

Policy Advocacy Needs of MSE Associations in Kenya

**A survey of MSE Associations in Nairobi, Mombasa,
Kisumu and Nakuru**

Eliud Moyi

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1. BACKGROUND

1.1 Study Context

This study relates to one of the components of a three-year USAID-supported project on "Enhanced Policy Formulation and Implementation for Micro and Small Enterprises - MSEs" as proposed and implemented by KIPPRA (2003). The aim of the project is to increase the level of adoption of policy recommendations and therefore narrow the gap between policy formulation and implementation. The three components of the project are: (1) Capacity Building and Training; (2) Coordination, Monitoring and Evaluation; and (3) Empowerment of Sectoral MSE organizations.

The study was conducted as part of the activities of the third component. Under this component, a strategy will be developed to empower sectoral MSE organizations by enhancing their access to workspaces, marketing and technology services. The strategy to be developed will be the outcome of three activities, namely: (a) conducting a capacity needs assessment for sectoral MSE organizations; (b) undertaking a situation analysis on workspaces, marketing and technology, and (c) developing appropriate models for adoption to improve institutional capacities. The current study was therefore conducted in fulfillment of the activities under (a).

1.2 Research Problem

Observers have noted a growing proliferation of business associations (Helmsing, 2000). The origin and official recognition of most, especially formal, MSE associations in Kenya can be traced to the visit by President Daniel Arap Moi to the Kamukunji *Jua Kali* industrial cluster in Nairobi in November 1985 (Mullei and Bokea, 1999). Prior to the visit, the City Council and the Nairobi District Commissioner were locked in a conflict over the property rights of the Kamukunji *Jua Kali* site. The Commissioner had allocated the land to the artisans but the City Council had issued a notice to the artisans to vacate the site. This matter was settled through a Presidential decision to allocate the land to the artisans.

After the visit by the President, one of the areas of policy focus in the Presidential decree included the need for MSE sector organizations and formation of groups. This was based on the belief that MSE associations were more versed with members' needs and problems (Mathuva, 1996). The decree was followed by explicit policy statements to the effect that the associations would provide a direct link between their members and the Government¹. The Sessional Paper No. 2 of 1992 on *Small Enterprise and Jua Kali Development in Kenya* states: "Local groups of artisans will be encouraged to form associations to make easier the administration of assistance programmes". Subsequently, the Sessional Paper No. 2 on *Development of Micro and*

¹ In Kenya, the Government perceived *Jua Kali* associations mainly as a channel to allocate plots to small producers, and it was therefore interested in stimulating geographical or site associations (Haan, 1999).

Policy advocacy needs of MSE associations in Kenya

Small Enterprises for Wealth and Employment Creation for Poverty Reduction (Government of Kenya, 2005) gives a greater emphasis on the role of MSE associations. It states thus:

“MSE associations will play a pivotal role in policy formulation, implementation and monitoring. The associations will increasingly take the initiative, not only in lobbying the Government on what they need but also in supplementing other efforts in training, marketing, technological development and transfer, information collection and dissemination, environmental management and provision of other support services. In addition, they will be avenues for channeling support services to the MSEs, securing property rights and credit for members, safeguarding quality and safety standards of products and premises for members, and entering into subcontracting and supply contracts”.

Following the shift in policy focus towards MSE associations, Kenya has in recent years witnessed a rapid growth in MSE associations. Despite this, the sector is still constrained in several ways. First, most associations receive minimal support from Government and are rarely used by the latter to reach MSEs. As a result, and with limited finances, most associations survive on their own, leading to high mortality among MSE groupings (Mathuva, 1996). Second, the formation of most associations is the outcome of external pressures of government policy, political interventionism and donor funding. This top-down influence has dampened the self-help spirit and lowered the spirit of member ownership within the associations. Third, the sector remains largely uncoordinated and the capacity of MSE associations to lobby for implementation of policies for MSE development remains weak (KIPPRA, 2003). Weak and poorly organized associations that lack the bargaining power and advocacy capacity are largely to blame for limited participation of MSEs in planning their activities and general development (Mitulla, 2003).

Despite the increasing attention that has been directed to MSEs, there is limited understanding on the origin and actual functioning of associations in Kenya and the services they provide to members (Haan, 1999). The aims of such groups are neither well articulated nor elaborately documented (Mathuva, 1996).

This study will contribute to the growing literature on MSE associations in Kenya, especially on the policy advocacy and training needs. The study is guided by the questions: Are MSE associations well organized to effectively play their policy advocacy role? If not, what are their main capacity limitations as far as policy advocacy is concerned? Do they face training limitations? What are the training limitations? Do they require capacity building in the area of policy advocacy?

1.3 MSE Association: A Definition

The Government of Kenya acknowledges that there is no clear and universally acceptable definition of Micro and small Enterprises (Government of Kenya, 2005). This partially explains why the term has been synonymous with terms such as "Jua Kali sector" and "informal sector". It also explains why any definition of the sector in Kenya should be highly correlated with regulatory compliance and application of simple technologies. Bearing this in mind, we define an MSE on the basis of three criteria. The first is the number of employees. On this basis, MSEs are firms with a labourforce not exceeding 50 persons (whereby the micro level has from 1-10 workers and the small-scale from 11-50).

The second concerns the degree of legal formality, either formal or informal. The MSEs in the formal sector are those that are formally registered whereas those in the informal sector are not formally registered.

The third criterion relates to capital and the skill levels of the human resource. On the basis of this definition, MSEs are characterised with limited capital and relatively limited skilled manpower. The MSE sector includes workers of MSEs and non-professional self employed workers as well as the informal sector as defined by micro, small and medium-scale enterprises, which are semi-organized and unregulated, use simple technology, may or may not have licenses from authorities, and are not registered with the Registrar of Companies (Government of Kenya, 1997).

MSE associations are found in rural and urban settings and at local, national, sectoral, and regional levels. They are collective bodies with voluntary membership, and are demonstrated by the existence of women groups, neighborhood organizations and producer and vendor associations (Sahley, 1995). They vary in size and geographic scope with community-based business associations, having between 30-50 members, while some larger ones have membership upwards of 500. The gender composition is both female and male with female representation being more in the vendor associations while the producer/manufacturing associations are more male-oriented.

For purposes of this study, we define an MSE association as a collective body formed for the purpose of providing a range of support services to members drawn mainly from the MSE sector. Therefore, it denotes a group of people joined together through resource pooling for a shared purpose, such as improving the sector operations or living standards of members. Legally constituted, most associations are non-profit and non-partisan. The associations may either be fully privately constituted or based on voluntary membership or they may be semi-public with compulsory membership. They may be general, sectoral or functional. They could also be constituted on regional basis. Usually, associations are regarded as "peoples organizations" founded on the principles of mutual benefit, democracy and self-reliance (Mathuva, 1996). The definition includes jua kali associations, informal

sector associations, micro-business associations, community-based associations and primary associations as used by many authors (Mathuva, 1996; Haan, 1999). Primary associations can be distinguished from umbrella associations. Whereas primary associations draw their membership directly from MSEs, umbrella associations draw their membership mainly from primary associations.

1.4 Research Design

The case studies were conducted over the period between 21st March 2005 and 21st April 2005 in four main regions, each of which is defined by a major town and its environs. The Nairobi region covers Nairobi, Machakos, Thika and Ongata Rongai. The Mombasa region consists of Mombasa town and the surrounding districts of Kwale, Kilifi and Malindi. Nakuru region covers Nakuru, Nyahururu, Gilgil, Naivasha and Molo. Kisumu region covers Kisumu District, Nyando, Migori, Homa Bay, Kisii, Nyamira and Siaya.

In each region, the construction of the sampling frame involved two stages. At the first stage, an inventory of all active MSE associations was compiled using records available from the respective Appropriate Technology offices and Social Development offices at the District and Provincial levels. At the second stage, the listed associations were stratified by sector. Thereafter, balanced samples were drawn. In instances where the sampled associations were found to be inactive or where the officials could not be reached, the enumerators had to use the snowballing approach to get a replacement.

Data was generated mainly using a structured questionnaire although some limited key informant interviews were also conducted. The unit of analysis was the MSE association and the respondents were key personnel charged with administrative and strategic management of the sampled MSE associations. Balanced samples were drawn from agriculture, manufacturing, construction, trade (retail/wholesale), and services. The sampling procedure yielded 202 associations distributed as follows: Nairobi region (77), Mombasa (35), Nakuru (62) and Kisumu (28). About 91 percent were primary associations while 9 percent were umbrella associations. In terms of the sectors, samples were drawn from associations that represent members in agriculture (33), manufacturing (68), construction (25), trade (retail/wholesale)(117), and services (97).

The questionnaire was structured to enable the enumerators to gather information on general characteristics of the association; core business; organizational processes and capacity; training needs; perceptions on policy and regulations; representation and voice; technical support, networking and support services; and future plans.

1.5 Survey Objectives

The study draws from the hypothesis that better policy advocacy through MSE associations will enhance the collective bargaining power of MSEs to lobby for the

implementation of MSE policies. Ultimately, this would narrow the gaps existing between policy formulation and implementation. Therefore, the study is heavy on policy advocacy needs and light on needs of a general nature. Within this context, the main objective of the survey was to assess the policy advocacy needs of MSE associations in Kenya. However, the study was designed to:

- Identify the functional scope of MSE associations, their organizational capacity, linkages and organizational processes.
- Identify institutional and legal constraints facing MSE associations.
- Identify the perceptions of MSE associations about the policy and regulatory environment.
- Assess the capacity of MSE associations to support MSEs in the areas of acquisition of technology, workspaces and marketing services.
- Assess the level of participation of MSE associations in policy formulation, policy advocacy and lobbying.
- Identify policy advocacy and training needs of MSE associations.
- Provide recommendations on how MSE associations could be strengthened and supported to be more proactive in policy formulation, coordination, monitoring and evaluation.

Therefore, the needs assessment exercise highlights the perceived limitations and challenges that MSEs associations face in pursuit of their policy advocacy role. This survey will inform KIPPRA, in collaboration with USAID, in the design of policy advocacy training programmes for MSE associations. It is hoped that policy advocacy skills will enable the associations to be more proactive in negotiating, bargaining and lobbying for the implementation of MSE policies. Policy advocacy training should also enhance the participation of MSE associations in policy discourse, coordination, monitoring and evaluation.

1.6 Study Limitations

It is always useful to conduct surveys that provide a complete picture of the country. This study is limited in this regard due to budgetary and time limitations as guided by the project design. It was not possible to conduct a nation-wide survey, and even within the areas studied, it was not possible to interview all the associations. The samples drawn were fairly small and limited to associations concentrated in urban areas². Despite this limitation, the samples drawn and the findings derived provide

² For instance, out of the 115 officially recognized MSE associations in Nyanza Province, only 28 (or 24%) were selected for study.

an accurate snapshot of policy advocacy needs of MSE associations in Nairobi, Kisumu, Mombasa and Nakuru. Sampling was conducted with a view to obtaining a sectoral balance. Where possible, the researchers interviewed both primary and umbrella associations.

The next limitation relates to the absence of a reliable sampling frame. The lists obtained from the Ministry of Labour and Human Resource Development were outdated, as most of the associations listed had ceased to exist without the knowledge of the respective government agencies. In addition, the lists did not provide crucial information that easily allows for balanced samples. For, instance, the lists only provided information on the name of the association, the district and the province. The lists were therefore limited as they did not indicate the physical address, telephone contact, the sectors covered by the association, size of the association, contact persons, and year of registration. Due to these shortcomings, the interviewers had to complement the lists obtained by using records of welfare associations at the District Community Development Officers and Divisional Community Development Officers. It was particularly difficult to reach unregistered associations since they were not officially known. To address this problem, the researchers applied the referral or snowball approach to reach some of them.

1.7 Structure of the Report

This report is divided into six sections. Section one is the introduction to the study. It explains the context and rationale for the study, methodological issues, and provides the scope of the study and objectives. Section two reviews the laws governing the formation and registration of associations. The section also documents some theoretical expectations. The analysis of the survey results is presented in sections three, four and five. Specifically, section three highlights some general characteristics of MSE associations in Kenya whereas sections 4 and 5 focus on issues of policy, regulations and training. Section 6 summarizes the discussion by outlining the key issues and recommended action.

2. REGULATORY REGIME

2.1 Laws and Regulations

In principle, registration is the beginning of regulation (Gachegu, 2004). In Kenya, regulatory power as it affects the registration of MSE Associations is highly dispersed and characterized by ambiguity, uncertainty and duplicity. There are four Acts of Parliament under which MSE associations can be legally registered, namely the Societies Act (Cap 108), the Trade Unions Act (Cap 33), the Cooperative Societies Act (Cap 490) and the Companies Act (Cap 486) of the Laws of Kenya. In addition, MSE associations can register at the Department of Social Services (Ministry of Gender, Sports, Culture and Social Services - MGSCSS) as welfare societies although this is extra-legal (based on Government rules but not enshrined in the law).

Such confusion and ambiguities are evident in the registration and operation of primary vs umbrella associations. The law does not only clearly distinguish between umbrella and primary associations, but it also fails to regulate the number of umbrella associations. This has been responsible for wrangles for supremacy among the several umbrella associations in the sector. Such weaknesses have made many associations to hold multiple but unnecessary registrations – depending on the objectives of the particular associations. In fact, the entire sector (MSEs and their associations) lacks an Act of Parliament to regulate their formation, operations and organization. The MSEs sector relies on scattered pieces of legislation that do not necessarily take into account the needs and vulnerabilities of the sector. Even within the existing statutory regulations, associations are exposed to lengthy registration processes marked by multiple procedures (Mathuva, 1996).

Statutory provisions allow associations to be registered by: (1) the Attorney General (under the Societies Act, Trade Unions Act, and Companies Act), and (2) the Ministry of Cooperative Development (under the Cooperative Societies Act as savings and credit co-operative societies). In addition, associations are extra-legally registered at the MGSCSS. The Societies Act defines societies to include clubs, partnerships, company, welfare or trade associations (like Jua Kali associations) whatever their nature or objective³. The rules require societies to have a membership of either 10 or more people. The registration application fee is Ksh 2,000 (since 23rd June 2003). Among other requirements, the Act requires societies to have a constitution, maintain books of account, file annual returns and hold annual general meetings. The Act exempts societies from paying taxes. On the basis of the Societies Act, it was estimated that by 1994, there were 239 associations in the country (60 were registered, 60 had applied for registration while the rest were not registered)(Mathuva, 1996). The limitation with societies is that as a legal person, it cannot sue directly but through its trustees – limiting its legal flexibility to operate.

³ The meanings of company, trade unions, partnership, cooperative society as defined under this Act excludes those trade unions, partnerships, cooperative societies that meet the definitions stipulated in other Acts of Parliament.

The first cooperative society was registered in 1908. By 2002, there were 10,184 societies registered in Kenya (46% of them agricultural). There has been a fast growth in this category of groups due to government support through policies and legislation. The Cooperative Societies Act was repealed in 1998 to pave way for the Cooperatives Act No. 12 of 1997, which created a liberalized cooperative sector in line with recommendations of Sessional Paper No. 6 of 1997.

The Cooperative Society Act governs the registration of any society that promotes the welfare and economic interests of the members. A society is run on several principles, including voluntary and open membership, democratic member control and economic participation by members. The Act considers a cooperative society as a body corporate with specific by-laws binding the members. Some *Jua Kali* Associations, especially those having the mandate to solicit and advance credit to members, are registered under this Act. For instance, the United National Youth Development Project, an umbrella association, is registered under this Act.

The Trade Unions Act regulates the registration of trade unions, employees associations, employees organizations and staff associations as defined under the Act. The registration fee is Ksh 15,000 (from June 2003). The application for registration must be signed by at least 7 members of the union, any of who may be officers of the trade union.

The Companies Act (Cap 486) provides the choice to register a limited liability company or unlimited company. A limited liability company can either be limited by guarantee or shares. Companies limited by shares can be public or private. Public companies limited by shares and private companies limited by shares must have at least 7 and 2 members, respectively. The requirements for the registration of companies are more elaborate, and the interpretation of the company law would usually demand the services of a legal expert (e.g. company secretary). Such services are beyond the means of most MSE associations. In addition, the limitation of membership to 50 for companies limited by guarantee may constrain the recruitment scope of *Jua Kali* associations, which have membership scopes of above 50.

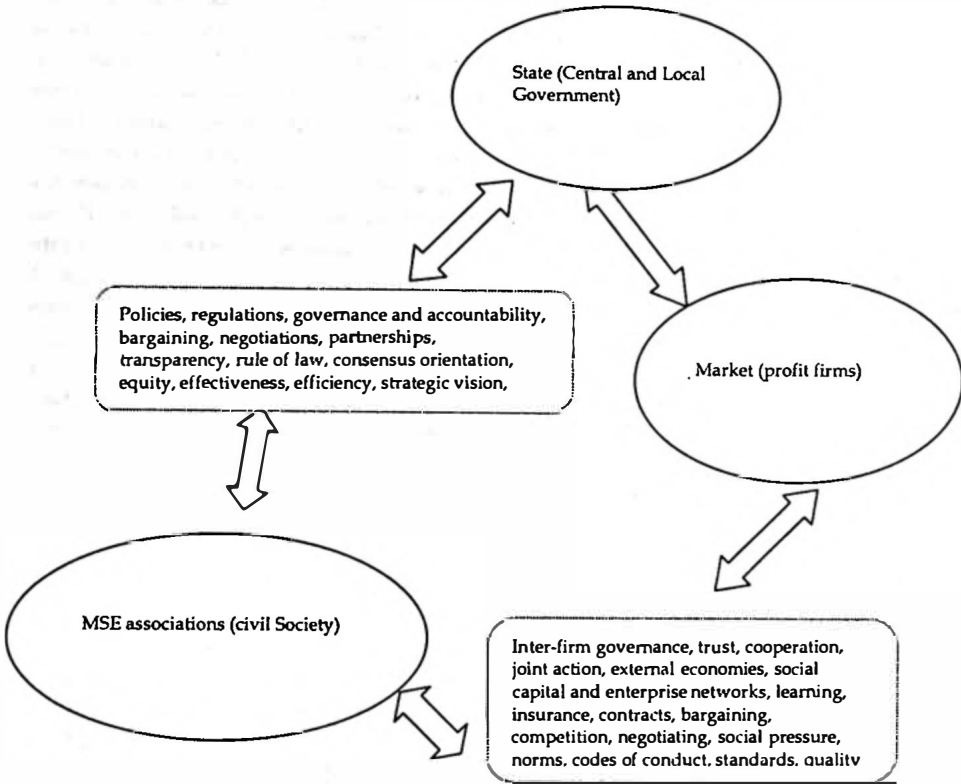
The Ministry of Gender, Sports, Culture and Social Services (MGSCSS) is responsible for the registration of women groups and self help groups. The main limitation of this form of registration is that it is devoid of legal personality and does not confer the powers to sue or be sued. The certificate obtained, however, allows the groups to open bank accounts and access other support services, including credit, training and so on. In some instances, a reference is required from the MGSCSS before a potential applicant for a benefit is considered. Noting the limitation of registration at the MGSSS, the groups are advised to seek registration at the Attorney General's Chambers for purposes of acquiring legal status.

2.2 Theory of Business Associations

Business associations aggregate the collective power and interests of the private sector and join them to a programme of economic change that constitutes a social movement (Heilman and Lucas, 1997). They not only harness collective entrepreneurship but they also act as an intermediary between individual business action and state action (Bennet, 1998; Weinberger and Jutting, 2001)(Figure 1). They also lobby for more favourable economic policies and negotiate collective wage agreements with trade unions (Helmsing, 2000), so that they emerge as avenues for joint, strong and counter-efforts to address operation-related issues (Mathuva, 1996). As such, the impetus for the formation of business associations arises from both state and market failure (Helmsing, 2000). This line of thinking attributes the formation of such institutions to demand led, 'at arms length' and enabling but spontaneous forces (especially among vendors associations) rather than from deliberate action⁴. Given that associations act as suppliers of benefits, and considering that larger enterprises can self supply or can afford to pay for individual outsourcing, MSEs may gain more from associations than do large firms.

⁴ For instance, Sahley (1995) in a Peruvian study argues that the initial impetus for collective action among entrepreneurs generally arises from a need to lobby local or municipal governments. Vendors' associations, for example, often arise spontaneously prior to an initial land invasion and the subsequent need to lobby the local government for the establishment of permanent markets for the sale of their wares. These informal social groups have also been found to develop extra-legal regulations of work and conduct among vendors.

Figure 1: Conceptualizing MSE Associations in the three spheres of an economy



Source: Modified on the basis of Weinberger and Jutting’s (2001) model

As institutions that improve governance of inter-firm relations (Helmsing, 2000), business associations are well understood within the conceptual framework of co-operation, joint action and external economies (Weinberger and Jutting, 2001). The traditional view of such a framework explains associations as providing reference groups and role models for individuals and their family members. The mutual support derivable from such interactions enhances social capital accumulation. In terms of governance, decision making in these associations should be through a bottom-up consensus among the leaders and the members. Behavior is mainly guided by agreements while social norms, values, altruistic behavior and self-interest are the key incentives. Social pressure is used as a sanction measure.

A key theoretical question that follows is how and under what circumstances is cooperation beneficial? Economic theory⁵, on the basis of the rational decision-making model, postulates that the costs and benefits of an action can be ascertained, and that the rational individual will weigh between the decision either to participate or refrain from participating, and decide on the choice with the greater net benefit. This theory is based on the assumption that the membership (joining, remain or lapse) is voluntary (by choice) and that the members have the capacity to assess the costs and benefits to each business, including benefits and costs of any "solidarity", social or club aspects. However, social theory assumes that social behavior is influenced by factors that may not be explicitly attributed with a certain monetary value, such as psychological gain to fulfill a certain duty, or internal and external factors.

The next theoretical question is: Why should MSEs join associations? There are two strands of thought that have been advanced to explain this – the logic of services and the logic of influence (Bennet, 1998). According to the logic of services, associations respond to member's individual and specific demands. They lack the internal resources and the capability required to monitor and respond to technological and market changes, and need access to specialist business services (Helmsing, 2000). In this sense, the association is service oriented and may be perceived as a business service company. Therefore, it is able to contribute to the competitiveness of the members by filling specific niche markets for business services.

According to the logic of influence, the association acts collectively on behalf of all or at least the majority of its members' interests. Business associations act as channels of articulating the concerns and demands of producers, pooling resources and providing (semi-) public and 'club' goods (Helmsing, 2000). The collective orientation of the association implies that revenue mobilization for such institutions is mainly through general subscriptions with little income possible from fees, leading to poorly resourced body. Similarly, the collective nature enhances competitiveness through the provision of collective services such as industry standards, codes of conduct, branding of quality control, etc. The problem with this model is that collective services tend to have a large externality effect "public goods features" – exposing them to the "free rider problem"⁶. Due to this, the associations would prefer small memberships where the search, bargaining and monitoring costs between businesses to check on cheating and opting out can be kept very low. For these reasons, associations based solely on the logic of influence are expected to be endemically small and fragmented.

Having briefly reviewed some theory, it is critical to understand the precise purpose of associations and some of their limitations. According to Bennet (1998), Aede (1997), ILO (2000) Sahley (1995) and Helmsing (2000), business associations can

⁵ See Bennet (1998) and Weinberger and Jutting (2001).

⁶ In the literature, this problem has been discussed along with the *tragedy of the commons* and the *prisoner's dilemma* (see Weinberger and Jutting, 2001).

influence the relations between the state and the market through the following avenues: (1) Private interest governance - disseminating and enforcing a stock of common quality, standards, rules and norms; (2) by disseminating technical knowledge within the sector; (3) Providing mutual support and solidarity; (4) Enhance self-esteem and collective confidence; (5) Improve people's ability to bargain and combat injustice through collective action; (6) Providing a forum for learning and promote discussion and analysis of common concerns; (7) Lobby on issues of direct interest; (8) Demand access to government and other powerful officials; (9) Function as channels through which local producers seek to acquire crucial tacit knowledge for local adaptation, either directly or indirectly; and (10) Negotiate with elites, official bodies, NGO's and development.

In addition to the above functions of associations, Bennet (1998) argues that associations benefit the government by offering an enhanced level of compliance with regulations, lowering administrative costs of regulation, and by better designed regulations to take account of technical and market developments by maximizing the tacit knowledge available through associations.

Despite the potential benefits of collective action, it is not easy to realize these gains in practice (ITDG, 2001). The spirit of competition among MSEs makes establishing consensus around shared interests, and trust in collective action, a risky, time-consuming and costly process. They can also be responsible for a "lock-in" where the associations adhere to existing routines and practices and are unable to change and make use of new opportunities (Helmsing, 2000). It also introduces difficulties of achieving and maintaining compliance (Bennet, 1998). MSE associations also experience problems of low density of membership and high opting out and inequality in representation by associations of different types or sizes of business. They are exposed to dangers of endemic fragmentation, under-resourcing and diversity.

3. GENERAL CHARACTERISTICS OF MSE ASSOCIATIONS

3.1 Registration

The survey results indicate that most (89.6%) of the associations were formally registered. Out of the registered associations, the Registrar of Societies registered 42.8% whereas 50% were registered by the Department of Social Services, Ministry of Gender, Sports, Culture and Social Services, 2.2% as co-operative societies and 5% by other institutions (including Coat Development Authority, Mombasa). Most of the associations (about 86%) were registered between 1991 and 2005, although over 70% were registered between 1996 and 2000. Therefore, most of them are fairly young. This does not rule out the observation that most associations were registered in response to the Presidential decree of 1985.

3.2 Size of Association

Most associations require people seeking registration either to pay some membership fee or to belong to a specific business sector. About 66.8% of the respondents indicated that they required their members to pay membership fee and subscriptions by cash, while 23% of the respondents collected the money from their members' place of business. Only 10.2% of the respondents required payment to be made through a bank. To remain a member in the association, one is required to pay either an annual or monthly subscription and have an active business. Most of the members in the association are sole proprietors (78.4%) while the rest are family business (13.8%), partnerships (6.9%) or companies (0.9%). While 44% of the associations have both formal and informal firms, the rest have either formal firms (28.6%) or informal firms (27.6%).

Table 1: Membership

Less than 50	59.9	10.0	56.7	73.3	25.0	69.6	54.9	22.2	52.0
51-100	19.0	20.0	19.1	13.0	16.7	13.3	13.6	11.1	13.4
101-200	10.2	10.0	10.2	7.5	16.7	8.2	13.0	5.6	12.4
201-300	4.1	10.0	4.5	2.1	0.0	1.9	8.2	16.7	8.9
301-400	1.4	10.0	1.9	1.4	0.0	1.3	1.1	0.0	1.0
401-500	1.4	0.0	1.3	0.7	0.0	0.6	2.2	0.0	2.0
501-600	1.4	0.0	1.3	-	-	-	0.0	5.6	0.5
601-700	0.7	0.0	0.6	-	-	-	0.5	11.1	1.5
701-800	0.0	10.0	0.6	-	-	-	1.1	0.0	1.0
801+	2.0	30.0	3.8	2.1	41.7	4.4	5.4	27.8	
Total	100	100	100	100	100	100	100	100	100
Count	146	12	158	147	10	157	184	18	202

Note: P stands for "Primary Association"; U represents "Umbrella association"

Although there was a gender imbalance in the membership, this was not a serious issue. Results indicate that in total, there were 59,512 members in the 158 associations⁷. Out of the total membership, 30,714 (51.6 %) were male whereas 28,798 (48.39 %) were female. Table 1 indicates that all associations had membership concentrated within the ranges 2 to 50 and 51 to 100. Most primary associations had memberships within the range 1 to 100 while membership in umbrella associations is mainly within the range 2 to 50 and above 801. Primary associations had a total membership of 42,782 while umbrella associations had a total membership of 29,012. These membership figures translate into an average figure of 233 members per primary association and 1,612 members per every umbrella association. This illustrates relative membership strength in umbrella associations.

The practice of holding multiple memberships is allowed in the MSE sector. About 61.7% of the respondents indicated that they had members who were also members of other associations. The main reason given for the prevalence of this practice is that the associations have a liberal membership policy where members are not restricted to join other associations. Further reasons include the diversification of benefits obtained from the associations. It can also be argued that multiple memberships in associations may be explained by need for greater autonomy and voice by the members or when larger firms keep them out.

It is worth noting that over the past 3-5 years, most of the associations had experienced increases in the membership from both the formal and informal parts of the sector. The most important reasons advanced to explain the increase in the informal sector membership includes the overall growth of the informal sector in the country during the previous few years. Other reasons were availability of benefits (including loans) and better focus of the associations. To explain why there had been increases in membership from the formal sector, most respondents indicated that this was due to better management practices, access to government support and the unemployment problem.

Relatively, more associations had problems retaining their members compared to those without the retention problem. About 58% experience problems related to high turnover of their members. This problem is attributed to weak financial capacity (57.1%) and the failure by the associations to fulfill the objectives of the association (17%). In addition, about 8% of the respondents indicated that some members, especially those expecting short terms gains, were frustrated when such gains took long to be realized.

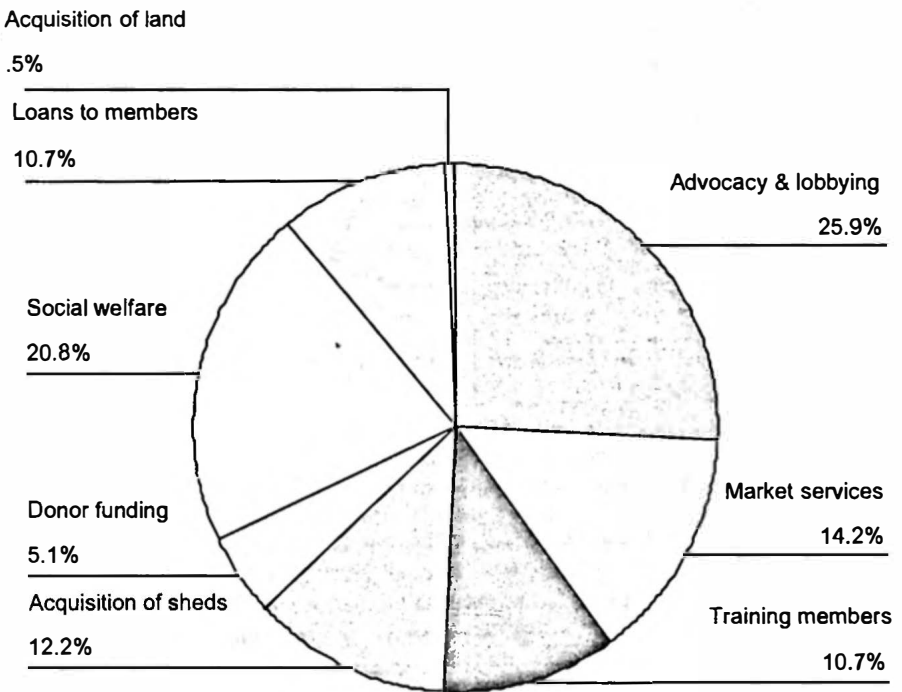
The survey identified some of the factors that explain why some associations were able to retain members. These include good management (32.5%), provision of benefits, including dividends (24.1%), focused objectives (14.5%) and the desire for collective effort (10.8%).

⁷ It should be noted that about 44 associations did not report how many of their members were male/female.

3.3 Core Business

Most associations had multiple core functions. The results indicate that the most common functions were social welfare (20.8%), advancing loans to members (10.7%) and advocacy and lobbying (25.9%). This finding corroborates the observation by Haan (1999) and Mathuva (1996) that most associations exist to provide collective insurance, assisting each other in times of need, bereavement, dowry, weddings and communal farming.

Figure 2: Core functions of the association



Survey results indicate that most associations appear weak to provide any tangible services. Only a small proportion (39.4%) of the associations were able to fulfill their core functions. As reported in section 3.2, this practice is explained by the low retention rates of members by the associations. Financial constraints were cited as

the most important limiting factor, followed by lack of government support and lack of market information.

Apart from the core business, respondents were required to indicate other functions that they perform. The most important functions were social welfare (35%), providing credit (20.2%), training members (19.4%) and acquisition of sheds (10.9%).

3.4 Budgets and Finances

Survey results indicate that most associations have a weak financial base. Incomes from entry and membership constitute the main source of revenue for the associations. About 45% of the associations have annual budgets ranging from Ksh 1 to 99,999 while 15% had budgets within the range of Ksh 100,000 and 199,000 (Table 2). Therefore, about 60% of the respondents had annual budgets falling below Ksh 200,000. This translates to about Ksh 17,000 per month. For an association of about 50 members, this would amount to Ksh 340 per month, which is too low to reasonably sustain any organization.

Table 2: Annual budgets and expenditures

1- 99,999	47.9	22.2	45.1	52.8	22.2	49.7
100,000-199,999	17.4	0.0	15.4	13.2	0.0	11.9
200,000-299,999	6.9	0.0	6.2	9.4	0.0	8.5
300,000- 399,999	9.7	0.0	8.6	8.2	0.0	7.3
400,000-499,999	2.1	0.0	1.9	1.3	0.0	1.1
500,000+	16.0	77.8	22.8	15.1	77.8	21.5
Total	100	100	100	100	100	100
Count	144	18	162	159	18	177

It may be surprising that about 22.8% of the associations had annual budgets of over Ksh 500,000. Cross-tabulated results of size of annual budget by type of association (umbrella vs. primary) reveal that umbrella associations account for relatively larger budgets. This confirms that umbrella associations have relatively stronger financial bases than primary associations.

Most associations (81.9%) indicated that they kept books of accounts and the books were subject to audits by registered auditors (38.1%), non-registered auditors (20.4%) and by members within the association (40.7%). It was reported that about 61.3% of the respondents undertook their audits on an annual basis, 33% carried them whenever required while 4.2% of the respondents carried out monthly audits. Since the constitutions of most associations required them to make annual financial returns to the government, the respondents were asked whether they conformed to this requirement. Results reported in Table 3 show that most of them (about 60.2%)

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did not make any returns to the government. However, umbrella associations responded better to this statutory requirement than primary associations.

Table 3: Statutory annual financial returns

		Yes	No	Total
Primary	%	38.2	61.8	100
	Count	65	105	170
Umbrella	%	56.3	43.8	100
	Count	9	7	16
Total	%	39.8	60.2	100
	Count	74	112	186

Source: *Own Survey*

Therefore, it is clear that the weak financial base of the associations has also limited their capacity to hire competent personnel to maintain their financial records and conform to government financial regulations (annual returns). Most of them rely on volunteer staff - implying that they are unable to employ qualified accountants. This results into a vicious cycle of lack of money, lack of qualified staff, poor records and weak controls and financial impropriety.

3.5 Office Space and Equipment

The problem of office space was very critical among the MSE associations. Due to this problem, most of the interviews for this study were conducted either at the respondents' personal business premises or at an appointed place (e.g. café, restaurant, or in the open). Whereas most of the umbrella associations had offices, a large proportion of the primary associations lacked offices. Where the primary associations had offices, such were poorly equipped and lacked basic facilities like chairs, cabinets, telephones, typewriters, photocopiers, tables and so on. It was evident that a large proportion of respondents had no office equipment (Table 4).

To assess the critical areas of need, the respondents were asked the question: If you had to buy one new office equipment, what would it be? The responses are reported in Table 4. The results indicate that most associations had a critical need of computers and office furniture. Whereas all associations indicated shortage of computers, it is clear from the results that requirements for office equipment varied by type of association. Primary associations had more critical needs for furniture than umbrella associations.

Table 4: Office equipment

Equipment	Nairobi		Mombasa		Kisumu		Nakuru	
	N	%	N	%	N	%	N	%
None	68	17.8	3	2.1	-	-	3	1.9
Tables	90	23.5	7	5.0	-	-	7	4.5
Chairs	91	23.5	17	12.1	-	-	17	10.8
Cabinets	21	5.5	12	8.5	-	-	12	7.6
Typewriter	-	-	1	0.7	1	6.3	2	1.3
Forms/desks/benches	28	7.3	4	2.8	-	-	4	2.5
Stationery e.g. files	33	8.6	7	5.0	1	6.3	8	5.1
Computers/laptop/fax machine	17	4.4	72	51.1	13	81.3	85	54.1
Photocopier	2	0.5	3	2.1	-	-	3	1.9
Telephone (fixed)	12	3.1	7	5.0	-	-	7	4.5
Telephone (mobile)	1	0.3	-	-	-	-	-	-
Welding machine	1	0.3	2	1.4	-	-	2	1.3
Printer	4	1.0	0	-	1	6.3	1	0.6
Sewing machine	3	0.8	3	2.1	-	-	3	1.9
Tethering/grinding machine	-	-	2	1.4	-	-	2	1.3
Television	1	0.3	1	0.7	-	-	1	0.6
Cupboards	9	2.3	-	-	-	-	-	-
Shelves	1	0.3	-	-	-	-	-	-
Projector	1	0.3	-	-	-	-	-	-
Total	383	100	141	100	16	100	157	100

Additional results show that about 59.5% of respondents indicated that the association could be contacted by phone while 40.5% indicated that this was not possible. Most of them (59.5%) indicated that there was someone all the time to answer the phone while the rest (39.5%) did not have a regular person to take calls.

3.6 Staffing Structures

The staffing strength and structure affect the effectiveness of the operations of any institution. Most associations lack permanent staff and where there are, they are too few to effectively manage the associations functions (Table 5). Volunteers dominate the staffing structures. The heavy reliance on volunteers and part-time staff indicates the high instability in the staffing structures of these associations.

Table 5: Staffing structure of the association

	Nairobi		Mombasa		Kisumu		Nakuru		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Full time	23	30.7	3	11.3	1	3.6	7	11.1	34	17.7
Part-time	7	9.3	2	1.6	0	0.0	1	7.4	10	5.2
Volunteers	45	60.0	22	87.1	27	96.4	54	81.5	148	77.1
Total	75	100	27	100	28	100	62	100	192	100

A typical association in Kenya is therefore managed by volunteer staff, serving also as officials of the association and running their own businesses by the side. This mode of operation has spread the input of the staff too thin and adversely affected the effectiveness of the associations. The officials cum association employees have to divide their attention between their own business (where they have to make a return) and the association (where they serve on voluntary basis with no regular pay). It is easy to see that the affected business owners would devote more time to their business than to the association given the relative rewards.

3.7 Networking and Linkages

Business linkages in the business sector are important because they make it possible for small enterprises and their associations to specialize, concentrating on particular functions that they do well and relying on others to undertake other tasks for which they have less competence (Mead, 1994). Three questions were designed to help understand the extent to which MSE associations were involved in networking. The first question was: Does the association network with other associations in the sector? The second question was: to establish or improve your institutional operations, did you get technical assistance from anyone? To what extent were you satisfied with the technical support you received? The third question was: Have you received any training support in the area of policy advocacy from any organization? The responses are summarized in Table 6.

In response to the first question, 60.6% of the respondents indicated that they were involved in sectoral networks whereas 39.4% indicated that they were not.

Table 6: Existence and effectiveness of technical assistance

	Did you get technical assistance?				Were you satisfied with technical assistance?			
	N	Yes (%)	No (%)	Total (%)	N	Yes (%)	No (%)	Total (%)
Nairobi	65	40.0	60.0	100	26	80.8	19.2	100
Nakuru	58	41.4	58.6	100	27	51.9	48.1	100
Kisumu	28	60.7	39.3	100	19	89.5	10.5	100
Mombasa	33	27.3	72.7	100	9	77.8	22.2	100
All	184	41.3	58.7	100	81	72.8	27.2	100

About 41.3% of the respondents indicated that they had received technical assistance from other organizations (Table 6). A relatively higher proportion of respondents in Kisumu had received technical assistance. However, it is clear that over 60% of MSE associations did not receive any technical assistance. Apart from MSE associations in Nakuru, where about half of the respondents indicated that the assistance was ineffective, the results indicate that the technical assistance received is effective.

Table 7: Type of assistance

	Nairobi		Kisumu		Kwano		Mombasa		Total	
	N	%	N	%	N	%	N	%	N	%
Strategic plan development	6	28.6	10	38.5	2	10.5	2	28.6	20	27.4
Research	2	9.5	3	11.5	0	0.0	1	14.3	6	8.2
Information	3	14.3	11	42.3	4	21.1	1	14.3	19	26.0
Fund-raising	5	23.8	1	3.8	3	15.8	1	14.3	10	13.7
Budgeting and budget control	0	0.0	0	0.0	1	5.3	0	0.0	1	1.4
Opportunities identification	2	9.5	1	3.8	1	5.3	1	14.3	5	6.8
Feasibility studies	1	4.8	0	0.0	0	0.0	0	0.0	1	1.4
Management skills	2	9.5	0	0.0	8	42.1	1	14.3	11	15.1
Total	21	100	26	100	19	100	7	100	73	100

Table 7 indicates that most of the respondents received technical assistance in strategic plan development, information and management skills. However, the assistance varies by study area. In Nairobi, most firms received technical assistance in strategic plan development and fund raising. The most important assistance areas in Nakuru were provision of information and strategic plan development while in

Kisumu, the most important areas were management skills and fund-raising. MSE associations in Mombasa benefited most from strategic plan development.

3.8 Support Services to MSEs

According to the logic of services (section 2.2), associations are supposed to dispense certain benefits in response to members' individual and specific demands. Using technology, workspaces and marketing, respondents were asked whether they provided support services to MSEs in these areas. The responses are summarized in Table 8.

Table 8: Support services to MSEs

	Mombasa						Kisumu					
	Yes		No		Total		Yes		No		Total	
	N	%	N	%	N	%	N	%	N	%	N	%
Technology	42	22.0	149	78.0	191	100	67	34.4	128	65.6	195	100
Marketing	61	31.4	133	68.6	194	100	67	34.4	128	65.6	195	100
Workspace	84	43.1	111	56.9	195	100	108	55.7	86	44.3	194	100

The results indicate relatively fewer associations provide technology, marketing and workspace services to their members (Table 8). Compared to technology and marketing, a higher proportion of associations offered services related to acquisition of workspaces. It is also clear from the table that, apart from workspaces, there is low awareness by MSE associations of support services within the sector.

It is evident from the results that support services for technology, marketing and workspaces are less effective and the quality of the services provided seem to fall below the levels required to satisfy the recipients. The associations were required to rank the effectiveness of the support services that they were aware of in the MSE sector. Regarding technology, about 56.4%, 35.9% and 7.7% of the respondents indicated that the level of effectiveness was low, moderate and high, respectively. In the area of marketing, about 64.9% of the respondents ranked the services as low, 27% ranked them as medium and 8.1% ranked them as high. The provision of workspaces was ranked as low (63.1%), medium (30.6%) and high (6.3%).

3.9 Representation and Voice

The results indicate that most associations are properly constituted. Similarly, the results would seem to suggest that decision-making is well structured. About 93% of the respondents indicated that they had a constitution for the association. Most associations (95.5%) indicated that their officials were chosen through democratic elections. Further results indicate that decisions in the associations are made mainly through committees (86.1%). The frequency of the meetings of the decision-making

organs is regular. About 40.7% of the associations indicated that their decision making organs met monthly, 17% indicated they met quarterly while 13.9% met whenever need arose. The remaining 28.4% met either weekly (10.3%), annually (10.3%), fortnightly (7.2%) and biannually (0.5%).

The respondents were requested to indicate how many people were on their leadership structures, and to indicate how many of those were women, and (for associations that had members from both the formal and informal sectors) to indicate how many of those were from the informal sector. The results indicate that the sum for all the people on the leadership structures was 1,256 (for the 155 associations that responded to this question). Out of the 155 associations, 124 associations had a total of 432 women on their leadership structures. Therefore, it is clear from the results that about 34.3% of the leadership positions were held by women, implying a gender imbalance in terms of leadership. This finding is explained by the low proportion of women entrepreneurs within the MSE sector. According to the National Baseline Survey (CBS, ICEG and K-REP, 1999), 57.1% and 42.9% of the MSEs were owned by men and women, respectively.

Results also indicate that out of the 155 associations, only 67 associations had members from the informal sector on their leadership structure. The 155 associations had 1,256 leaders and the 67 associations had a total of 371 leaders from the informal sector. This translates to about 29.5% of the leadership positions held by members from the informal economy.

In order to understand whether special interests of females were on the agenda of the associations, respondents were asked to identify some of the particular needs of women workers and explain what the association had done to address the concerns. The most common responses were space for working (39.6%), more voice (27.6%), and leadership posts (22.4%). Minor concerns were fewer working hours (5.7%), financial support (3.1%) and capacity building (1.6%). These results indicate that women have less voice and they are poorly represented on the leadership structures. In addition, women suffer more from limited workspace than men. To address these concerns, 37.1% of the respondents indicated that they had launched advocacy programmes, 33.1% indicated they had recruited more women members, while 29.7 per cent indicated that they had increased leadership posts for women.

3.10 Conflicts of Interest

Qualitative results of the surveys indicate that there are conflicts of interest among MSE associations. Such conflicts would either be between primary and umbrella associations or between umbrella associations. As the case study reported in Box 1 indicates, umbrella associations would automatically have an edge over primary associations where there is a conflict between the two. However, conflicts among umbrella associations are more ugly and more difficult to resolve than primary-umbrella association conflicts.

Box 1: Crowding out of Primary associations by umbrella associations

Kisumu Centre Jua Kali Artisan Association has a membership of 950 members. In 1983, the Government of Kenya allocated land to Jua Kali Artisans in Kisumu District central business district. At the time, the artisans operated from outside the allocated land, e.g. on the streets of the town centre. Added, there were only two formally registered MSE associations (Obaria Jua Kali Association and Cooperative Jua Kali Association) from which the members could establish membership with. This latter aspect was of a logistical concern to occupying and managing the allocated land. The conflict was, "Which of the two associations qualified to take the management of the allocated land?"

In 1986, the two associations resolved their differences and joined forces to establish Kisumu Centre Jua Kali Artisan Association. This Association was to take over the management of the developed piece of allocated land. As the years passed, the two MSE associations faded as their members ceased to subscribe to them. These members, instead directly subscribed to Kisumu Centre Jua Kali Association. In explanation, on joining forces, the requirement was that the individual members were answerable directly to Kisumu Centre Jua Kali Association.

Currently, membership to Kisumu Centre Jua Kali Association is open to individual members as long as they meet the criterion for membership into the Association.

Source: Kisumu Report of MSE Associations Survey

Respondents were asked whether they experienced any conflicts of interest among their members. Further, they were asked to rank the severity of the conflict, if any, and to explain what the association did to resolve the conflicts. The results indicate that about half of the associations experienced conflicts among their members. About 61.9% of the respondents ranked the conflicts as less severe, 25.7% as severe while 12.4% indicated that the conflicts were very severe. In terms of conflict resolution, most (82.1%) of the associations indicated that they applied member arbitration to resolve such conflicts while about 12.7% of the associations applied dialogue or negotiation with elders or local council. Only 5.3% of the respondents resorted to court procedures to resolve such conflicts. This confirms the observation that the MSEs avoid the judicial system due to the complexity, cost, unfairness and time wastage (Government of Kenya, 2005).

3.11 Future Plans

Most associations seemed to be clear on their future perspective. About 98% of the associations indicated that they had expansion, diversification and modernization

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plans for the future. About 60% had plans to expand their operations, 19.2% to diversify while 20.8% had plans to modernize their operations. Therefore, most associations had plans to maintain the same functions but extend their membership, sectoral and regional reach. In comparison, relatively fewer associations had plans to take on newer functions.

About 72.8% of the respondents expected such plans to be implemented in the near future, 15.2% in the foreseeable future and 12% in the distant future. It was clear that the associations knew exactly when and how the plans would be implemented. The responses on how the plans would be implemented are summarized in Table 9.

Table 9: How the plans will be implemented

Lobby for funds from donors and government	97	44.5
Improve the management	2	1.0
Increase member subscriptions	19	8.7
Marketing the association	5	2.3
Lobby for training	5	2.3
Use of modern technology	6	2.7
Recruit more members	8	3.7
Resource mobilization	17	7.8
Strategic planning in phases	31	14.2
Acquisition of sheds for members	24	11.0
Other	4	1.8
Total	218	100

Most of the respondents indicated the need to lobby government and donors for more financial support and the need to undertake strategic planning for their activities. The next most notable strategy was to acquire work sheds for the members.

4. POLICY AND REGULATIONS

This section reports survey results related to the extent of policy awareness and the extent to which MSE associations participate in the policy-making processes. It also reports perceptions of the business environment to understand whether it is enabling or disabling.

4.1 Policy Awareness

MSE associations can only make a difference in policy advocacy if they are aware of the existing government policies. Using technology, workspaces and marketing to assess policy awareness of the respondents, it was surprising that levels of awareness were low and varied (Table 10). Awareness levels were relatively higher in the area of workspaces and relatively lower in the area of technology.

Table 10: Awareness on MSE policies and their implementation

Technology	197	18.3	81.7	93	7.5	92.5
Marketing	193	21.8	78.2	98	14.3	85.7
Workspaces	196	40.8	59.2	119	38.7	61.3

It is interesting to note that most of the respondents who cited policy awareness were not able to specify the specific policies that they knew. For instance, in the area of technology, there were about 36 respondents who indicated they knew MSE technology policy. However, only 12 of them cited government policies to modernize technology and enhance technology skills. In marketing, there were 42 respondents who indicated that they were aware of MSE marketing policies. However, only 16 respondents cited government policies of providing market information on local and external markets and custom regulations. They also cited the African Growth and Opportunity Act (AGOA) and Agricultural Society of Kenya (ASK) shows. In workspaces, about 80 respondents indicated that knew government policies on workspace provision. However, when asked to cite the policies, only 57 cited government policy, through the local government, to allocate sheds to MSEs.

In terms of implementation, most respondents indicated that there has been a poor government record. The results indicate that the area where implementation has been relatively better is in provision of sheds. Implementation is very low in the area of technology.

The discussion in this sub-section reveals critical gaps in the area of policy awareness. This points to the need to design sensitization programmes for MSE associations. The sub-section also identifies weak Government implementation of

MSE policies and a poor business environment as some of the issues that curtail the growth and competitiveness of MSEs.

4.2 Business Environment

Perceptions on the regulatory environment are reported in Table 11. The results indicate that the regulatory environment for technology, provision of workspaces and marketing has been largely disabling. This environment has not improved much since it has either remained the same or deteriorated over the previous two years. By extension, this result implies that the reforms that have been undertaken by the new government seem to have by-passed the MSE sector.

Table 11: Perceptions on regulatory environment

Area	Current situation			Change over the 2 years		
	Enabling	Variable	Disabling	Improved	Remained the same	Deteriorated
Technology	15.9	28.0	56.0	18.4	48.9	32.8
Workspace	22.2	22.2	55.7	20.7	41.3	38.0
Marketing	15.8	27.7	56.5	20.0	45.6	34.4

4.3 Involvement and Participation in Policy Making

One of the key issues of concern to development practitioners, academics and policy makers has been the involvement of stakeholders in policy formulation, implementation, monitoring and evaluation. The MSEs are more likely to be heard and achieve influence if they are well organized in representative associations (ITDG, 2001). Since MSEs associations are central stakeholders on MSE policy, it was important to assess their level of involvement in MSE policy formulation. Apart from Nairobi, the results confirm that MSE associations are poorly represented in policy-making forums. Overall, about 31.1% of the respondents indicated that the government had engaged them on policy-making processes. The rest (68.9%) indicated they had not been involved. This provides evidence of their limited chances to influence policies affecting the sector. The proportions of respondents that had been involved in policy formulation were 18% for Mombasa, 3.3% in Kisumu, about 60.7% in Nairobi⁸ and 18% in Nakuru (Table 12).

⁸ It is important to note that unlike primary associations, umbrella associations (mainly located in Nairobi) were normally invited to government policy forums.

Table 12: Involvement in policy-making

<i>Region</i>						
Nairobi	37	60.7	40	29.6	77	39.3
Nakuru	11	18.0	48	35.6	59	30.1
Kisumu	2	3.3	26	19.3	28	14.3
Mombasa	11	18.0	21	15.6	32	16.3
Total	61	100	135	100	196	100
<i>Association Type</i>						
Primary	50	82.0	128	94.8	178	90.8
Umbrella	11	18.0	7	5.2	18	9.2
Total	61	100	135	100	196	100

Respondents who had participated in policy making were asked the question: What happened in these forums in terms of skills, practices and systems relevant to members in the informal economy? About 55.6% of the respondents indicated that they were involved in a free exchange of ideas. About 16.7% indicated that they had benefited from free training while 16.7% indicated that they were involved in lobbying for allocation of working space. The remaining (11.1%) indicated that they were involved in lobbying for financial support.

The respondents were asked whether they felt that there were policy making or rule setting bodies from which they were excluded. Most of the MSE associations (about 51.1%) felt that they were excluded from such committees as District Lands Boards, District Development Committees, Constituency Development Committees, Environment Committees, Security Committees and so on. The main reason advanced for exclusion was the lack of recognition by local and central government. They also cited other reasons including exclusion for political reasons, poor visibility of the associations and misuse of office by public servants.

5. TRAINING

5.1 Training Limitations

Results presented in Table 13 indicate that most MSE associations face training limitations. Every three out of four associations have training limitations and every two out of three associations indicated that such limitations were very severe. This indicates the presence of huge training gaps in the MSE associations regardless of whether they are primary or umbrella.

Table 13: Training limitations

<i>Do you face any training limitations?</i>							
	N	%	N	%	N	%	
Yes	136	76.4	12	75.0	148	76.3	
No	42	23.6	4	25.0	46	23.7	
All	178	100	16	100	194	100	
<i>How do you rate the limitations</i>							
Less severe	21	14.3	0	0.0	21	13.0	
Severe	34	23.1	7	46.7	41	25.3	
Very severe	92	62.6	8	53.3	100	61.7	
All	147	100	15	100	162	100	
<i>Has any of your staff attended any training over the last two years</i>							
Yes	73	42.7	6	37.5	79	42.2	
No	98	57.3	10	62.5	108	57.8	
All	171	100	16	100	187	100	

Given the training limitations, most associations are not able to sponsor either their members or staff for training. Table 13 indicates that only 42.2% of the associations had supported training for their staff within the previous two years. Among primary associations, about 42.7% of the respondents had their staff trained while about 37.5% of the umbrella associations had their staff trained within the previous two years.

Respondents were requested to indicate the specific training limitations and the severity of the need. The results are presented in Annex 1. The table indicates that, overall, there are very severe limitations in the following areas: credit and accounts, computer skills, marketing and promotion, advocacy and lobbying, and negotiation skills. The results also indicate that training limitations vary by region. In Nairobi, there were very severe limitations in designing new products, credit and accounts, computer skills, marketing and promotion, public relations and negotiation skills. In Nakuru, very severe training gaps were evident in credit and accounts, computer skills, marketing and promotion, management skills, advocacy and lobbying, and negotiation skills. Training limitations in computer skills was noted to be very severe

in Kisumu. Associations in Mombasa experienced severe limitations in all the training areas investigated.

5.2 Policy Advocacy

The concept of advocacy is currently in vogue. The term is so much used but less understood as its use has always been highly, but unnecessarily, correlated with *confrontation*. What therefore is advocacy? On the basis of AC-EGA (2000), advocacy involves “speaking up, drawing a community’s attention to an important issue and directing decision makers towards a solution. It involves attempts to influence the political climate, public perceptions and policy decisions”. Ideally, the responsibility of lobbying, advocacy and negotiation rests with a steering committee and a policy analysis and planning technical team (KIPPRA, 2005).

Table 14: Training for policy advocacy

		Benefited from training			Did not benefit from training		
		N	%	N	N	%	N
Nairobi	N	54	22	76	14	61	75
	%	71.1	28.9	100	18.7	81.3	100
Nakuru	N	55	5	60	17	43	60
	%	91.7	8.3	100	28.3	71.7	100
Kisumu	N	25	3	28	3	25	28
	%	89.3	10.7	100	10.7	89.3	100
Mombasa	N	34	0	34	12	22	34
	%	100	0.0	100	35.3	64.7	100
Total	N	168	30	198	46	151	197
	%	84.8	15.2	100	23.4	76.6	100

Whereas most MSE associations (about 84.8%) indicated that policy advocacy was important for them, a relatively small number had benefited from policy advocacy training (Table 14). Further, a large proportion of associations (81.7%) did not play any role in strengthening policy advocacy within MSEs. In Mombasa, about 35.3% of the MSE associations had benefited from training in policy advocacy. The respective proportions for Nairobi, Kisumu and Nakuru were 18.7%, 10.7% and 28.3%. The results indicate that most of the training activity in the associations was supported by external agents (the government, NGOs and foreign donor agencies), therefore indicating the weak internal capacity within the associations to provide training for their staff and members.

Some MSE associations (about 26) indicated that their members had attended policy advocacy training. Out of the 26, about 21 associations had between 1 and 50 members who had received policy advocacy training.

5.3 Willingness to Pay for Training

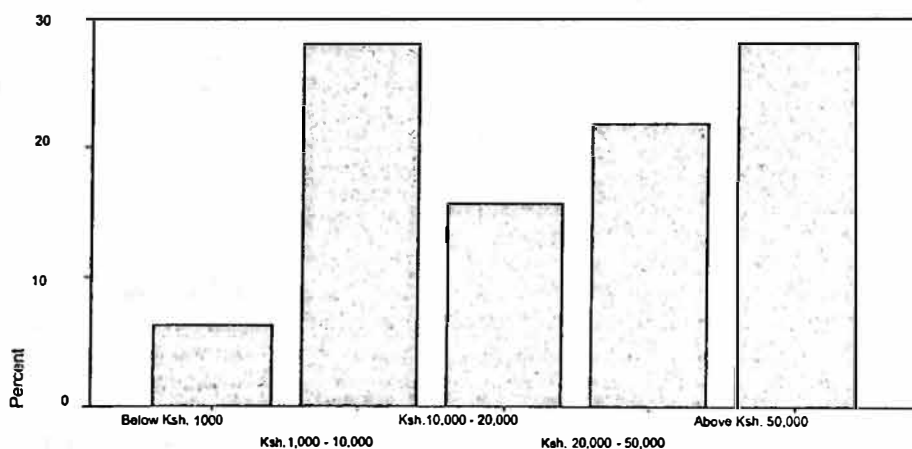
The respondents were asked whether they would be willing to participate if they were offered free training in policy advocacy. About 93.4% of the respondents indicated that they would participate. Further, the respondents were asked to indicate whether they would be willing to pay for training in policy advocacy. About 66% indicated they would be willing to pay for the training.

Most associations expressed the willingness to pay for training in policy advocacy. However, the amounts they were willing to pay for such training were too low for effective cost recovery. About 28.4% of the respondents were willing to pay at most Ksh 150. About 27.5% were willing to pay between Ksh 801 and Ksh 3,000. Those who were willing to pay over Ksh 3,000 were 7.8% while those who were willing to pay Ksh 151 - Ksh 800 were 36.3%.

5.4 Size of Training Budget

Since most associations lacked training budgets, only 32 associations responded when asked to provide their annual training budget. The results are summarized in figure 3.

Figure 3: Annual expenditure on training



It is encouraging to note that about nine (9) associations had training budgets above Ksh 50,000. About seven (7) associations had training budgets in the range of Ksh 20,000 to 50,000 while five associations had budgets ranging from Ksh 10,000 to 20,000.

6. CONCLUSIONS AND RECOMMENDATIONS

Kenya has in recent years witnessed a rapid growth in the formation of MSE associations. Despite this, the MSE sector remains uncoordinated and the capacity of MSE associations to lobby for the implementation of MSE policies remains weak. Interviews with 202 MSE associations in Kisumu, Nakuru, Nairobi and Mombasa suggest that whereas MSE associations are expected to play a pivotal role in organizing MSEs and enhancing their participation in policy formulation, implementation, monitoring and evaluation, the institutional capacities of associations falls below the levels required to meet challenges posed by these expectations. Most of them operate on very thin budgets, lack essential human resources, and find it difficult to recruit members and retain them. Most of their core functions seem to be biased towards social welfare rather than business interests. Their officials have poor understanding of MSE policy and conflicts between primary associations and umbrella association are evident. As such, most of them feel excluded from the policy-making fora. In sum, we report the following specific findings and requisite recommendations (see also Annex 2):

- 1) Regulatory power, as it affects the registration of MSE associations, is highly dispersed and characterized by ambiguity, uncertainty and duplicity. To minimize this, the Government (through Parliament) should legislate an MSE Act as proposed in the Sessional Paper No. 2 of 2005.
- 2) Most MSE associations experience problems related to high turnover of their members. This problem should be addressed by: (i) Enhancing the financial support by government and other stakeholders to MSE associations, (ii) Policy interventions aimed at making it mandatory for MSEs to belong to at least one association, (iii) Separating the formation of associations with enticements for government/donor support, and (iv) De-politicizing the associations.
- 3) Although most associations had multiple objectives, they appear weak to provide any tangible services. This limitation could be addressed by encouraging MSEs associations, through policy direction, to focus on few (two or three) core functions that would not stretch their capacity too thin. For sustainability, the associations should be encouraged to adopt a business culture. An effort to encourage them to form SACCOs is a step in the right direction and needs to be enhanced.
- 4) Most associations have relatively low budgets, weak regulatory compliance and some of them subject their accounts to unprofessional audits. There is need to develop strong financial controls and financial reporting systems among MSE associations. The government policy of channeling support through MSE associations should be implemented. Similarly, the government should enforce laws governing financial disclosure and annual returns.

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- 5) There are problems related to lack of office space and equipment. Associations should be encouraged to adopt the "shared office concept" and "collective ownership of equipment" where they pool resources to rent/purchase assets for common use.
- 6) There is evidence of staffing structures dominated by volunteer staff. This problem could be minimized through staff collaborative schemes where the government and other stakeholders could second certain technical personnel (experts) to MSE umbrella associations to strengthen the institutional capacities of the associations.
- 7) There is evidence of limited assistance to MSE associations in research, budgeting and budget control, feasibility studies and opportunities identification. To enhance support to the sector, MSE associations should be supported (through finances, personnel and equipment) to establish databases of organizations, both government and non-governmental. The database should profile the services the associations provide and the conditions to be fulfilled to access services.
- 8) Support services for technology, marketing and workspaces are less effective and fall below the level required to satisfy the recipients. This indicates the need for the government to strengthen its supervisory and regulatory role over players within the MSE sector to minimize the supply of sub-standard services. There is need to encourage MSE associations to network with government institutions including the Kenya Industrial Research Development Institute (KIRDI), Kenya Bureau of Standards (KEBS) and Kenya Industrial Property Institute (KIPI) to allow such institutions market their services to MSEs.
- 9) There was evidence of conflicts between umbrella associations and between primary and umbrella associations. In addition, half of associations experienced conflicts among members. Similarly, women were poorly represented in leadership positions. To minimize conflicts, there is need for the government to legislate the MSE Act to define the rights and obligations of both primary and umbrella associations. Such a legal framework should espouse affirmative policies with regard to leadership and representation.
- 10) There is low policy awareness in the MSE associations. To enhance awareness levels, stakeholders in the MSE sector should adopt deliberate policy to disseminate MSE policies to the MSEs and their associations. To begin with, the Sessional Paper No 2 of 2005 should be widely disseminated. This can be enhanced by establishing strong linkages between the associations and government (e.g. through joint workshops, policy events, monthly meetings). On its part, the government should enhance the participation of MSE associations in policy formulation by

incorporating MSE association representatives into MSE technical working groups, sector working groups, monitoring and evaluation committees, and so on.

- 11) The regulatory environment for technology, workspaces and marketing has been largely disabling, and has remained the same within the last two years. To address this limitation, there is need to fast track the implementation of regulatory reforms by instituting an effective monitoring and evaluation system.
- 12) Apart from Nairobi, MSEs are poorly represented in policy-making forums. Representation of MSE associations can be enhanced by: (i) Encouraging MSE associations to market their services to MSEs and other stakeholders to enhance their visibility and recognition, (ii) Conducting policy advocacy training for MSE associations, especially those involved in advocacy work. (iii) Encouraging MSE associations to form lobbying, advocacy and negotiation "steering committees" and "policy analysis and planning technical teams".
- 13) Every three out of four associations, and every two out of every three associations, indicated that training limitations were severe. There were very severe limitations in the following areas: credit and accounts, computer skills, marketing and promotion, advocacy and lobbying and negotiations skills. The government, through the Ministry of Labour and Human Resource Development, and other stakeholders should consider funding targeted training programmes in the critical areas of need: credit and accounts, computer skills, marketing and promotion, advocacy and lobbying and negotiations skills.
- 14) Whereas most associations indicated that policy advocacy was important for them, a relatively small number had benefited from policy advocacy training. Most of the policy advocacy training was supported by external agents (donors, government, NGOs). The main policy intervention would be to encourage sectoral MSE associations to establish a "Sectoral Training Fund" reserved for training members. Contributors to such a fund would include all stakeholders, including fixed amounts by MSE associations themselves.
- 15) A high proportion of MSE associations were willing to take part in freely supplied training. However, a lower proportion were willing to pay for training. Given the importance of training, training interventions should popularize the "cost-sharing" and "cost recovery" concepts to make the interventions more demand-driven and sustainable. Umbrella associations should pay the full cost of training while primary associations could cost-share.

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- 16) Most associations did not make training budgets. Out of the 32 that had training budgets, nine (9) had budgets of over Ksh 500,000. About seven associations had training budgets in the range of Ksh 20,000 to 50,000 while five associations had budgets ranging from Ksh 10,000 to 20,000. There is need to sensitize MSE association leaders on the need for budgets, accounts and financial openness.

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Annexes

Annex 1: Training limitations

<i>Designing new products</i>										
Very severe	33	51.6	23	43.4	7	25.9	21	65.6	84	47.7
Less Severe	31	48.4	30	56.6	20	74.1	11	34.4	92	52.3
All	64	100	53	100	27	100	32	100	176	100
<i>Credit and accounts</i>										
Very severe	33	52.4	29	50.9	11	40.7	24	82.8	97	55.1
Less Severe	30	47.6	28	49.1	16	59.3	5	17.2	79	44.9
All	63	100	57	100	27	100	29	100	176	100
<i>Computer skills</i>										
Very severe	35	55.6	32	54.2	22	81.5	25	78.1	114	63.0
Less Severe	28	44.4	27	45.8	5	18.5	7	21.9	67	37.0
All	63	100	59	100	27	100	32	100	181	100
<i>Marketing and promotion</i>										
Very severe	34	53.1	30	50.8	13	48.1	25	75.8	102	55.7
Less Severe	30	46.9	29	49.2	14	51.9	8	24.2	81	44.3
All	64	100	59	100	27	100	33	100	183	100
<i>Management of organization</i>										
Very severe	29	46.0	32	54.2	3	11.1	23	82.1	87	49.2
Less Severe	34	54.0	27	45.8	24	88.9	5	17.9	90	50.8
All	63	100	59	100	27	100	28	100	177	100
<i>Book keeping and accounts</i>										
Very severe	30	47.6	24	40.7	1	3.7	23	85.2	78	44.3
Less Severe	33	52.4	35	59.3	26	96.3	4	14.8	98	55.7
All	63	100	59	100	27	100	27	100	176	100
<i>Technical training for workers</i>										
Very severe	31	48.4	22	37.9	7	25.9	26	83.9	86	47.8
Less Severe	33	51.6	36	62.1	20	74.1	5	16.1	94	52.2
All	64	100	58	100	27	100	31	100	180	100
<i>Public relations</i>										
Very severe	32	50.8	24	40.7	9	33.3	19	67.9	84	47.5
Less Severe	31	49.2	35	59.3	18	66.7	9	32.1	93	52.5
All	63	100	59	100	27	100	28	100	177	100
<i>Advocacy and lobbying</i>										
Very severe	31	49.2	46	79.3	8	29.6	20	69.0	105	59.3
Less Severe	32	50.8	12	20.7	19	70.4	9	31.0	72	40.7
All	63	100	58	100	27	100	29	100	177	100
<i>Negotiating with members and stakeholders</i>										
Very severe	33	52.4	31	56.4	6	22.2	19	70.4	89	51.7
Less Severe	30	47.6	24	43.6	21	77.8	8	29.6	83	48.3
All	63	100	55	100	27	100	27	100	172	100

Annex 2: Summary of issues and required policy interventions

ISSUE	PROBLEM/AREA	FACTORS/REASON	RECOMMENDATION
Regulation (registration)	Regulatory power as it affects the registration of MSE associations is highly dispersed and characterized by ambiguity, uncertainty and duplicity.	The entire sector (MSEs and their associations) lacks an Act of Parliament to regulate their formation, operations and organization. MSE associations are registered under four Acts of Parliament (implemented by different government agencies)	The Government (through Parliament) should legislate an MSE Act.
Membership	About 58% of the associations experience problems related to high turnover of their members.	(i) Weak financial capacity, (ii) Failure by associations to fulfill their core functions, (iii) Their formation is the outcome of top down external pressures that have worked against the self-help within the associations.	(i) Enhance government support to MSE associations, (ii) Policy interventions by making it mandatory for MSEs to belong to at least one association, (iii) separate the formation of associations with enticements for government/ donor support, (iv) De-politicize the associations.
Core functions	Although most associations had multiple objectives, they appear weak to provide any tangible services. Only 39.4% of them were able to fulfill their core functions.	Low retention of members, weak financial capacity, lack of government support.	(i) MSEs should be encouraged, through policy direction, to focus on few (two or three) core functions that would not stretch their capacity too thin; (ii) For sustainability, the associations should be encouraged to adopt a business culture – efforts to encourage them to form SACCOs is a step in the right direction.
Finances	Low budgets, weak regulatory compliance, some unprofessional audits of accounts.	Reliance on volunteer staff, poor accounting controls and records and lack of a budgeting culture among associations.	(i) Develop strong financial controls among MSE associations and financial reporting; (ii) Develop policies to channel support through MSE associations; (iii) The government should enforce laws governing financial disclosure and annual returns.
Office equipment	Lack of office space and equipment. Some associations (40.5%) were not contactable by phone.	Weak financial base to rent and equip offices.	(i) Associations can be encouraged to adopt the “shared office concept” where they rent one facility and share the space.
Staffing	Predominance of volunteers (77.1%) on the staffing structures	Weak financial base to hire qualified and competent staff.	(i) The government can second certain technical personnel to MSE umbrella associations to strengthen the institutional capacities of the associations.

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Issue	Problem/Issue	Factors/Root Cause	Recommendations/Policy
Networking	Limited assistance to MSE associations in research, budgeting and budget control, feasibility studies and opportunities identification.	Lack of organizations offering such services and poor outreach by existing organizations.	(i) MSE associations should be supported (through finances, personnel and equipment) to establish databases of organizations, both government and non-governmental, and the services they provide as well as conditions to be fulfilled in order to access services.
Support services to MSEs by the associations	About 22%, 31.4% and 43.1% of the associations provide technology, marketing and workspace services to their members.	Most associations are yet to evolve a business culture. Most are biased towards social welfare than business growth.	(i) Encourage MSE associations to network with government institutions including KIRDI, KEBS and KIPi so as to allow such institutions market their services to MSEs.
Support services to MSEs by other stakeholders	Support services for technology, marketing and workspaces are less effective and fall below the level required to satisfy the recipients	There are gaps in the MSE sector of competent business development service providers. The few providers are most likely driven by the monopolistic tendencies, therefore providing less effective services.	(i) The government should strengthen the supervisory role of players within the MSE sector to minimize the supply of sub-standard services.
Representation	About 34.3% of leadership positions are held by women. Half of associations experienced conflicts among members.	Fewer women entrepreneurs in the MSE sector explains the low proportion of women among leadership structures.	(i) Legislate the MSE Act to define the rights and obligations of both primary and umbrella associations. (ii) Put in place affirmative policies with regard to leadership and representation.
Policy awareness	Low policy awareness (technology 18.3%, marketing 21.8%, workspaces 40.8%).	(i) Lack of dissemination of government policies; (ii) Weak policy delivery mechanisms; (iii) Low involvement of MSE associations in policy formulation; (iv) Low ownership of government policies	(i) Adopt deliberate policy to disseminate MSE policies to the MSEs and their associations; (ii) Establish strong linkages between the associations and government (e.g. through joint workshops, policy events, monthly meetings); (iii) Enhance the participation of MSE associations in policy formulation through incorporation into MSE technical working groups, sector working groups, monitoring and evaluation committees, and so on.
Business environment	Regulatory environment for technology, workspaces and marketing has been largely disabling, and remained the same within the last 2 years	(i) Slow pace of regulatory reforms, (ii) Poor marketing of the reforms, (iii) Poor representation of MSE representatives in the reform processes.	(i) Track the implementation of regulatory reforms by instituting an effective monitoring and evaluation system.

Policy advocacy needs of MSE associations in Kenya

ISSUE	PROBLEM/AREA	FACTORS/CAUSES	RECOMMENDED RECOMMENDATIONS
Involvement and participation in policy making	Apart from Nairobi, MSEs were poorly represented in policy-making forums.	(i) Lack of recognition by local and central governments; (ii) Poor visibility of associations; (iii) Poor understanding by MSE associations of what policy advocacy entails.	(i) MSEs should be encouraged to market their services to MSEs and other stakeholders; (ii) Conduct policy advocacy training for MSE associations, especially those involved in advocacy; (iii) Encourage MSE associations to form lobbying, advocacy and negotiation "steering committees" and "Policy analysis and planning technical teams".
Training limitations	Every three out of four associations, and every two out of every three associations indicated that such limitations were severe. There were very severe limitations in the following areas: credit and accounts, computer skills, marketing and promotion, advocacy and lobbying and negotiations skills.	(i) Weak financial capacity to support training, (ii) few training providers.	(i) The Government, through the Ministry of Labour and Human Resource Development should consider funding targeted training programmes in the critical areas of need: Credit and accounts, computer skills, marketing and promotion, advocacy and lobbying and negotiation skills.
Policy advocacy	Whereas most associations indicated that policy advocacy was important for them, a relatively small number had benefited from policy advocacy training. Most of the policy advocacy training was supported by external agents (donors, government, NGOs).	(i) Lack of training budgets; (ii) Weak financial resources.	(i) Encourage MSE associations to establish a "Training Fund" reserved for training members.
Willingness to pay for training	A higher proportion of MSE associations are willing to take part in freely supplied training. However, a lower proportion were willing to pay for training.	(i) Weak financial capacity to pay for training, (ii) Low priority attached to the area of policy advocacy.	(i) Training interventions should popularize the "cost-sharing" and "cost recovery" concepts to make the interventions more demand-driven and sustainable. Umbrella associations should pay the full cost of training while primary associations cost-share.
Size of training budget	Most associations did not make training budgets. Out of the 32 that had budgets, nine had over Ksh 500,000. About seven had budgets in the range of Ksh 20,000 to 50,000 while five had budgets ranging from Ksh 10,000-20,000.	(i) Lack of budgeting culture; (ii) Lack of competent staff to prepare budgets; (iii) Low priority attached to policy advocacy training.	(i) The MSE association leaders should be sensitized on the need for budgets, accounts and financial openness.

Policy advocacy needs of MSE associations in Kenya

Annex 3: Names of the sampled MSE associations

Sl. No.	Name of Association	Type of Association
1.	Hebron Muungano Women Group	Primary
2.	Naivasha Market Youth Group	Primary
3.	Tumaini Maendeleo Association	Primary
4.	Marafiki Wema Self Help Group	Primary
5.	Daima Usafi	Primary
6.	Nakuru Street Traders & Hawkers Association	Umbrella
7.	Thairira Widows Women Group	Primary
8.	Nakuru Street Traders & Hawkers Association	Primary
9.	Shikamoo Self Help Group	Primary
10.	Vision Self Help Group	Primary
11.	Tunjengane Business Women Self Help Group	Primary
12.	Unity Self Help Group	Primary
13.	New Jua Kali Self Help Group	Primary
14.	Nakuru Stage Hawkers Self Help Group	Primary
15.	Nakuru Street Traders & Hawkers Association	Umbrella
16.	Bidii Self Help Group	Primary
17.	Bashari Association	Primary
18.	Shabab Jua Kali Association	Primary
19.	Umoja Group	Primary
20.	Mau Narok Jua Kali Association	Primary
21.	Promoter Jua Kali Association	Primary
22.	Rongai Jua Kali Association	Primary
23.	Central Jua Kali Association	Primary
24.	Nyahururu Jua Kali Association	Primary
25.	Njoro Jua Kali Association	Primary
26.	Nawasha Jua Kali Association	Primary
27.	Umoja Carpenters Youth Association	Primary
28.	Obwacha & Associates	Primary
29.	3N-TO SACCO Nakuru	Primary
30.	Umoja Falls Photographers	Primary
31.	Twaweza Bondeni Youth Group	Primary
32.	Kenya Veterinary Association	Primary
33.	Golden Ladies	Primary
34.	Nakuru Molo Line Services	Primary
35.	South Lake Travellers Services	Primary
36.	2NK Sacco Society Ltd	Primary
37.	Free Area Boda Boda Self Help Group	Primary
38.	Nyahururu Dynamic Taxi Operators	Primary
39.	Olmbegi Borde Borde Self Help Group	Primary
40.	Ngomongo Boda Line Services	Primary
41.	Cross Road Boda Boda Self Help Group	Primary
42.	Lions Garden Photographers Youth Group	Primary
43.	Bondeni GTZ Shed Self Help Group	Primary
44.	Muungano Nyamarutu Self Help Group	Primary
45.	Urumwe Mabati Self Help Group	Primary
46.	Molele Self Help Group	Primary
47.	Gigil Asparanga Growers Association	Umbrella
48.	Nyabomo Self Help Group	Primary
49.	Barewot Goat Rearing Women Group	Primary
50.	Nabiotec Self Help Group	Primary

Policy advocacy needs of MSE associations in Kenya

51.	Nakuru Field Photographers Association	Primary
52.	Naivasha Hotel Service Association	Primary
53.	Bonda Rosa Junior Self Help Group	Primary
54.	Irima Self Help Group	Primary
55.	Fourteen Farmers Association	Primary
56.	Kazi Maize Buyers Association	Primary
57.	Tudashi Silk Project	Primary
58.	Grace Self Help Group	Primary
59.	Emau Self Help Group	Primary
60.	Transpare Self Help Group	Primary
61.	Wako Enterprises	Primary
62.	Nakuru Gikomba Genesis Association	Primary
63.	Otonglo Jua Kali Association	Primary
64.	Yala Jua Kali Association	Primary
65.	Kibuye Jua Kali Association	Primary
66.	Ugunja Jua Kali Association	Primary
67.	New Nyamasaria Jua Kali Association	Primary
68.	Kisumu Centre Jua Kali Association	Primary
69.	Reru Jua Kali Association	Primary
70.	Siaya Town Jua Kali Association	Primary
71.	Kondele Jua Kali Association	Primary
72.	Kibuye Self Help Group	Primary
73.	Obaria Jua Kali Association	Primary
74.	Kenya Industrial Jua Kali Association	Primary
75.	Rongo Jua Kali Association	Primary
76.	Atela Sondu Jua Kali Association	Primary
77.	Awendo Trade Promoters	Primary
78.	Ahero Craftsman Jua Kali Association	Primary
79.	Katito Jua Kali Association	Primary
80.	Amini Jua Kali Association	Primary
81.	Awendo Jua Kali Association	Primary
82.	Tiak Jua Kali Association	Primary
83.	Ahero Divisional Jua Kali Association	Primary
84.	Nyasiongo Nyayo Shades Association	Primary
85.	Nyamira Jua Kali Association	Primary
86.	Sare Jua Kali Association	Primary
87.	Sigoti Jua Kali Association	Primary
88.	Suna Jua Kali Association	Primary
89.	Homa Bay Jua Kali Association	Umbrella
90.	Migori Jua Kali Association	Umbrella
91.	Kenya Association of Manufacturers	Umbrella
92.	Private Sector Alliance	Umbrella
93.	Githurai Barbers Association	Primary
94.	Old Race Course Jua Kali Association	Primary
95.	Jericho Micro Credit Finance	Primary
96.	Githurai Market Traders Association	Primary
97.	Association of Micro-finance	Umbrella
98.	Classic Jua Kali Co-op Association	Primary
99.	Ngara Jua Kali Association	Primary
100.	Njema	Umbrella
101.	Kenya National Hawkers Association	Umbrella

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102.	Kenya Curio Association	Umbrella
103.	Park Road Jua Kali Association	Primary
104.	National Association for Technical Training	Umbrella
105.	Justus Nyangweso Transporters	Primary
106.	Nairobi Handcraft Co-op Society	Primary
107.	Kenya Golf-Course Jua Kali Association	Primary
108.	Kenya Market Self Help Group	Primary
109.	City Garbage Recyclers	Primary
110.	Kayole Jua Kali Association	Primary
111.	Weighing Association Jua Kali	Primary
112.	Ziwani Jua Kali Association	Primary
113.	Githurai 44 Youth Group	Primary
114.	Taa ya Kushona Kiondo Association	Primary
115.	Kamukunji Jua Kali Association	Primary
116.	Association of Professional Societies of East Africa	Umbrella
117.	National Society for Women Enterpreneurs of Kenya	Umbrella
118.	Tabasamu Girls Centre Self Help Group Initiative	Primary
119.	Tujisaidie Tuendelee Self Help Group	Primary
120.	Zingaro Percussion Self Help Group	Primary
121.	Embakasi Village Craft	Primary
122.	Eastleigh North Youth Association	Primary
123.	Thome Jua Kali Association	Primary
124.	Nairobi South Youth Self Help Group	Primary
125.	Gikomba Riverside Jua Kali Association	Primary
126.	Quare Road Open Air Market	Primary
127.	Nairobi NCBD Service Providers Association	Primary
128.	Omega Watch Repairers Association	Primary
129.	Wananchi Hawkers Association	Primary
130.	Eko Jua Kali Association	Primary
131.	Makina Jua Kali Association	Primary
132.	Joska T. Services Association	Primary
133.	Gikomba Fish SACCO	Primary
134.	Nairobi Shoe Shiners Self Help Group	Primary
135.	Customer Service Scheme Association	Primary
136.	Jericho Jua Kali Association	Primary
137.	Gikomba Grains & Green Vegetable/Cloths Market	Primary
138.	Second Hand Shoe Dealers	Primary
139.	Vision Sisters	Primary
140.	Upendo Pamoja Micro Finance	Primary
141.	Kenya Association of Shoe Shiners	Primary
142.	Wakulima Market Traders	Primary
143.	Muungano Women Group	Umbrella
144.	Bright Future	Primary
145.	Masai Market Mapatano Self Help Group	Primary
146.	Moko Rural SACCO	Primary
147.	Masaku Staff SACCO	Primary
148.	Machakos Artisans Jua Kali Association	Primary
149.	Masaku Jua Kali Association	Primary
150.	St. Paul Children's Home	Primary
151.	Kazana Groups	Primary
152.	Majoyce Women Self Help Group	Primary
153.	Green self Help Group	Primary
154.	Wise Ruth Women Group	Primary

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155.	Betterlife Women Group	Primary
156.	Ongata Rongai Men Self Help Group	Primary
157.	Marurui United Youth Group	Primary
158.	Cereal Growers Association	Umbrella
159.	Masaku Traders SACCO Society	Primary
160.	Makongeni Friends Association	Primary
161.	Ayany Women Group	Primary
162.	Simu Vendors Association	Primary
163.	Thika Jua Kali Welfare	Primary
164.	Jisaidie Masai Handcraft Self Help Group	Primary
165.	Wendo Group	Primary
166.	Sedi Women Group	Primary
167.	Thika District Jua Kali Association Board	Umbrella
168.	Changamwe Ward Jua Kali Association	Primary
169.	Kaloleni Jua Kali Association	Primary
170.	Sagalato Women Group	Primary
171.	Nauma Women Group	Primary
172.	Liwatoni Jua Kali Association	Primary
173.	Mariakani Jua Kali Association	Primary
174.	Mazera Jua Kali Association	Primary
175.	Kongowea Retail Market	Primary
176.	Kwale Town Jua Kali Association	Primary
177.	Mombasa Jua Kali Photographers	Primary
178.	Muongano Women Group	Primary
179.	Shimba Hills Jua Kali Association	Primary
180.	Mtongwe Jua Kali Association	Primary
181.	Kongowea Tomato Wholesalers Association	Primary
182.	Evurori Association	Primary
183.	Baraki Welfare Association	Primary
184.	Full Scale Business Trust	Primary
185.	Kibokoni Self Help Group	Primary
186.	Kunga Palmod International Ltd	Primary
187.	North Coast Hunters Tours & Safaris	Primary
188.	Kongowea Jua Kali Association	Primary
189.	Uwendani Jua Kali Welfare Association	Primary
190.	Likoni Jua Kali Association	Primary
191.	Shimanzi Jua Kali Association	Primary
192.	Kipevu Jua Kali Association	Primary
193.	Mombasa Boat Operators Jua Kali Association	Primary
194.	SKW Group Project	Primary
195.	Tononoka Jua Kali Association	Primary
196.	Kongowea Market Central Committee	Primary
197.	Diani Jua Kali Association	Primary
198.	Mwavuli Jua Kali Association	Primary
199.	Kenya Street Traders Association	Umbrella
200.	Akamba Handicraft Co-op. Society	Primary
201.	Kongowea Tomato Wholesalers Association	Primary
202.	Mombasa Jua Kali Association	Primary