidated, followed by incomes from their SMEs. As costs continue to mount, families begin selling their non-productive goods, such as furniture. If the shock continues, poor families sell their productive assets, making it almost impossible for them to climb out of destitution.

AIDS focused research has identified the following pattern of events that lead to financial constraints:

- Cost of initial diagnosis and treatment of opportunistic infections;
- Cost of treatment in and out of hospital due to prolonged illness;
- Cost of multiple deaths in close succession
- Death and burial
• Cost of caring for the orphans and their education

i) Even though the number of customers served depended on the type of business, it was found that the number of customers served reduced immediately the customers found out that the owner was HIV positive. 20.0 percent served between 1-10 customers, 51.4 percent served between 11-20 customers, 17.1 percent served between 21-30 customer while 11.4 percent served over 30 customers per day. The small number of customers served is a reflection of the stigma associated with the pandemic. People do not like to be associated with those infected by the virus. This presents a great threat to the development of SMEs by HIV positive entrepreneurs in the slums.

5.3 Conclusion

From the foregoing findings of the study, it can be concluded that HIV/AIDS can pose a great financial stress on an SME and force the entrepreneur to use all the investment in the business. The cost of managing the disease is so high due to its regular requirement of expensive medication. This may in some cases lead to all the investment made in the business being used up resulting into the business being closed down.

Cheruiyot (2000) highlighted the following as the impact of the HIV/AIDS pandemic on the operations of a business.

e) Closure of businesses because of sickness in the pre-AIDS period, spending a lot of resources in trying to cure HIV/AIDS related diseases before realizing about the infection.

f) Closure of business enterprise because of lack of enough resources to pay rent and meet other running costs.
g) Shift of the business’s location to non-prime areas, in the hope of sustaining the business as well as the family main source of income.

h) As the crisis deepens, savings are liquidated and household assets are sold.

This study got the same findings for SMEs run by HIV positive entrepreneurs in Mathare slums. The cost of dealing with this pandemic is huge. Repeated bouts of illness and death erode the financial resources of immediate and extended families as they try to pay for multiple hospital trips, medical expenses and funeral costs (Donahue 2000 and USAID, 1996).

5.4 Problems identified

HIV/AIDS is still shrouded with mystery and stigma in the Kenyan society. Issues related to the pandemic are still discussed in hushed tones and those infected looked down upon. As a result, those infected are not willing to reveal their status in fear of being discriminated upon or being viewed as having been promiscuous. Convincing the respondents to participate in this study was therefore an uphill task. Some of the respondents adamantly refused to be interviewed.

One cannot help feeling a sense of sympathy when dealing with the infected. Care should be taken not to get emotionally attached to the respondents when collecting data. Overcoming the desire to assist instead of collecting the data was a big challenge to the researcher during this study.
5.5 Limitations of the study

Mathare is unique in its own ways as most of the SMEs operating there are not licensed and the government does not seem to enforce that rule. The living conditions are very poor and there is lack of important services like electricity, toilets, running water, hospitals and schools. As a result, the SMEs in Mathare operate under very difficult conditions.

Care should therefore, be taken when generalizing the findings of this study to the other urban slums. The living conditions should be taken into account.

Inspite of the above, the researcher still holds that the findings of this study are valid in gauging the impact of HIV/AIDS on the development of SMEs among the urban poor.

5.6 Recommendations of the study

The following are recommendations based on the findings and conclusion of this study:

a) The poor people living in the slums need grants and not loans. If improperly managed, loans can become an even greater burden on an already stricken family. There are cases of loans intended for business being diverted to pay for health emergencies. This eventually leads to defaults. Defaults are definitely on the rise due to HIV/AIDS.

b) The current operating principles of MFIs do not favour HIV infected people. MFIs require that a client join a solidarity group, attend regular meetings and make regular savings, which they cannot access unless they are withdrawing. There is need for MFIs to change these requirements if HIV infected entrepreneurs are to benefit. The MFIs should come up with products that do not require the solidarity group. Nobody
wants to be in a solidarity group with HIV infected person. The assumption is that he/she is soon going to die. The HIV infected people also cannot attend the regular meetings as required.

5.7 Suggested area for further research

This study limited its scope to businesses run by HIV positive entrepreneurs. However, we know that the impact of HIV/AIDS does not stop with individuals who contract HIV, cope with prolonged AIDS-related illnesses, and finally, die. The consequences are exponential. Repeated bouts of illness and death erode the financial resources of immediate and extended families as they try to pay for multiple hospital trips, medical expenses and funeral costs. A family may reduce or halt its income earning activities as the demands of caring for someone with AIDS mount. This reduced economic capacity increases the likelihood that the household will have to sell productive assets such as land, draft animals, equipment or fixed capital from a business. In effect, it seriously undermines the household safety net.

while HIV/AIDS is devastating to those who are infected, usually leading to death, it can also have a much broader impact on the household and family members who provide care and support to the infected individuals.

Further research is therefore recommended on the impact of the pandemic on the affected family’s financial safety net.
REFERENCES


(http://www.policyproject.com/pubs/occasional/op-03-pdf.)

APPENDIX I. QUESTIONNAIRE TO THE ENTREPRENEURS

I kindly request you to provide me with the following information to enable me assess the impacts of HIV/AIDS on the development of SMEs among the urban poor. As an entrepreneur operating in Mathare slums, you have been selected to participate in this study by completing the following questionnaire as accurately as possible. I undertake to keep all the information received from you as confidential.

Part A: Business Background

Please tick as appropriate.

1. For how long have you been in business?
   i) Less than one year  ( )
   ii) 1-2 Years  ( )
   iii) 3-4 Years  ( )
   iv) 5 and above  ( )

2. Where did you get your start-up capital?
   i) Personal savings  ( )
   ii) Friends  ( )
   iii) Bank  ( )
   iv) MFI  ( )
   v) Other (Please specify) ...........................................

3. How much was your startup capital?
   i) 0-10,000  ( )
   ii) 10,001-25,000  ( )
   iii) 25,001-50,000  ( )
   iv) 50,001-100,000  ( )
   v) Over 100,000  ( )
   vi) Do not know  ( )

3. What problems, if any, did you encounter in getting capital for your business? (Please specify)
   ...................................................................................
   ...................................................................................
   ...................................................................................
   ...................................................................................
   ...................................................................................
   ...................................................................................

4. Approximately how many customers do you serve per day?
   i) 1-10  ( )
   ii) 11-20  ( )
   iii) 21-30  ( )
   iv) Over 30  ( )
5. How has HIV/AIDS affected the operations of your business?

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

6. Have you ever been admitted in hospital? YES/NO ........
   If yes, for how long?
   i) 1-7 days ( )
   ii) 8-14 days ( )
   iii) over 14 days ( )

Part B: Impact of HIV/AIDS on business operations

Indicate how HIV/AIDS have affected the following business operation and development activities of your business by ticking in the box the correct rating on each question, where 1=least serious, 2=slightly serious, 3=serious, 4=very serious, 5=extremely serious.

<table>
<thead>
<tr>
<th>No.</th>
<th>HIV/AIDS Factor</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Access to credit and loans</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>2</td>
<td>Staffing</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Expansion and mergers</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Licensing</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Marketing</td>
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</tr>
<tr>
<td>6</td>
<td>Customer service</td>
<td></td>
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<tr>
<td>7</td>
<td>Profit margins</td>
<td></td>
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<tr>
<td>8</td>
<td>Long term business planning</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Accumulation of assets</td>
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<tr>
<td>10</td>
<td>Diversification</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Credit from suppliers</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>New product development</td>
<td></td>
</tr>
</tbody>
</table>

Part C: Coping Strategies

11. What coping methods do you employ to ensure the survival of your business? Please specify.
..........................................................................................................................................................
..........................................................................................................................................................
..........................................................................................................................................................
..........................................................................................................................................................
..........................................................................................................................................................
..........................................................................................................................................................
## APPENDIX 11. BUDGET

<table>
<thead>
<tr>
<th>Items</th>
<th>Activities</th>
<th>Amount (Kshs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Subsistence and travelling costs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Travelling from Umoja Kenyatta university and back @ 200 x 15 weeks</td>
<td>3,000</td>
</tr>
<tr>
<td></td>
<td>- Food and beverages @ 200x15</td>
<td>3,000</td>
</tr>
<tr>
<td></td>
<td>- Local travelling expenses – Field study @100x50x3 ie. Two assistants and one researcher</td>
<td>15,000</td>
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<tr>
<td></td>
<td>- Allowances to research assistants @1000 per week x 15 weeks</td>
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<tr>
<td></td>
<td>- Telephone calls @1000 x 15 wks</td>
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<tr>
<td></td>
<td>- Food and beverages @100x3x50 days (field study)</td>
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<tr>
<td></td>
<td>Sub-total</td>
<td><strong>66,000</strong></td>
</tr>
<tr>
<td>2.</td>
<td>Typing and stationery</td>
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</tr>
<tr>
<td></td>
<td>- Floppies @50x10 pcs</td>
<td>500</td>
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<tr>
<td></td>
<td>- Printing paper @400 per rim x 3</td>
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<tr>
<td></td>
<td>- Typing and printing @20 per page x 80</td>
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<tr>
<td></td>
<td>- Data analysis and use of computer with SPSS @10,000</td>
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<tr>
<td></td>
<td>- Printing of questionnaires</td>
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<tr>
<td></td>
<td>- Binding of reports, 4 copies</td>
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<td></td>
<td>Sub-total</td>
<td><strong>17,900</strong></td>
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<td>3.</td>
<td>Contingency expenses @10% of total expenses</td>
<td><strong>8,390</strong></td>
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<td>4.</td>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>92,290</strong></td>
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## APPENDIX III. WORK PLAN

<table>
<thead>
<tr>
<th>Activity description</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
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<tbody>
<tr>
<td>Writing of concept paper</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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<tr>
<td>Writing and presentation of research proposal</td>
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<td>2</td>
<td>3</td>
<td>4</td>
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<tr>
<td>Effecting of final recommendations on proposal</td>
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<tr>
<td>Pilot study</td>
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<tr>
<td>Collection of secondary data</td>
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<tr>
<td>Field data collection</td>
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<tr>
<td>Data coding, entering and analysis</td>
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<td>3</td>
<td>4</td>
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<tr>
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<tr>
<td>Research project presentation</td>
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<td>2</td>
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