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Final Report

Survey of Women-Owned Small and Micro Enterprises in Rwanda

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GENESYS

**Survey of Women-Owned
Small and Micro Enterprises
in Rwanda**

F I N A L R E P O R T

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Survey Purpose and Parameters

At the request of USAID Mission Program Officer, the GENESYS consultants, together with Bernadette Joergensen, Program Assistant, conducted a brief survey of women-owned small and micro enterprises in Rwanda. The survey results will complement existing information collected in three previous Mission studies on medium and large scale business including one directed to women-owned businesses in Kigali.

The assembled data will provide baseline information upon which the Mission may evaluate the effects of USAID's support of market liberalization as outlined in the Production and Marketing Reform Program (PMPR) Program Assistance Approval Document (PAAD). The intention of the Mission is that during return visits the consultants will revisit and expand the study to track progressive effects. Issues identified in this study will also help Mission personnel in the formulation of private sector development projects.

The objectives of the survey were to:

1. gather baseline information on women-owned small and micro-enterprise;
2. explore perceptions of constraints to women business owners;
3. determine the impact, if any, of market liberalization reforms, e.g. price controls, foreign exchange and import/export restrictions on small business.

The survey population was determined to be women-owned enterprises, which in Rwanda include income-generating associations, with five or fewer employees. As it turned out, associations are usually larger than five members and for this reason some groups surveyed were large as 19 members.

At the request of the Program office, the survey was designed to include urban area of Kigali as well as the many corners of Rwanda: Butare, Gitarama, Kibongo and Gisenyi. This study, unlike the preceding ones, sought to include rural areas and diverse geographical areas of the country.

One interest of the Mission was to survey business women who might conduct trade with neighboring countries, be it through the purchase of their primary resources or the sale of their goods. By choosing to visit border towns (Butare, Gisenyi) the team sought the possible effects of the liberalization of import/export regulations.

Survey Methodology

As a first task the survey team designed an interview guide with key questions in French (see Annex, pages 39 to 42, for the French version, followed by an English translation).

A document review was carried out in order to obtain relevant background information on women and the economy, and to try to identify listings of women-owned enterprises.

The latter effort proved to be fruitless, since available documentation was not disaggregated by gender. Several other sources were tapped in order to find candidates for the survey sample. These included Miniplan (Ministry of Planning), Duterimbere (a national women's PVO), Projet Micro-réalisations (PVO supporting micro-enterprise), and the private company, Genie.

The latter two organizations were able to provide the names of client enterprises in the targeted communities. Micro-réalisations offered further collaboration by contacting its representatives in Butare and Kibongo to advise them of the team's visits and to request their local facilitation of our task. On one day visit, Duterimbere provided an escort and an introduction to one of its client enterprises in an isolated rural community in the area of Gitarama.

Before beginning the survey the team pilot tested the questionnaire with a women's multi-enterprise in Mugambazi, suggested by Micro-réalisations. The interview made evident that the survey sample would include a fair number of interviews that would have to be conducted in Kinyarwanda, which could only be done by Ms. Joergensen. The GENESYS team members would be limited to conducting interviews with French speakers. This turned out to be a limitation in about half the cases.

Difficulties Encountered

Once in the field it became apparent that, in spite of the collaborative efforts of Kigali-based Micro-réalisations and Duterimbere, each organization's local resources are limited. This sharply reduced the number of enterprises the team was able to interview. The Micro-réalisations representative in Butare was not very knowledgeable about the group's local clients, and less so about other women-owned enterprises in the area. Arriving in other communities, the team normally found that local resource people had no knowledge of the identified businesses.

It is important to note that Projet Micro-réalisations only maintains representatives at the Prefectures in Butare, Kibungo, Ruhengeri, Kibuye, and Gikongoro. Duterimbere presently has no official representation outside of their

Kigali field staff, although they are presently planning to establish offices in Butare and Byumba/Kibungo in 1992.

To counteract the lack of official information and local resource people, the team had to make inquiries at the local prefectures in every rural community visited in order to identify women-owned enterprises. It was only through these local inquiries, that a reasonable number of case studies were found. We eventually identified and interviewed eighteen enterprises that are included in this survey; however the search for these entities invariably took up large amounts of survey time.

Surprisingly, once the enterprises were identified, there was no difficulty in requesting and immediately conducting the interviews without previous arrangements. Introductions by local Micro-réalisations representatives (in Butare and Kibungo) or members of the prefecture staff (in Gitarama and Gisenyi) were helpful, as was the serendipitous discovery of a long-lost friend in the Commune of Rubavu (Gisenyi), a lead which led us to three unexpected interviews.

Survey Schedule of 18 Case Studies

The calendar below illustrates the schedule of visits made by the survey team. All visits were day trips except for an overnight in Gisenyi on Nov. 14. Not every day represented involved a full day of visiting because team members were required to attend to other obligations during the survey period.

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		Nov. 6 One test case in Mugambazi	Nov. 7 Two cases in Butare	Nov. 8 Three cases in Kibungo	
	Nov. 12 Five cases in Gitarama area	Nov. 13 One case in Kigali	Nov. 14 Four cases in Gisenyi area	Nov. 15 Two visits ¹ in Gisenyi	Nov. 16 Two cases in Kigali

¹ The visits conducted in Gisenyi on Nov. 15 turned out to be to cooperative ventures and not profit-making private businesses. Therefore these visits were not written up as case studies. However, one of these cooperatives is discussed in the wine production business case from Nov. 14 because they are involved in the exact same activity as the interviewed entrepreneur.

Characteristics of the 18 Enterprises Surveyed

	Location and type of business	Type/number of ownership	Employee gender	pg #
1	Kigali, downtown: hardware store	private - couple	2 male	9
2	Kigali, downtown: light metalworks (USAID incubator project)	association of 19 (12 female)	0	11
3	Kigali/Nyaniranbo: small store	private - single	1 male	12
4	Kibungo: small store	private - single	1 female	13
5	Kibungo: restaurant	private - single	4 full-time (2 female) 4 part-time (2 male)	15
6	Kibungo: snack foods	private - single	1 male	16
7	Gitarama: small rural store	private - single	2 male	18
8	Gitarama: tie dye production	association of 14 females	1 male	18
9	Gitarama: stationary store, barber shop, photo studio & beauty parlor	association of 7 (1 male)	2 female 1 male	19
10	Gitarama: paper & office products	private - single	1 female	21
11	Gitarama: restaurant	association of 7	4 male 1 female	23
12	Butare: restaurant	association of 4	2 male	25
13	Butare: grain milling & plantation	private - couple	12 male & occasional female	26
14	Gisenyi: dried bean sales	private - single	0	29
15	Gisenyi: red banana wine	private - single	0	29

16	Gisenyi: dry cleaners & store	private - couple	3 male	31
17	Gisenyi: cloth merchant	private - single	0	33
18	Mugambazi: small store, ketchup production, & restaurant	association of 12	0	35

Survey Generalizations and Conclusions

Three of the 18 surveyed enterprises are individually owned and operated. Four other businesses are individually owned and operated with one employee. Two of these businesses employ a member of the family as the employee. Six of the businesses are comprised of an association in which some or all of the members work in the enterprise, although they are usually only remunerated nominally. Three of these associations also employ outside workers in their businesses. Three of the businesses are jointly owned by the woman entrepreneur and her husband, although in these cases the woman acts as the sole operator/decision-maker (otherwise the business would not have been included in this study). These three businesses employ two, three and 12 employees respectively. In total, the eighteen businesses employ 38 full-time workers of which 7 are female. It is important to note that many of the male employees in this group have been hired as guards or for heavy labor. Moreover, none of the interviewees expressed a preference for hiring men except where the physical nature of the task specifically required a man's ability.

We think the fact a third of the enterprises surveyed were formed and run by informal groups rather than individual entrepreneurs is significant. This may indicate that they seek the combined security and resources provided by a group and may reflect difficulties particular to Rwandan women in business. (This hypothesis ought to be tested).

It is also important to note that many of the interviewees were professional women who ran their enterprises as a sideline in preparation for going full-time into business.

Not one interviewee had any interest in pursuing a commercial loan. Interviewees cited the exorbitant interest rate of 19% as the reason. However, one half of the interviewee group expressed interest in taking a loan. Of the six businesses who have already received a loan through Duterimbere or Micro-réalisations, not one was in arrears. In fact, most were ahead of schedule in repayment if not already finished repaying. In one case, the enterprise

(drycleaning) had taken a commercial loan from BRD and was behind in its repayments due to reduced demand in business.

Our interviews bore out that the smaller, rural businesses headed by uneducated entrepreneurs, are often obliged to take up loans in order to get their businesses off the ground with the acquisition of sufficient stock or other resources. For the more urban businesses, run by educated government or post-government employees, there was a frequently expressed need for low- or no-interest loans in quantities much larger than what is presently available. Micro-réalisations and Duterimbere loans do not surpass 70,000 to 100,000 FRw while those entrepreneurs who targeted significant business expansion thought they would require loans in the range of 500,000 FRw to 1 million FRw. Such loans are not available at low rates and the high rate of commercial interest (19%) basically precludes a reasonable profit margin.

In general, the interviewers encountered considerable lack of accurate information about the nature and availability of loan programs for small and micro-enterprises. For instance, although every interviewee was familiar with the fact that Duterimbere had a loan program, no one, other than the two who had previously received a Duterimbere loan, understood whether these were direct loans or loan guarantees. Because of the interest rates, loan guarantees were of little interest to the interviewed group.

In five of the eighteen interviews the entrepreneur identified a need for improved business skills. Four of these respondents noted the need for a better understanding of marketing and two cited specific technical needs ("how to make vinegar", improved batik design). Also mentioned as desired business skills were bookkeeping and performing feasibility studies. A shared issue among several interviewees related to marketing, specifically, access to the point of sale, where lack of reliable, affordable transport was seen as an obstacle (for sales of wine, grain, and ketchup). It is useful to note that for production activities product packaging was not considered a problem.

The interviewees' perceptions of the effects of market liberalization were simple and basic - across the board, product prices have increased. The only one exception to this perception was the price of toilet paper, which has apparently come down. Many interviewees noted that after the initial jump in prices which accompanied devaluation, prices have come down somewhat but not to their original level. The effect of this inflation on the small and micro-business interviewed was that consumer demand has been reduced. Although every interviewee increase her prices in reaction to the increased costs, at the same time she deliberately cut into her profit margin in order to sustain sales.

Some of the businesses interviewed seem to be struggling with the notion of competition, which is a new phenomenon on the Rwandan commercial scene. We noted that in many cases selling prices remain constant from seller to seller - essentially set "out of habit" by the sellers themselves. In one interview in Gitarama (the paper products store), the owner commented that male competitors will compete on price where women would compete by bad-talking other businesses. This same respondent stated that she would extend consumer credit to women, whom she perceived as good risks, but not to men, who fortunately do not ask her for the same service as she is a woman.

A common practice among all businesses that depend on manufactured goods is a reliance on an informal network of friends and acquaintances to deliver supplies from Kigali or elsewhere. It would worthwhile to explore whether availability of transport and supplies is equally problematic for mid-sized enterprises.

Not one respondent perceived her gender as a handicap to being in business. We noted in the majority of the interviewees a very high degree of entrepreneurial spirit. This may explain why the respondents tended to see their gender as providing opportunities rather than obstacles. It may be that this rather positive gender-related outlook is explained by the fact that since all of the businesses examined in this survey are very small, they do not encounter the same magnitude of constraints that impede women in larger enterprises, where male involvement is more prevalent.

In contrast to the above, most of the respondents saw being a women as an advantage in business. First, women are less perceived as a threat to their male counterparts. Secondly, some respondents perceive themselves as more self-reliant and capable of sacrifice than men. Several entrepreneurs stated that women were more willing to save money for capital investment as well as to reinvest business profits, as opposed to men, who are perceived as expecting quick and substantial profit from their activities. Other comments about the advantages of women in business were that they were cleaner (in production activities) and that it was easier for women to sell to women where women constitute the majority consumer.

Nine of the eighteen women interviewed cited the augmentation of family income or the improvement of family life style as the motivation for being in business. Seven of the respondents depend on their businesses as their sole source of income. Of the two remaining respondents, one cited the challenge of being self-employed as her primary motivation.

One observation that came out of our study was that the access to donor- and NGO-provided assistance (business

development training, study visits, and technical assistance) remains firmly centered in Kigali. In order to assure that private sector development extends beyond the limited capital region, guidelines for selection and organization of assistance activities may need to be developed.

Next Steps for Survey Expansion and Follow-up

During the survey team's next visit to Rwanda, they propose to make return visits to Butare, Gisenyi and Gitarama. In Butare the team believes that there is potential in finding many more female entrepreneurs and therefore plans to broaden the survey in this area. In Gisenyi and Gitarama, the team will concentrate on following up on old leads and reviewing the progress of those previously interviewed. The team does not propose to continue surveying businesses in Kibungo, as this area does not seem to constitute a sufficiently large commercial center. Instead, the next phase of surveying should included a visit to Cyangugu in order to interview businesses related to the active commerce on the Burundi and Zaire borders.

Six businesses interviewed in this preliminary phase will be of particular interest in tracking during this on-going survey. They are:

1. the ketchup-making cooperative in Mugambazi;
2. the grain milling and plantation business in Butare;
3. the metalworks in Kigali (KORA);
4. the hardware store in Kigali;
5. the dry cleaners in Gisenyi; and
6. the tie dye and batik industry in Gitarama (particularly since they will moving away from subsidies).

The team intends to survey more businesses in the greater Kigali area, as the majority of the effort in this phase of the study was concentrated in the rural areas.

Case Studies

LOCATION: Downtown Kigali
TYPE OF BUSINESS: Hardware store
INTERVIEW DATE: Nov. 16, 1991

This business is owned by a husband and wife team. The wife started the business on her husband's suggestion that she leave the government service where she was a supervisor at telecommunications. Until recently she ran it alone, but her husband recently joined her after being let go by the private business where he'd been working for twenty years.

Apparently, her husband's employer sold out to an East Indian group who later informed him that poor sales required a reduction in force. Soon after his departure the new owners hired an East Indian to replace him. This interview highlighted the many problems that this couple has encountered in conducting business in the present social and political environment.

The husband knew that the hardware business was a profitable one, although neither he nor his wife had any previous experience in this sector. They obtained the necessary information from a close friend who had worked in the hardware business. They presently employ two sales people.

The couple started the business in 1989 with their savings and have yet to obtain a bank loan. When they started the business there were only two retail hardware outlets in downtown. There are now four within sight of the store. The stiff (and reportedly unfair) competition is giving them a very hard time.

One reason for the burgeoning competition has been the liberalization of import and wholesaling licenses. Apparently prior to market liberalization, wholesalers could not sell retail. With the changes, the wholesalers, from whom the small stores buy all their goods, now constitute a serious retail competition. For this reason the husband is pursuing the possibility of importing his goods himself. He has found it relatively easy to get information and catalogs of manufacturers from the Chamber of Commerce and some embassies.

The problem with importing is in getting foreign exchange because of the slow and, according to the husband, backhanded workings of the banking system. It is very clear to him that if you don't have an influential friend with the right ethnic background and/or are not able to "grease the wheel," you will have great difficulty getting your foreign exchange. Querying further, we were surprised to hear that at the Ministry the husband would routinely be asked for his identity papers as well as his ethnicity.

When asked why, with the liberalized market, there is still such a flourishing black market¹, the interviewees answered that the black market is controlled by high government/party officials, and that they buy the instruments in order to transfer the money to foreign bank accounts.

This drain severely limits the availability of forex (foreign exchange) to the national banking system. Apparently when forex is requested, the applicant is expected to answer so many questions and the procedures are so slow that most business people prefer deal on the black market. Based on the comments of those people who have approached us for dollars and the responses in this interview, it appears that there are ethnic overtones to the availability of foreign exchange.

The couple have an obvious problem with insufficient stock due to small capital and lack of credit. They recently spent months trying to get a forex credit through the government, only to have it denied. Interestingly enough, the husband was unable to ever get any information on the status of their application. The right people were always 'gone' or 'in meetings'. Finally the couple sent the wife, who was able to get someone in the hallway to assist her with information. We suspect that if this business were not taking advantage of a women manager, it might not be functioning today.

During the interview, the wife mentioned that she attended the two-week USAID sponsored business training seminar earlier this year and found it very useful, although too intense to fully digest all the material in the time allowed. She thought that the course should be longer.

A striking contrast is the hardware store right next door. This store opened only a short time ago but boasts an extensive stock. Apparently the three owners were able to get a bank credit after visiting the bank with a high-placed friend in the MRND. This avenue would not be open to the couple because of their social stature.

The couple stated that they were very frustrated by the present business/social climate. This frustration is exacerbated by their perceived inability to escape the country with any of their assets. Their only solution that they can imagine is a political change.

¹ We are aware of this because barely a day has passed when one of the American consultants has not been asked for any kind of dollar instrument, be it cash, traveler's checks and even personal checks. The difference in the rate is at least 30 francs per dollar and reportedly peaks at 80 francs. Note that in the last few months the government no longer issues currency control papers to arriving expatriates.

LOCATION: Kigali, at the Minimart / USAID PRIME
small business incubator
TYPE OF BUSINESS: Small tin works - kerosene lamps,
funnels, ladles
INTERVIEW DATE: Nov. 16, 1991

The two American members of the team visited the Minimart / USAID PRIME incubator in Kigali on a Saturday morning and found it busy with activity. At Space number 28, we encountered eight members of a small metalworks business that is associated with an cooperative organization called KORA. Only one member, a man, spoke French. We were able to get the following profile from him.

The group consists of 19 members, of which 12 are women. The business was started by a Rwandan man who has since retired. He had the expertise of working scrap metal into useful household items. The group's tools are rudimentary - tin snips, old truck wheels and soldering hammers heated by coal fires. They buy empty cooking oil for sheet metal and margarine and tomato paste containers that they fashion into kerosene lamps, funnels and ladles.

The business started five years ago, before the inception of the incubator. As it was nearby the incubator site, they moved in to take advantage of the good, cheap working space.

The man we interviewed had a wife who did the same work at home, but generally the group members were not couples nor related.

An interesting fact was that we saw both men and women doing the soldering and metal cutting. We saw one man cleaning margarine tins to be transformed. This is a task one might expect to see relegated to a women. The interviewee saw no difference in the ability of men or women for this work. He expressed the opinion that women need work just as much as men and therefore saw no problem with their involvement. When asked why women were not at all evident in the many surrounding businesses, he noted that those other jobs (heavy metal work, carpentry) required more brute force. In fact though, the adjacent business was making mattresses out of paper and cloth scraps - not a brute force occupation.

The members are paid by piece and each person receives the same pay regardless of gender. Each association member pays the business 200 FRw per day for renewal of materials. Members may get small loans from the business account.

The main production item the day we visited was small kerosene lamps made from margarine tins. The small one sell for 15 FRw and the large for 30 FRw. They offer a wholesale price on the large one of 20 FRw for orders over 100. The group does not market its goods outside of the building. They sell to buyers who come to them and take the products away for sale.

In terms of future plans, the group is discussing possibly moving or branching out to other locations in order to be closer to the points of sale. They haven't had to use credit and don't envision the need in the near future.

LOCATION: Nyaniranbo Market, Kigali
TYPE OF BUSINESS: Small store
INTERVIEW DATE: Nov. 13, 1991

The enterprise, established in 1987, is a small shop located in the market of the Nyaniranbo section of Kigali. Its principal activity is the production and sale of school uniforms for young girls, followed by the sale of unsewn cloth - "pagnes". Small amounts of basic household items such as toilet paper, cooking oil and soap are also sold, but these make up only a very minor part of the business.

The owner is married but separated and has six children. She was a housewife before starting the business. She already owned a sewing machine and had taken sewing lessons. She decided that she should capitalize on these assets and began the business with 3,000 FRw, with which she bought material for three uniforms. When she sold these, she bought more and the business grew in this way.

The owner employs a man to help with the sewing. She claims that he works faster than a woman would. At the time of the interview one of her daughters was using the machine, but only to practice on it. The daughter is learning how to sew, and according to her mother will be able to help in the business later.

The owner's husband does not intervene in the business. She works full time in the boutique and employs a "domestique" to do her house work and to look after her younger children.

The shop owner buys fabrics for the school uniforms and the "pagnes" from a wholesaler in the center of the city. The fabrics are imported from Zaire and Uganda. They are difficult to obtain now because the frontiers are closed, and prices for the fabrics have gone up. The prices for oil and sugar have also increased since last year, but interestingly enough, the price for toilet paper has decreased, even though the paper is imported. It cost 130 FRw per roll as of last May, but now costs only 89 - 90 FRw per roll.

The boutique is the only enterprise in the market that produces and sells school uniforms, although there are a number of boutiques that also sell the "pagnes." According to the owner there are 28 boutiques in the market, of which five are women-owned, including hers. She maintains that the women sell more than the men.

The owner is a member of Duterimbere, and has received two credits from the organization. One of the credits was 100,000 FRw in 1990 and the other was for 200,000 FRw in August of 1991. She said that she would be a member of Duterimbere even if she had not received a credit because she supports their goal of developing the women of Rwanda.

The owner is satisfied with her enterprise and plans to remain with it. In the future she would like to move her business to the center of the city, but cannot afford to do so yet. She does not believe that another loan from Duterimbere would help because the amount available would not be sufficient. A bank loan is currently out of the question because she is still paying off a loan for her house. She still owes 70,000 FRw on this, which might take five more years to pay, depending on how well the business succeeds.

The owner feels that she has no business constraints because she is a woman. The external factors noted above (the war, devaluation of the currency, etc.) are her principal constraints at this time.

LOCATION: Kibungo
TYPE OF BUSINESS: Small Store
INTERVIEW DATE: Nov. 12, 1991

The name of this specialty store is a loose acronym derived from the phrase "Promotion de l'équipement familiale" (promotion of family supplies). It occupies a small store front in the business district of Kibungo. The owner/operator has been in business for the two years since she left the government service, where she was trained and worked for years as an "Assistant sociale". This move was her husband's idea. The push to leave the government service came from the fact that she was encountering a great deal of difficulty getting to work on time because she and her family live outside of town and they don't own a vehicle. The transport situation became even more difficult after she had a baby. She finds this style of working more attractive than an office job because it offers more liberty and is quite profitable during the "high" season.

The owner sells mostly non-essentials such as baby clothes (which is a large seller), woven baskets used for wedding gifts, children's toys, beauty products, and some printed cloth. She specializes in the kind of items that people would normally have to go buy in Kigali to offer as gifts at baptisms or weddings. Prior to opening her store she said she made a study of what people went to Kigali to buy. Other stores sell some of these things but no one specializes like she does. She thinks that this sets her off from the other stores in town.

The devaluation really affected the business since the bulk of her customers are salaried "fonctionnaires". Their buying power was reduced by the devaluation, since they did not receive a pay raise.

The high season is from around May to September (post coffee harvest), when there are more marriages and baptisms. The low season for her business is December through March. To help tide her over a bit she does sell some necessity items such as sugar, powdered milk, flour and rice.

The owner keeps the business's books herself. She started her business with a savings of 100,000 FRw. Today she estimates her inventory value at 300,000 FRw. Of her whole inventory only a few things are produced in Rwanda, i.e., batteries, powdered milk, baskets, printed cloth, and hand-machine knit sweaters. She orders the sweaters from a group that makes them in Rwamagana (about 50 Km. toward Kigali).

About every two weeks the owner goes to Kigali by taxi to restock her shelves. With the lifting of price controls the buying of provisions in Kigali has become more difficult, as she has to make many stops in town to find the best price. She also finds it difficult to know what the "right" price is; for instance, rice will sell for 5000 FRw in one store and as low as 4500 FRw in another. The differences in prices makes it hard for her to determine what her selling price should be. Add to this the need to compete with other storekeepers in Kibungo. She feels that these factors cut into her profit margin, although she also noted that her business has remained profitable. One reason for this is that she is able to buy some duty free items through her connections ("par la frotte"). This she arranges in Kigali with people who have access to these items and are willing to hold them for her. Body cream was one example of an item she was able to get this way and then sell at the normal price.

The owner also has a sewing machine in her shop and a seamstress who is paid by the piece. She has no problem keeping the seamstress in work and in fact it is she who often opens and closes the shop. The seamstress makes repairs and some children's clothes. The owner does the cutting of the garments and then instructs the employee how to sew them.

Most of her customers are women who appreciate shopping with a woman business person. She feels compelled to frequently offer these women items on credit - however she notes that they are very good credit risks. They always pay their bills at the end of the month. She doesn't really extend credit to men because they don't dare to ask her for it because she is a woman.

In the future, the owner envisions a tailor shop where she would employ three men (as they sews adult clothes) and

maybe two women (to expand her present children's line of clothing). Although there are a few tailors in Kibungo many people go to Kigali to get the quality of sewing that they expect.

The owner's future plans would require substantial credit and this is a serious problem. The pre-conditions required by commercial banks are too demanding for her. For instance, she doesn't have a sufficient guarantee. At the "Bank Populaire", they are not able help her right now because they're waiting until outstanding loans are repaid. According to her, Projet Micro-réalisations is not a reasonable alternative because they only make loans to associations. (This was checked with the project personnel at the Prefecture, who maintained that this was not at all true. When told about the viable business and the owner's expressed desire for a loan, they did not seem interested in following up on this).

The owner has approached Duterimbere, but this organization does not make loans over 100,000 FRw. She estimates that she would need 500,000 to acquire the necessary sewing machines, materials and rental space. She already has identified a suitable space nearby her store.

With the desired credit the owner would also expand her stock. She often encounters problems with the availability of items in Kigali. If she could have a larger stock she would save on trips to Kigali as well as avoid running out of items, which makes her lose potential sales.

LOCATION: Kibungo
TYPE OF BUSINESS: Restaurant
INTERVIEW DATE: Nov. 12, 1991

The restaurant was begun by the owner two years ago. It is located at a busy crossroads on the outskirts of Kibungo. The owner, who has two children, began the enterprise after she separated from her husband. She initially opened a boutique, but this did not prove to be profitable, so she added a restaurant to her commercial license.

Initial financing for the restaurant came from the owner's husband, after their separation. A friend taught her how to run the business.

The restaurant itself is large, airy, clean, and simply but comfortably appointed. The enterprise has four full-time and three or four part-time employees who work as the need arises. Two of the employees, including the cashier, are women. None are members of the owner's family. The owner herself is convent-educated and literate.

The restaurant was much more profitable before the war. Since then, the prices of equipment and raw materials have

doubled, although the owner has not increased her prices because she feels this would decrease her clientele, further cutting into her income.

Among the necessary imported items whose prices have increased since the market liberalization, are cooking oil, flour, salt, dishes, eating utensils, and pots. The latter equipment must be replaced approximately every three months.

Equipment and raw materials are bought locally in small stores. Before the war the owner shopped at the wholesale dealers in Kigali, but it is now difficult to find transport to the city because cars require special permits, and the frequent checkpoints (also a result of the war) are problems that discourage transporters.

The restaurant has not required a credit, to date. The owner indicated that she has been reluctant to undertake a loan because she is worried about repayment. However if the economy takes an upward turn she would consider requesting credit from Projet Micro-réalisations in order to improve the restaurant.

There are two other restaurants in the area, but the owner knows little about them. She does not feel they pose serious competition, since there are apparently enough clients for all. She does not feel that she has had any special constraints as a woman entrepreneur.

LOCATION: Kibungo
TYPE OF BUSINESS: Preparation and sale of samosas and pineapple juice
INTERVIEW DATE: Nov. 12, 1991

The owner started her business in 1970, when she realized that she had somehow to increase her family income. At that moment there was an increase of "canteens" in the Kibungo town area and she found that there was a potential market for her products. She started by making samosas at home and bringing them on pay day to the canteens and other work areas in Kibungo. People would ask for drinks with their samosas and so she started making and selling pineapple juice.

When asked why she chose this activity rather than another, she reported that she already knew the technique of making samosas. Another reason is that this business did not require a big investment on her part and it is an activity that she can do without neglecting her other family duties. She learned the technique for making samosas from Greeks whom she had worked for in Kigali. She started making juice by just following her common sense.

She does not have a partner in her business and has only one employee, who previously was hired as a house boy and learned to make samosas. He was since moved from housework

to work full-time in the restaurant business. This employee just happened to be a male, otherwise she did not express any preference concerning the gender of her employees. No family member is employed full-time in the business, but her children occasionally give a helping hand when asked.

To start her business, the owner took an amount from her monthly expense money to buy utensils and the raw materials. Slowly accumulating her profits, she stopped taking from the family money for operating funds.

To make her products, the women uses pineapples bought on the local market. She uses meat bought on the local market or in the butcher shop. Her flour and the oil are bought in local stores (boutiques).

Since the beginning of the war, the price of the oil and the flour have increased by 20 FRw, but the price of the meat has not changed. However, she has noticed that "the pouvoir d'achat" (purchasing power) of her customers has decreased. Also she noted that the price of meat at the butchers is now negotiable.

So far, the owner does not face much competition. Until now, there has been a sufficient market for both her and her competitors. In any case, she is not afraid of competition, she believes that her products are of superior quality.

During a meeting of the "Préfecture", the owner heard about Projet Micro-réalisations and their small no-interest credit. She asked and received a small credit of 70,000 FRw to buy equipment and to build a small room where she could sell her products near the hospital. This is a good location because there are always a lot of people waiting around the hospital. The credit has been fully reimbursed in advance of the agreed repayment date.

The owner would be willing to take another similar credit in order to buy a more productive equipment such as a bigger meat "hachoir" (grinder), bigger frying pans. etc. She would also like to increase the number of employees from one to three in order to increase production/sales. However, she does not like the idea of taking credit with interest as the interest payments are very high. She discovered, to her dismay, that the bank levies the same interest rate on all loans, irrespective of its size.

The food business does make good profits compared to its size and the owner is very happy with it. She has already been able make enough money to build herself a house and send her children to secondary school. Her ambition is to establish real restaurant within five years.

LOCATION: Gitarama, Runda
TYPE OF BUSINESS: Small rural store
INTERVIEW DATE: Nov. 12, 1991

At the suggestion of the head of adult training at the Commune, the business owner joined Duterimbere by paying a 2,000 FRw membership fee. She then solicited and received a 20,000 FRw credit from Duterimbere to start a store in a small, rudimentary building where her husband had previously run a small bar.

When she started her business, she had a stock of only a few kilos of sugar, salt, beans and one carton of beer. Now she has a much larger stock which includes bags of sugar, salt, and beans. She has included other items in her inventory, such as soft drinks, bananas, dried peas (in season) and cooking oil.

The owner has 2 employees, a watchman and a day worker, who is sent to buy the items in Kigali when necessary. She runs the store herself, but when she is not available one of her children watch over it for her.

The owner buys her agricultural merchandise in the village. For the other items, i.e., sugar, salt, beer, she sends her employee to buy them in Kigali.

So far, the store keeper has not had any competition in the area. She has routinely increased her selling prices in accordance the increasing price of purchase. She has been able keep the same profit margin without encountering any problem from her customers.

The storekeeper has already finished reimbursing the Duterimbere credit. She would be willing to take another small credit. This would be used to enlarge her store size and to further increase her stock and variety of her products. She would not be interested in any high-rate interest credit because it would very difficult to reimburse it and sustain her very small profit margin.

She does not recognize any problems particular to her being a women in business.

LOCATION: Gitarama
TYPE OF BUSINESS: Batik cloth production and sales
INTERVIEW DATE: Nov. 12, 1991

The idea of creating this association came from the Canadians who wanted to have the local women organize themselves into a profit-making enterprise. The association consists of 14 women. Each member gave a contribution fee which was put into a bank account. They have one employee who served as a night watchman.

Two years ago, the Canadians suggested that the group go into the tie-dyeing business. They provided the group with a technical assistant, whose job was to instruct them in the

techniques, and a stock of supplies. The work room where they started was also rented by the Canadians.

The associates were not interested in having male partners. They said that men are more interested in making quick profit rather viable long-term investments. They were also of the opinion that men do not devote themselves to their businesses as well as women.

Through exhibitions of their work, they finally got to be known on the market. They produce two kinds of batik: patterned material which is sold to make clothing and batik pictures, which are mainly sold to expatriate tourists.

One year ago, the group was visited by a Peace Corps Volunteer who put them in contact with the African Development Foundation. The ADF financed the construction of their relatively large and well-equipped building. All the money generated from the sales go into the group's bank account or for new supplies.

The raw cotton material that they dye comes from Burundi. They have a special permission from the Ministry of Commerce to import this cloth duty free. The duty free permission is specific to only the white cotton used in dying and does not apply to any other kind of cloth.

Apparently, the white cotton is available in Kigali and sells at almost the same price as this duty free cloth (due to the devaluation on the Franc Rwandais which is now almost equal in value to the Franc Burundais). However the quality of Burundi cotton is superior for dying.

The group does not have any competition. So far, they have made good profits and hope that within 5 years they will have a branch office in Kigali, as well as a car to transport their goods and supplies.

LOCATION: Gitarama
TYPE OF BUSINESS: Stationary store, barber shop, photo studio, and beauty shop
INTERVIEW DATE: Nov. 12, 1991

This business is run by an association of seven. The reason they started the business was to increase their families' income and therefore the family's standard of living.

The association's business activities are varied. They include a stationary store, photo studio, a barber shop and beauty shop. The first three activities are carried out under one roof while the beauty shop functions in a building a few doors down the road.

They started their business in May 1991 with just the stationary store. With the contribution of the members,

they bought reams of papers, school supplies and various office products. A rented storefront in the business district of Gitarama serves as their place of business. As the store is very big, they were afraid that if they did not do a good business they would not be able to pay the rent. They therefore decided to utilize the rented space to the maximum. A photocopy machine was added for photocopy service, and a public telephone service was installed.

Over time the group decided to include other activities. They chose to start a photo studio because they thought that it could be a good business, with the new post-war requirement that citizens carry "laissez-passer" papers. Unfortunately, they discovered a large competition for photo services in Gitarama. The competition has an edge over them in terms of experience in the market and the quality their work (related to superior equipment). The association's photographer, who is also the only male associate, does not have as sophisticated equipment as others in town. He was taken in as an associate because of his photographic skills but his contribution to the association has been limited by his relatively unsophisticated equipment.

When the association launched the photography studio, they also established a small barber shop in their store. They had noted that people were cutting hair in the open market and recognized that the "fonctionnaire" class of client was reluctant to go there for a hair cut. Instead, they preferred to go to Kigali to have their hair cut. Some of the association's members visited barber shops in Kigali, and decided that it could be a profitable business. In fact, this component of their business is the most profitable one.

Due to their success with the barber shop for men, they decided to open a beauty shop for ladies. Space limitations required that they open the salon in another location. They hired a hair dresser who is qualified to do perming and relaxing hair. This aspect of the business has been developing more slowly, as the many women in Gitarama already patronize other beauty shops.

The barber does not get a salary but rather receives 30 percent of the receipts. This provides him with more incentive to do his job and therefore increases the number of customers. The beauty shop attendant is paid monthly.

One of the association members takes care of the daily management of the business and is paid for this duty. The photographer, a member, is salaried. The other two employees are a salesman in the stationary store and the beauty shop attendant. In their hiring practices, the association does not have any gender preference for their employees.

The stationary store has a great deal of competition in town. The photocopies and sale of telephone calls basically keeps this aspect of the business running. As the photo studio is not really profitable, they're thinking of closing it.

The association get its supplies mainly from Kigali. When one of the members travels to Kigali, he/she is provided with money and requested to buy supplies.

When the interviewee was asked about the competition, she reported that there has been another stationary store in Gitarama a long time ago and that the association has often reduced its prices, thereby cutting into profits, in order to pressure the competitors out of that business. Their store has been saved from excess competition due to its varied inventory and additional services like the photocopy machine and public telephone.

In reference to credit, the interviewee said that the association has never received credit as such although they do occasionally take on supplies on credit. They are not interested in getting a loan as long as they can get continue to get supplies on credit when necessary. So far, they reinvest all the business profits which permits them to avoid taking a loan.

Reviewing what they have accomplished to date, the interviewee thinks that within 5 years the different components will be separated and independent. Their "chiffre d'affaire" (total receipts) has increased satisfactorily.

They do not encounter any particular problems except the increase in the prices, for which they are obliged to increase their selling prices.

LOCATION: Gitarama
TYPE OF BUSINESS: Sale of paper and office products
INTERVIEW DATE: Nov. 12, 1991

The owner started her paper and office products store only three months ago in a small storefront in the business district of Gitarama. She presently works at the Sector Office of Education. Prior to this office job, she was a teacher in the Prefecture for years and therefore has many contacts among the local public and private schools. Her primary clients are the local government offices and the schools.

There are two other stores that sell office products in Gitarama, although neither specialize as she does. One sells a variety of 'boutique' items and is run by a man in the lower (residential) part of town. The second store was also visited by the team. It is run by a woman who also

runs a photo studio and barber shop within the same walls. The owner believes that by specializing she is able to offer a more competitive price and therefore attract more people to her shop.

Everything the owner sells is acquired by her in Kigali. It costs her 400 FRw round trip to Kigali, plus extra charges for baggage. The majority of the items are imported: "Bic" pens from Kenya (as the Rwandan ones are of poorer quality); ink from Germany, staples from Czechoslovakia, glue from Belgium. She sells a large variety of ream paper and note pads that are made in Kigali from imported paper.

Her largest selling item is the ream paper which is often difficult to get because the supply in Kigali is erratic. She sells this paper mostly to local government offices, which must now acquire their own provisions locally because the government has reduced its material support to the provinces. She also sells a lot of note pads to students, although the schools and small sellers make up a serious competition during the "return to school" days. Apparently the schools organize notebook sales in order to help the students with costs.

She started her business with her own savings and to date has not had a loan. The idea for this business came out of discussions within her close group of women friends - several of whom are government workers who are also in business in Gitarama. Necessity was her motivation for launching into business as her husband left her in 1987 and she must support and educate her 4 children. Her job at the sector would not be sufficient to meet her family's needs.

The interviewee's business is profitable. She was able to find a storefront with a very reasonable rent of 4,000 FRw a month. Other stores in town cost as much as 10,000 a month. She employs one person - her daughter - whom she pays 3,000 FRw a month. Her daughter opens the store daily and records the sales. The owner keeps the store's books nightly. She noted that since the war the prices have been consistently climbing and she has not yet noticed any reduction in the price of her many imported items.

She and seven female colleagues (several of whom are the owners of the restaurant business also interviewed by the team in Gitarama) have developed a plan to open a sort of cultural center in Gitarama. The center would provide night school classes, videos, films, school vacation programs for working parents, sales of books and magazines, as well as children's clothing items. She stated that this "cultural center" idea was fresh and new and that women needed to think beyond the old traditional ideas of women's enterprises, most of which are not really profitable.

They proposed their plan to two men, but they will not be joining the group because "men are only looking for quick

money". She believes that she has to keep the business size to no more than seven partners because otherwise too large a group will cause problems.

They would have to construct a building for the center because there is no suitable rental space in Gitarama which would be large enough and within the central part of town. They have identified a suitable piece of land for the location of their center.

In order to pursue this plan the group will need a sizable loan. Acquiring credit through the normal procedures would pose a real problem for the interviewee because she would be required to get her husbands signature.

The owner is a member of Duterimbere, to which she submitted a loan application two years ago with no results. Apparently someone from Duterimbere came by there recently, but she has been sick and was absent from the store. In any case, Duterimbere's loan program would not be sufficient for this project. She told me that the ADF makes loans of up to 5 M FRw without interest. She is not interested in a commercial bank loan because the high interest rate would make it the center an unprofitable endeavor. She has traveled to Kibuye to submit a loan application to ADF but hasn't heard anything yet. One of her partners is from Kibuye and will be checking up on their application periodically.

As for constraints to women, the owner believes that the lack of assistance in terms of available, affordable credit is the largest. Secondly, she believes that due to Rwandan women's lack of exposure they are limited in coming up with viable new business ideas. Compounding this is the fact that women are basically ignored by the government and business community in their attempts to succeed in business. She noted that in her case, her family was very pleased that she entered in private business because now she would not be a burden to the family. However she believes that other men and women are often jealous of her success although she doesn't let this hamper her activities.

LOCATION: Gitarama
TYPE OF BUSINESS: Restaurant
INTERVIEW DATE: November 12, 1991

This enterprise is owned by seven women, one of whom was interviewed. All of the women have full-time jobs elsewhere, most in administrative or professional positions in a variety of government ministries or schools. The women all met in Gitarama; two attended school together. One is a widow; the rest are married.

The seven women got together one year ago to start a grocery store. When this did not succeed they decided to start a

restaurant. Three of the women had studied cooking in the "Ecole Technique", and felt this would help them in the new enterprise.

Each associate contributed 30,000 FRw to capitalize the venture. When asked whether this was the women's money, the associate interviewed replied that this represented "family money" for each member. Their husbands support the women in this venture by agreeing to the investment.

The restaurant was organized three months ago. It has five employees, including a supervisor, two cooks, a dishwasher and a waitress. Four of the employees are men. Family members are not hired because this "causes problems."

The women owners do not work in the restaurant because of their full-time jobs. One of the seven comes to the restaurant every evening, on a rotating basis, to review the day's business. All of the owners meet together once a week.

The restaurant uses local products, except for cooking oil, milk powder, salt, sugar, margarine and cooking implements. These are bought in the local market, since, according to the interviewee, the restaurant's current needs aren't large enough to seek wholesale suppliers. Prices for food and supplies have risen markedly over the past year, and are not leveling off.

There are two other small restaurants in Gitarama, both owned by men. According to the interviewee, the women's restaurant is better - it has better food preparation and is more attractive. In fact the restaurant seemed modern, clean and the general impression was of a cut above the "popular" restaurants usually frequented by laborers, chauffeurs, etc.

The restaurant serves breakfast, lunch and dinner. Its typical clients are local government functionaries and businessmen. During the interview another owner joined us, and, with evident pride, showed the interviewer the menu, which seemed varied. She said that it is changed several times a week.

The restaurant is expected to be profitable in the long run. At the time of the interview, however, it was in the process of being taken apart. The space it occupies was rented, and the owner wants to use it for himself. The women were looking urgently for other space, and had identified good space in a building on the main street of Gitarama, but the rent was very high and they did not think they could afford it at this point.

Asked about credit, the women said that the interest rate at the "Banque Populaire" was too high - 19%. Even though they are members of Duterimbere, they did not feel that the

organization could help them, since it only provided a guarantee for the bank; the interest would be the same as at the "Banque Populaire". The women did not seem to be aware of the possibility of a direct credit from Duterimbere (although the amount available would probably be too low for the group's needs). Projet Micro-réalisations does not function in the area of Gitarama.

The women's long-term goal is to own their own building. They considered that lack of their own property was a major constraint for the enterprise. They seemed confident that once this problem was settled the restaurant would succeed.

The women expressed interest in receiving business training and technical assistance. They also indicated that there are approximately eight other women-owned enterprises in the area.

LOCATION: Butare
TYPE OF BUSINESS: Restaurant
INTERVIEW DATE: Nov. 7, 1991

This cooperative runs a small restaurant that has received a loan from Micro-réalisations. The owners are four single women who come from a village in the area of Butare. They came to the city together with the intention of opening a business, as they could see no income generation opportunities at home. The group had originally included three young men, but they left because the restaurant did not fulfill their income expectations soon enough. The women had no prior business experience. They chose the restaurant since they had no other skills, but did know how to cook. The cooperative employs two young men who transport water and firewood.

The restaurant is located in rented space at the entrance to a low-income residential "colline". It has been at this location since its inception last December. The restaurant itself is very basic, and attracts local workers and students from the nearby university.

The enterprise was started with a capital of 1,000 FRW contribution from each "partner," and later received a no-interest credit of 70,000 FRW from Micro-réalisations. The loan is being gradually paid at the rate of 7,000 FRW per month. The money was used to equip the restaurant. According to the Micro-réalisations representative, who accompanied the interviewers on the visit, the group is up to date in its payments.

Between the repayment of the credit, rent, purchase of raw materials, and the salaries of the two employees, the women are just getting by, although they hope to realize a profit within a few months. Due to the devaluation of the currency, prices of raw materials and equipment have risen

sharply over the past year, cutting into sales and profits. For instance, the cost of forks, an imported item that must be frequently replaced, has doubled. Other easily identified imported materials used by the enterprise are cooking oil and powdered milk, which have also increased in price. Equipment and raw materials is purchased in local stores.

The women would consider seeking a new credit when their current debt is paid. They would use it to buy more varied raw materials in order to serve more attractive meals for their clients, thereby hopefully increasing business.

There are two other restaurants in the neighborhood, each with mixed male/female ownership. The women have no idea how these businesses operate, although they claim that their restaurant takes business from the competition.

Despite the difficulties of starting and running a business the women feel that they are much better off in Butare than in their village, where there would be no opportunities for income at all. They consider that agriculture is not a profitable alternative for them.

LOCATION: Outside of Butare
TYPE OF BUSINESS: Grain milling, local store & bistro
INTERVIEW DATE: Nov. 7, 1991

This business is managed by a woman who works as an "Assistant sociale" in the city of Butare. She and her husband maintain an active and varied milling and plantation operation on some family land about 3 km. outside of town. The idea for this growing business was hers, although she receives certain material and moral support from her husband who works for the government as a public defender.

The family's experience with grain milling goes back to 1976. The interviewee learned about the working of diesel run grain mills in social affairs training. In 1979 the couple got a government salary advance and bought a mill which, because of living space limitation, they ran at a friend's house from 1976 to 1979. As government officials they've had to move around Rwanda serving in different locations. During one of these moves the friend notified them that the mill had broken down. He offered to buy it from them after which he would repair it. She suspects that it was not really broken and that the friend effectively stole it from them. But rather than make an embarrassing fuss they let it go and sold the mill.

In 1982, returning to their natal area of Butare, the interviewee decided to buy a new grain mill using a bank loan of 200,000 FRw on which she had to repay interest of 15,000 FRw. Her husband gave her 80,000 FRw to help in the purchase. She calculates that she doubled this investment

twice. Her husband assisted her building a hangar for the machine and later a small store and animal stalls. There are plans for a large chicken and duck house in the near future.

The plantation has grown to be a multi-purpose installation where the chaff from the milling is used for animal feed and the goats and bananas are served to patrons as "brochettes" and grilled bananas. There is also a small store which offers local necessities such as sugar, cigarettes, batteries, beans, flour, matches and, of course, beer and soda.

The business employs 12 permanent employees - all male. The interviewee has no problem employing girls but does not believe it wise to mix the two sexes, especially as she is not there during the day to supervise. She also noted that since the establishment serves beer, the occasionally drunken patrons could cause havoc with female employees. She also hires occasional field help, some of whom are girls. In her hiring practices the interviewee normally asks around to friends for recommendations about who would be a serious employee.

Only one employee is a family member. The owner tried other family members but had to put them out when their work was not adequate. The one that remains is very responsible and serves as the store keeper. She reviews and controls the separate books for each business operation. Each area has a responsible party.

The milling operation has two local competitors, both men. This competition cut into about a third of the business's milling services. In response, the interviewee now buys, mills, mixes and packages flour mixes (corn & soya) to sell to wholesalers. This has proved to make the milling operations much more profitable to the point where the mill usually is busy daily.

Since the war, the owner encountered problems in getting certain grains that are grown in the north. The war disrupted agricultural production of soya, peas, corn and wheat. In fact she's presently holding a relatively large stock of corn waiting to buy soya in order to continue production of her mix. This ready mix is attractive to consumers in preparing batter cakes and "pates". She recently got a credit with the Micro-réalisations project to assist in acquiring grain stock. Commercial bank credit does not interest her because of the exorbitant rate of 19%.

The business has felt the effects of structural adjustment. The amount of customer demand (purchasing power) has gone down. According to the interviewee, almost all prices have gone up two or three times their pre-liberalization price. For this reason her sale prices have also increased. She notes that her business is still profitable, but everything

moves much more slowly. This has been one advantage of diversifying her services. For instance, the small store brings in from 1200 to 1500 FRw a day while the milling operation remains the most profitable enterprise.

The lifting of price controls is a good idea in the owner's opinion, as she sees the competition as very beneficial. Still she thinks that she will have to wait until the war is over to see the positive effects of these changes.

The proceeds of the interviewee's business goes to help feed her family and to capital investment in other projects such as her cattle, goat, duck and chicken raising. The cows provide milk for the family and all the animal manure is used in the small adjacent gardens.

The "brochette" business is apparently profitable. The owner has minimized her risk by contracting with a young man who pays her 1500 FRw a day for which he receives space, charcoal and a goat. His pay is whatever profit he makes in his sales.

The interviewee has a detailed plan for the business's future development. In June/July they will be upgrading the construction of the main plantation/store building and adding a chicken/duck house behind it. She will also expand her herd of cows from five to 20.

In 1994, the interviewee will leave the government service. She and her husband have decided, in maintaining this expanding business, that they no longer want to move around at the government's whim. When she leaves the government they will open a grain sales office in Butare. At that point they will need a vehicle so that she can move more freely between town and the plantation. With a vehicle she could easily increase her grain sales because now she depends on vendors who have their own transport.

Also in the plans is a larger exploitation of the plantation land to include a vegetable garden and maybe a more substantial restaurant. The restaurant is an idea that has been on hold for a while because the person she had identified to run it has been sick.

As for constraints to women, the interviewee sees very few. Women are not big drinkers and so do better in business because they are more able to work hard. As a woman she has encountered very few problems with male customers, with the exception of a few drunks.

LOCATION: Gisenyi, Commune Rubavu
TYPE OF BUSINESS: Dried bean sales
INTERVIEW DATE: Nov. 14, 1991

This small enterprise consists of sales of dried beans at a table in the central market of Gisenyi. The interviewee is a 40 year old widow who has five children, aged 9 - 14. She began selling in the market four years ago after her husband died, because she has no land and needed to earn money. She borrowed money from a friend in order to begin the business, and has since repaid the loan. She works alone.

The beans the interviewee sells come from Zaire (they are of a higher quality than local beans). Obtaining them has become very difficult since the war, and therefore they are more expensive. Before the war she was able to go to Zaire to buy the beans herself, as Gisenyi is just at the Rwanda-Zaire border. Now however, she must rely on trucks, which are specially designated by the Rwandan security forces, to travel to Zaire to obtain material and food to be sold in Rwanda, and of course the truckers charge whatever they think the market will bear.

The interviewee's business is not good because of the general rise in prices, which depresses people's purchasing power. If she had money she would like to do something else - start another small business, although she had no idea what kind of business it would be. She had no thought of obtaining a credit to begin a business because she felt she would not be able to repay a loan in her present situation.

LOCATION: Gisenyi - Rubavu Commune
TYPE OF BUSINESS: Individual production of red banana wine with notes on a visit to the local competition - a wine-making cooperative
INTERVIEW DATE: Nov. 14, 1991

The interviewee is the wife of the Burgermeister and lives at the Commune of Rubavu. She's been making and selling red banana wine for five years out of her home. Before marrying she worked for some evangelical sisters where she learned how to make this wine. It is made from banana juice, caramelized sugar, egg whites (to counteract the acidity) and yeast. The raw wine is fermented for three months before bottling. This product is different from banana beer which is less alcoholic, is only fermented three days and does not use caramelized sugar. The interviewee uses recycled whiskey bottles which she buys on the local market.

The wine is sold to men as well as women for 250 FRw a bottle. The interviewee finds that the market is limited on the communal level and that she could produce and sell more if she had access to a larger market. Recently she has been in contact with someone who is studying the possibility of

expanding her marketing. She's provided him with some free samples for him to try to interest people in Kigali.

The business is profitable despite the recent raise in prices of the interviewee's primary material resources. The sugar and empty bottles in particular have gone up in price since the war. The interviewee responded with an increase in her selling prices, but the increase has not been enough to sustain her past profitability. Her profit margin has therefore been reduced somewhat. The devaluation has not had much effect on her market other than slowing the sales. The profits she gets from this enterprise are used to help with family expenses.

The bananas used to make the juice come either from the family's own fields or are purchased if there is a significant order. The interviewee manages her enterprise alone, although she does receive some support from her husband in the provision of wood used for cooking the sugar and juice.

The interviewee doesn't really think that she has much competition even though we discussed the cooperative group that is making this wine about 1 kilometer away. Their business has not cut into her clientele. She believes that other competition has not occurred because other women do not have access to the recipe; men would not be interested in this activity because it is too much like cooking.

The interviewee's only problems are the limited markets and the occasionally lack of availability of bottles. The latter problem only occurs when she has to get a large order together.

The interviewee would be interested in acquiring a loan if her demand increased. She thinks that she would approach the "Banque populaire" because they offer no interest loans. Because of the high interest she would not interest in borrowing from a commercial bank.

The interviewers also visited the closest competition, a group of eight women, working under the auspices of Duteraninkunga, a large cooperative of 70 women. They started their wine-making last May. There are no male members in this group although when they are making wine they hire two young men for the heavy labor. They regularly make wine two times a week. Each member gets paid 100 FRw for each day of work. The rest of the profits go into primary materials and the main cooperative's account at the "Banque populaire". Members also profit from the sale of their bananas to the business. They sell their wine for 350 FRw or for 300, if the person returns their bottle.

The group sells the wine in Gisenyi, normally on command. They do extend wine on credit and have had no problem with repayment.

The idea for this enterprise came from a women who works at a nearby orphanage. She had learned the technique at women's training sessions given by local Sisters.

The cooperative group has received considerable free assistance from local donors. The commune gave them a plot of land on the main road to Gisenyi, where they also do some small agriculture. The Germans built them a large, electrified, brick building. They also lent them 25,000 FRw for the purchase of materials and small machinery. They are repaying this small loan monthly without interest. In addition to all this, they've been given multi-colored printed labels and were shown how to use a bottling machine.

Within five years, the group would like to have a vehicle in order to increase their sales. Transport of their wine has been a problem because taxis often won't accept them or the bottles are mistreated and broken. They would like to get free credit for this vehicle but have no idea where or how to get it.

They think that their business is profitable. It was obvious though that without the considerable and constant help from the donors and parent cooperative this business would not be functioning. It is very doubtful that the business could support the interest of eight partners if it were ever cut off to run on its own.

It is interesting is that the basic idea of red banana wine seems to be a viable one. What is missing in both scenarios is the marketing expertise - even in the latter case where they have pretty imported bottles, labels and caps. It does not seem that the cooperative group has the where with all to market their product, nor do the interviewees know how to proceed to stimulate higher sales and therefore production.

LOCATION: Gisenyi
TYPE OF BUSINESS: Dry cleaners and store
INTERVIEW DATE: Nov. 15, 1991

The women-owner interviewed started the business on the advice of her husband, who get a credit from BRD to start the business. Having noticed that people from Goma, Gisenyi and Ruhengeri go went Kigali for dry cleaning services, they realized that it would be profitable to start such a business in Gisenyi. They did not have enough money themselves to invest themselves so they established a credit line at the BRD. The credit was given after the BRD made a feasibility study of the business.

The business started in July 1989. The credit served to buy the washing machines, dry cleaning fluid, an ironing press, a pressing mannequin, a machine to cut the plastic bags that cover the cleaned clothes, and a special iron for pockets and shoulders.

The machines were imported from Europe, the liquids and plastics from Kenya. The imports were made through an import license "sans devise". Asked if they obtained the money on the black market, the interviewee said that they have some Rwandan contacts in Kenya - diplomats or business people - who buy for supplies for them. In turn, they deposit the equivalent value of Rwanda Francs the person's Rwandan bank.

A technical assistant, paid out of the credit funds, installed the machines and trained 3 people on how to run the machines and maintain them. The owner is paid to do the business's accounting.

The business was doing fine before the war; they even opened a branch office in Ruhengeri. After the war, business declined because people were restricted in their movements and there are generally fewer celebrations which initiate dry cleaning (people frequently have their clothes cleaned prior to attending wedding, parties, etc.). Because of the decline in demand, the owners were obliged to close the branch in Ruhengeri.

The decline in business has been difficult for the Gisenyi business as well. In fact, they have had late payments for the BRD loans. Afraid that they will have to close everything, and still have to reimburse their loan, they decided to diversify their business to include an "alimentation" (selling of food items). The alimentation does not make enormous profits but it is a viable business, and the owner figures that people cannot stop eating, so the demand will not decline too much.

Their employees have been recruited from the CERAI schools. A basic education is necessary to be able to understand how to use the dry-cleaning machines. To date, their employees have all been male, but the owner has no problem in recruiting females. The interviewee is considering hiring a girl to make repairs on the clothes which come in for dry cleaning. She would like to return the customers "perfect" clothes, e.g. mended and clean. Asked if she will increase the price to include the repairs, she said "No, it will be a kind of good publicity on the seriousness of the enterprise" ("Le serieux de la maison").

With the devaluation they have been obliged to increase prices like everyone else. They've also noticed the loss of some of the clients. As the devaluation occurred at the same time as the war, the interviewee does not know if the drop in customers is due to the war or the devaluation.

Asked if the increase of interest rates had any impact on their credit, the owner indicated that they have been lucky because the bank has respected the original interest rate. The exception to this is on the interest they pay on their late payments.

The liberalization of the prices has had a small impact in Gisenyi, the only big advantage is the absence of commerce inspectors. However, the landscape of the competition has changed. Now the wholesalers can also sell like the retailers. These volume sellers can afford to sell at greatly reduced prices. Fortunately, most of them want to sell fairly and let the small retailers stay on the market.

The owner does not want to take any more credit as she wants to first finish with the BRD credit. But she has nothing against the idea of credit except that she finds the current interest rates are unaffordable.

LOCATION: Gisenyi
TYPE OF BUSINESS: Market, sale of printed material
INTERVIEW DATE: Nov. 14, 1991

This interview was held with a group of four women who sell cloth at the main market in Gisenyi. Women selling fabrics ("pagne") organize themselves in the same area of the market, but each woman sells her own "pagnes".

Previously most of them were selling grain crops but realized that the "pagne" business was more profitable. The procurement of cloth is easy and the business is sure.

To start, some of the women got the money from their husbands and some of them borrowed money from other women who were already in the business.

The women do the selling themselves and do not have employees. When they are called away, their market mates sell the "pagnes" for them. Asked if they do not compete, they responded that there is enough market for them and everybody needs to "gain her life". So they each sell different styles of cloths (motifs) and it is the buyer who chooses with whom she/he will buy. This way everybody profits from the arrangement. They share a kind of solidarity in letting everybody get profit. They do not have any male competitors; men in Gisenyi are not interested in this kind of business.

The women get the "pagnes" from Kigali, the UTEXRWA fabrics, and from Zaire. The ones from Zaire are the best quality, thus are a little more expensive. The UTEXRWA fabric is also a good commodity because there are more people who cannot afford the Zaire print. The Zaire cloth is for the more sophisticated customer.

As for acquiring the UTEXRWA fabrics, they take the opportunity when there is somebody going to Kigali and ask him/her to bring back some "pagnes" for them. Before the war they traveled to Kigali themselves by the bus but have stopped doing so because of the need for a "laissez passer" and the increased cost of travel. Now they tend to buy at

wholesalers, which is more expensive, but counting the travel price, ends up being almost the same price as when they used to buy in Kigali.

The Zairian "pagnes" are smuggled in from Zaire. The market women were complaining that with all the supposed easing of circulation of merchandise between CPGL (Communauté des Pays des Grands Lacs) countries, they are still obliged to smuggle because those laws remain only theoretical. Furthermore, they don't see the logic of calling these fabrics smuggled when merchants are given permission to openly buy beans in Zaire, return with them and sell them officially on the market.

There also is a certain quantity of Burundi fabrics available in the Gisenyi market which transit into Rwanda from Zaire. They came from Bukavu (which has a common border with Burundi) and arrive at Goma (Zaire) by boat. The price of these goods in Gisenyi is lower than in Kigali.

One problem with the UTEXRWA fabrics is that the company keeps changing the prices up and down. Sometimes, one can end up losing money. For instance, one week you buy the "pagne" at 1200 FRw, the next week at 1550, and the following week at 1100. For the same print, you are obliged to sell at the current market price. Therefore the fabric purchased at 1500 may sell for only 1200 when the current price of UTEXRWA is lower.

The interviewees did not see any problems associated with being female in business. The main business problem is if their smuggled merchandise is caught by the tax inspector. He has the right to confiscate smuggled fabrics, but sometimes he takes everything even if it is purchased in Rwanda, because he does not know the difference between the two prints. Another smaller problem is getting the fabric from Zaire, due to the recent political troubles there.

So far, the benefits earned have served to increase their stock of fabric and to provide for their children's school tuition. The market women would be willing to take a loan of up to 100,000 FRw. Asked about the guarantee (collateral) that they could provide, they said that there is no problem as they have banana plantations or land that they could put up for it. The credit would be used to increase the stock, because even with all the current problems, this business is very profitable. The only think that has kept them from expanding their sales is their lack of a large stock.

In a period of five years, they think about expanding to a larger retail space out of the market and acquiring a common vehicle to bring merchandises from Kigali.

LOCATION: Commune of Mugambazi

TYPE OF BUSINESS: Production of ketchup, a restaurant and a store
INTERVIEW DATE: Nov. 6, 1991

This association of twelve women has three types of income-generating activities: production and sale of tomato ketchup, sales of handicrafts, and a small store.

The association was organized with the help of an organizer from the "Ministère de la Jeunesse" who initiated the first contact with the group. During the first meeting in 1986 the organizer explained the advantages of an association by describing the values of working together and household benefits. A group of women formed an association to sew and make handicrafts. Unfortunately they found that the market for their products was too small to support their activities and the association soon dissolved.

In 1987 the organizer returned to see why the association had failed. The organizer was accompanied by a nun who worked in the area. These two promised to help the group in marketing. They made the contact with Projet Micro-réalisations, who provided technical assistance in the form of training in the preparation of tomato ketchup. They also provided the group with a small credit to buy supplies for ketchup making. They are presently repaying this loan.

The nun helped them with the sale of handicrafts, which are made by the individual members and sold at the store, then are also marketed through either Micro-réalisations or Duterimbere in Kigali. Each contributor gets to keep 10% of the sale. The idea to set up the local store, which sells basic necessities, came from the group itself.

The local commune gave the association a small room for their supplies adjacent to a room that is used for evening classes. As this space is right at the commune offices, they noted that there were often a mass of people waiting there all day to see the Burgermeister or other officials. This is how the idea for the restaurant came to them. The commune also lets them use the evening class space for their restaurant during the day.

Two years ago the association won a prize of 500,000 FRw from Minijeuma and Minicommerce. They decided to use this money to acquire a decent kitchen and restaurant space. The commune gave them an empty house on which they spent 120,000 of their prize money to upgrade it with running water and other improvements. After this was finished an owner emerged with a claim to the house and they lost this investment. Undaunted, they decided to build their own building on other land that the commune gave them. This building, much smaller than they had originally planned, stands unfinished waiting for more funds. In addition to the building expenses they also bought a sewing machine and a stock of ketchup bottles.

The association has been in business for five years. In the next five years, they would like to acquire a vehicle in order to facilitate their sales and acquisition of materials. Lack of reliable transportation is a real problem in Mugambazi as it is off the regular bus routes. Often the few taxis that come will not take bottles or, if they do, they treat them poorly. According to the women there is some rule against transporting glass bottles on buses. They are not sure how they'll go about getting a vehicle. They would only be interested in another credit if it was a no-interest loan such as from Micro-réalisations.

Of their three enterprises the ketchup is the most profitable. Most of it is sold through either Micro-réalisations or Duterimbere in Kigali. Some sales are also made at the restaurant which was, in part, started to market their product. They also each make some sale contacts themselves and sell to Milles Collines hotel.

The primary materials for their ketchup are tomatoes, vinegar, corn flour (thickener) and the bottles which are manufactured in Burundi. For tomatoes, they first buy them from their members, but the supply is normally not sufficient. They then buy from local producers. They are not interested in planting a special field of tomatoes because of the time demands another field would make on the members.

Getting the bottles is not always easy. They acquire them by asking people they know who are going to Burundi to come back with a box or two. They also rely on people who return their used bottles. If necessary, they will use recycled maracuja juice bottles.

The group's work room is very clean, and cleaning instructions are graphically displayed over a specially made bottle-drying rack. Micro-réalisations helped them with the free design and production of a three color label that they glue on their bottles.

Another problem in the ketchup production is the rising price of the imported (Belgium) vinegar which they buy on the local market. The group noted the increase in the price per bottle from 350 to 1100 FRw. They experimented with a locally made vinegar that Micro-réalisations identified, but were very disappointed with the quality, which affected the taste. They also experimented with using less vinegar, but noticed that after a short period of time their product would turn brownish. The high dose of vinegar used in their recipe assures a shelf life of up to two years. They finally went back to Micro-réalisations for help in making their own vinegar but their technical "experts" do not have the necessary technical information.

The corn flour used in making their ketchup is also imported. The price per box has gone from 105 to 300 FRw.

The group was not aware that a local brand was available in Kigali. We gave them this information.

Despite the increased cost of materials, the price of their ketchup, 500 FRw, is still very competitive with the imported brand, which sells for 700 FRw and comes in a much smaller bottle. They tried selling their product through a food store in Kigali but the merchant decided he was not interested in selling it anymore. Apparently their ketchup sold so much better than the imported brand that he wasn't able to sell off his imported stock. Merchants often prefer to sell imported goods because they can misrepresent what they pay for these items in order to conceal the transport of foreign exchange to their foreign accounts. Also this misrepresentation can help them conceal some of their profits from taxes. They can therefore often make a higher profit on imported goods than on local products, especially where there little competition on the local market.

In the beginning each member contributed to the business according to her ability; some gave 200 and others gave up to 500 FRw. Each member receives 200 FRw for a full day of labor, be it sewing, or working at the restaurant, or during ketchup production (which is only done on demand). This is a good rate on the "collines" where a day laborer normally gets 120 FRw. In the beginning there was no pay for their labor, but as their business enlarged they found they were able to offer more rewards. As an incentive to their members, the group offers a prize each year for the most handicraft articles sold.

The group is large but they haven't had any problem with "parasite" members. Men are not denied membership; they just haven't been interested. One man wanted to share in the ketchup business, but when he saw how much work was involved in cleaning bottles, cooking, etc. he let it drop. Several people have approached them for their recipe but they're committed to keeping it a secret.

As far as constraints to women in business, they had a few interesting comments. As long as their husbands see that their household duties are taken care of, they don't interfere with their business. In fact, some are pleased that they are more able to help the family. Lastly, their husbands don't expect them to hand over their earnings, but if they buy anything for the household, the husband normally considers it as one of his possessions.

Postscript: On Nov. 18th the interviewee visited the Program Assistant at USAID/Rwanda looking for more leads or information on vinegar production. She was put in contact with the technical assistant at the PRIME project.

ANNEX - Survey instrument

QUESTIONNAIRE POUR LES PETITS ET LES MICRO ENTREPRISES

1. Quelle est l'historique de votre entreprise?

- a. Qu'est ce qui vous a poussé a commencer votre affaire?
- b. Dans quelle branche exercez vous vos activités?
- c. Pourquoi avez vous entrepris cet activité plutôt qu'un autre?
- d. Où voyez vous votre entreprise d'ici 5 ans?, d'ici 10 ans?
- e. Expliquez-nous comment vous avez démarré votre entreprise (investissement, capital, associés, soutien financière, en nature etc...)
- f. En commençant cette affaire quelle expérience aviez vous dans ce genre d'affaire? ou de quelle expertise avez bénéficiée?

2. L'embauche dans votre entreprise.

- a. De combien d'employés disposez-vous?
- b. Quelle est la manière d'embauche utilisez-vous?
- c. Avez vous une préférence quant au sexe de votre personnel? Si oui pourquoi?
- d. Employez-vous les membres de votre famille dans votre affaire? Sont-ils salariés? pourquoi les employez-vous? Sinon pourquoi pas?

3. Situation actuelle de votre entreprise?

- a. Quels sont les produits fabriqués ou vendus?
- b. Est-ce que votre matière première est locale, importé (par vous même ou par un grossiste)?
- c. Où vous approvisionnez-vous?
- d. Quelle est la situation actuelle en ce qui concerne votre approvisionnement?
 - . L'approvisionnement est autant facile qu'avant la guerre, plus facile, plus difficile? Donnez quelques exemples et donnez nous votre avis sur ce que vous pensez en être la raison.

- . La situation semble t -il s'améliorer ou au contraire elle empire? Comment? Expliquez en quoi vous voyez l'amélioration ou la dégradation et si possible donnez un exemple.
- e. Avez une grande concurrence? craignez-vous cette concurrence?
- f. Quels sont vos concurrents? hommes ou femmes? Cela fait il une différence?
- g. Avez-vous jamais envisagé de prendre un crédit? Si oui pourquoi et comment le faire? Si non, pourquoi pas?
- h. Avez vous des problèmes à obtenir ce credit? pour quelle raison à votre avis?
- i. En général etes-vous satisfait de votre entreprise? Répond-t-elle à vos aspirations (à ce que vous attendiez d'elle quand vous avez commencé cette affaire?)
- j. Votre entreprise est-elle rentable? Oui ou non? si non pourquoi n'abandonnez vous pas?
- k. A votre avis quelles seraient les solutions envisageables?
- l. Vos affaires sont plus prometteurs qu'avant? A votre avis quel en est la raison?

4. Questions générales

- a. Avez d'autres problèmes particuliers pour le moment? quels sont ils?
- b. Pensez-vous que votre problème pourrait se résoudre? quelle solution serait envisageable dans la mesure du possible?
- c. Quelles sont les contraintes rencontrez-vous en tant que femme (ou homme si activité traditionnellement féminine)?

English Translation of Interview Guide

Questionnaire for Small and Micro Enterprises

- 1. The history of your business development.**
 - a. What motivated you to start your business?
 - b. In what area(s) is your business activity?
 - c. Why did you chose this activity over another?
 - d. Where do you see your business in five years? ten years?
 - e. Explain how you started your business...how did you get the necessary investment, partners, financial assistance, technical assistance, etc.
 - f. Before starting your business, what kind of prior experience or expertise did you have in this area of business?

- 2. Employment in your business.**
 - a. How many employees do you have?
 - b. How do you go about hiring employees?
 - c. Do you have a preference for men or women among your personnel? Explain yes or no.
 - d. Do you employ members of your own family in your business? Explain yes or no.

- 3. Your present business situation.**
 - a. What are the products or services made or sold?
 - b. Are your primary resources local or imported (by you or by a wholesaler)?
 - c. Where do you get your supplies?
 - d. How would you describe the present conditions for acquiring supplies?
 - . Stocking is / as easy as / more easy than / more difficult / than it was before the war (before the market liberalization)? Please give some examples and your opinions on the reasons for the present situation.

The situation seems as if it's getting better or worse? In what way? Please give some examples of what has changed and how.

- e. Do you have any importance competitors? Are you concerned by this competition?
- f. Are your competitors male or female? Does it make a difference?
- g. Have you ever thought about taking a credit? If yes - why and how have you thought of getting one? If non - why not?
- h. Have you ever had a problem getting credit? What the reason for this?
- i. In general, are you satisfied with your business? Does it meet the expectations you had when you started it?
- j. Is your business profitable? If not, why haven't you left it?
- k. In your opinion are there any possible solutions to your business problems?
- l. Is your business more or less promising than before? What would be the reason for this?

4. General Questions

- a. Do you have any other particular business problems at this time? Explain.
- b. Do you think that your business's problem can be resolved? What are some solutions/strategies?
- c. What particular constraints do you encounter as a business women?