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Micro- and Small-Scale Enterprises in Botswana:

Results of a Nationwide Survey

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GEMINI

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Micro- and Small-Scale Enterprises in Botswana:

Results of a Nationwide Survey

by

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EXECUTIVE SUMMARY

This report summarizes the results of a nationwide survey of micro- and small-scale enterprises (MSEs) in Botswana. For the purpose of this study, MSEs are defined as those enterprises whose entire labor force (proprietors, family members, paid employees, and trainees) is between 1 and 10 people; included in this definition are enterprises that some people call informal. The study was conducted over a four-week period in February-March 1992; 1,243 enterprises were visited and the owners interviewed. The primary objectives of the study were to provide information on the magnitude, composition, location, role of women, and other characteristics of existing small-scale enterprises, and identify growth patterns, problems, and constraints.

Using an upper level estimate, the MSE sector in Botswana consists of 48,000 enterprises employing 88,000 people or 20 percent of the total national labor force. If one were to use an absolute minimum estimate, then the corresponding figures for enterprises and employment would be 30,000 and 53,000. Even using the upper limit estimate, Botswana MSEs seem to employ fewer persons per 1,000 inhabitants compared with those found in Zimbabwe and Swaziland where MSEs employ proportionately twice as many persons.

The majority of MSEs, 69 percent, are located in the rural areas, reflecting the fact that 76 percent of the population lives in these areas. This pattern is similar to that of other countries in the region.

Approximately 54 percent of MSEs provide 50 percent or more of household income in both urban and rural areas. Considering that the typical MSE in Botswana operates 11.5 months per year and 27.9 days out of the month, the percentage of household income from MSEs is a little bit surprising and, again, is lower compared with other countries in the region.

The industrial structure of the Botswana MSE sector consists primarily of trade and manufacturing, representing 53 and 41 percent of all MSEs, respectively. Within trade, the majority of Botswana MSEs are retailers, followed by restaurants and wholesalers. Manufacturing MSEs are dominated by food and beverage production, followed by textiles. Compared with other countries in the region, the percentage of MSEs in trade is quite high. In Zimbabwe, Swaziland, and Lesotho, trade represents less than 35 percent of all MSE activity.

The average size of a Botswana MSE is 1.8 workers (including the proprietor). The majority of MSEs, however, are operated by the proprietor alone; in fact, 66 percent of MSEs are operated alone. Another 16 percent have 2 workers (including the proprietor), 8 percent have 3 workers, and the remaining 10 percent have 4-10 workers.

Although the MSE labor force consists primarily of proprietors, the proportion of hired workers is relatively high in Botswana compared to other countries in the region.

Thus, 32 percent of workers are hired employees in Botswana; the proportion of paid workers in the MSE sector in Zimbabwe, Swaziland, and Lesotho is less than 17 percent.

Information about proprietors was collected on a subsample of 256 MSEs in Botswana. Characteristics such as age, education, prior activities, and experience were covered in this supplementary questionnaire. The average age of a Botswana proprietor was 41 years old. The typical proprietor had 7.5 years of experience in the current type of activity. The levels of education and training were relatively low. Twenty-nine percent of proprietors had no formal education at all, while 48 percent had completed only primary school. Looking at gender and education, a larger percentage of male proprietors (45 percent) had completed formal education beyond primary school than female proprietors (17 percent).

In the absence of adequate growth measures in output or incomes, average annual changes of employment between two points of time were used to gauge employment growth among MSEs. This simple (noncompounded) average annual growth rate of employment in Botswana MSEs was 7.8 percent, which is similar to other countries in the region. Female-owned MSEs grew at an annual average rate of 6.7 percent while male-owned MSEs grew at 10 percent. Although the average growth rate for all MSEs was positive, the majority of Botswana MSEs have not grown at all. Over three quarters have experienced no change, while 5.3 percent have contracted. Of the 19 percent that did increase, the average growth rate was 44 percent. Female-owned MSEs in this category grew at 47.6 percent while male-owned MSEs grew at 37.5 percent. Thus, while relatively fewer female-owned MSEs grew at all, those that grew did so at a higher average rate than the male-owned MSEs.

Women represent the majority of proprietors in Botswana, operating 75 percent of all MSEs. This statistic is almost identical to that of Swaziland and Lesotho. Women also comprise the majority of the MSE work force, representing 72 percent of all workers. They are particularly prevalent in food and beverages, textiles or garments, retail trade, and hotels and restaurants. The size of MSEs owned by women is smaller than male-owned MSEs, averaging 1.6 and 2.3 workers, respectively. In addition, 49 percent of male-owned MSEs contribute over half of household income, compared to 39 percent of female-owned MSEs.

The majority of Botswana MSEs (70 percent) are located at the home; another 15 percent are located on the roadside, in open market place, or are mobile; over 60 percent of the labor force is contributed by family members (including the proprietor); and establishments related to incorporated and professional concerns account for less than 3 percent. Thus, Botswana MSEs, like their counterparts in Zimbabwe, Swaziland, and Lesotho, are basically household-based activities, and there are no major differences across sectors and locations.

Although there is some variation across sectors, the overwhelming majority (99 percent) of Botswana MSEs sell directly to the final consumer. Those few firms that do not sell to the final consumer exhibit higher growth rates and employment levels.

Finance and marketing problems were consistently reported as primary constraints of MSEs at start-up, during growth, and at the time of the survey. Government regulations, such as licensing, registration, or taxing, were reported as constraints by only 8 percent of all respondents in the supplementary questionnaire. Thus, one can conclude that these regulations are not major problems or, if they are, then proprietors are not aware of them.

Only 7 percent of proprietors in the subsample had received any type of technical training, such as management, bookkeeping, or marketing. Access to credit was also low, regardless of gender or sector. Only 11 percent of all proprietors had ever received credit. For the few proprietors who did receive it, the primary source was loans from family and friends.

MSE owners in the subsample were often unaware of financial assistance programs. Less than 7 percent of all proprietors were aware of most assistance programs, with the exception of the Financial Assistance Policy (FAP) and the National Development Bank (NDB). In these cases, 27 percent and 29 percent were aware of FAP and NDB respectively. Despite the higher awareness of these programs, only 4 percent of all proprietors had received funds from FAP and none from NDB.

SECTION ONE

INTRODUCTION

This report summarizes the results of a nationwide survey of micro- and small-scale enterprises (MSEs) in Botswana. The study was conducted over a four-week period in February-March 1992. During the field survey, 10,586 households (or enterprise sites) were visited; data were collected for only 6,534 of the households. The premises of the remaining households were closed at the time of the survey visit, and it was not possible to collect data for them despite efforts at trying to contact household members.

The objective of the study was to provide information to assess the following:

- The size and composition of the informal sector;
- The structure of employment among informal enterprises;
- Constraints limiting the development of the informal sector and problems identified by entrepreneurs that hinder enterprise growth;
- Linkages of the sector to traditional agriculture and formal sectors of the economy; and
- Sources of informal enterprise finance.

Based on a high population growth rate and rising unemployment rates, the Government of Botswana has begun to recognize the MSE sector as one avenue of employment creation. The preliminary results of the 1991 census indicate that the population is 1,325,291, with an annual growth rate of 3.48 percent since 1981. Between 1971 and 1991, the population more than doubled (Central Statistics Office, 1991).

The population in urban areas has an even higher growth rate then the overall growth rate. Since independence in 1966, one new town was established every four years up to 1978 including Gaborone (1966), Selebi-Phikwe (1970), Orapa (1974), and Jwaneng (1978). In 1980, Gaborone, the capital city, had an estimated growth rate of 12 percent per year, one of the highest growth rates in the world (Letsholo, 1980).

Economic growth has also been quite rapid in Botswana due primarily to the mining sector. From 1966 to 1986, the annual growth in real GNP was 11 to 13 percent (Reines and O'Donnell, 1988). Despite the rapid economic growth, however, various sources suggest that a sizeable portion of the population lives in economic stress and experiences malnutrition during periods of drought. Several unofficial sources estimate the national unemployment rate at various levels; whatever the true rate is now, unemployment is expected to rise sharply in the 1990s because of a slowdown in economic growth, with almost one in four of those actively seeking work expected to be unable to find a job by the mid-1990s. The potential seriousness of the problem is indicated by Kann et al. (1988) who estimate that up to 50 percent of all school-leavers coming onto the job market in the early 1990s will be unable to find work in the formal sector. Because the formal sector is estimated to employ only 20 percent of the total national labor force (Reines and O'Donnell, 1988), the solution to unemployment may not lie entirely in that sector.

Given these statistics and the prediction that the rate of growth of the economy will slow down in the 1990s, the Government of Botswana through the Ministry of Finance and Development Policy commissioned a study of the MSE sector. This report, by providing basic statistics on the sector, should assist policy makers, development agencies, and business organizations to better appreciate the role of MSEs and to help target future investigation and assistance to a growing and dynamic MSE sector.

The next section of this report summarizes the survey approach, including, sampling techniques, coverage, enumeration methods, extrapolation of results, and survey instruments.[1] Section Three reviews the survey results, describing the magnitude of the MSE sector, contribution to household income, industrial structure, labor force characteristics, patterns of change, gender issues, and other characteristics of Botswana MSEs. Problems and constraints faced by MSEs are reviewed in Section Four. Finally, conclusions are offered in Section Five.

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[1] More detailed information on field implementation is provided in the "Final Report for the Micro and Small Scale Enterprise Survey Project Field Implementation," prepared for the Employment Policy Unit, Ministry of Finance and Development Planning, by the Social Impact Assessment and Policy Analysis Corporation (Pty) Ltd. (SIAPAC-Africa).

SECTION TWO

SURVEY APPROACH

INTRODUCTION

This survey of micro- and small-scale enterprises in Botswana was carried out by the Ministry of Finance and Development Planning (MFDP) with technical input from the Growth and Equity through Microenterprise Investments and Institutions (GEMINI) Project of the U.S. Agency for International Development.[1] The project was financed by A.I.D./Washington (AFR/MDI and WID), USAID/Botswana, and the Government of Botswana.

The study was initiated by the Government of Botswana (GOB) through the Ministry of Finance and Development Planning in consultation with the Ministry of Commerce and Industry and with the support of USAID/Botswana. The purpose of the study was to determine the type and extent of MSE activity in Botswana. The aim is to generate information that would help guide future policies and inquiries targeted at intervention in small-scale enterprises to promote a private-enterprise-led, broad-based economic development approach in the country.

For the purpose of the present report, a micro- and small-scale enterprise is defined as a non-farm enterprise whose total "employment" (or the total number of people working in the enterprise) is 10 or fewer persons;[2] any market-oriented activity of production, commerce, or service is included in this definition of micro- and small-scale enterprise. Enterprises in this category range from the one-person operation, such as vendors (or the mobile hawkers) on the lower end, to the more organized business outfits on the upper end.

There are many ways to define a small-scale enterprise. Definitions could include sales volume, profit rate, capital investment, technique of production, and employment size. For the purposes of the present study, where the interviewer had a short contact time for interviews and literally no prior acquaintance with the proprietor or the enterprise, the number of people working in an MSE is often more accurate and easier to get; proprietors

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[1] GEMINI is an A.I.D. collaborative assistance program to micro- and small-scale enterprises subcontracted to a consortium of development institutions, including Michigan State University. The project is administered by Development Alternatives, Inc. (DAI).

[2] Because of the need for comparative evaluation and the small additional cost involved once one is out in the field, the activity enumeration (identification) survey actually covered enterprises of all sizes, including any establishment with employment larger than 10 people.

or owners of MSEs have less inhibition about divulging such information at the first brief encounter, such as that used in the present approach.[3]

In line with several similar studies in Southern Africa by GEMINI, the Botswana survey of MSEs consists of three parts: (1) a primary inquiry geared toward providing a broad overview of the MSE sector in Botswana, (2) a simultaneous supplementary investigation that examines some socioeconomic issues in greater detail, and (3) a separate questionnaire (analogous to the first one) focused on enterprises that have closed. Because of the similarities of the studies, corresponding findings in these countries have been noted in this paper when they relate to those found in Botswana.

The comprehensive primary survey or enumeration of existing MSEs is the main part of the study; the remaining two surveys are ancillary to it. The set of enterprises included in both the supplementary and MSE closure surveys gets progressively smaller.[4] Business closure is defined as the complete stoppage of usual work activities due to reasons not related to seasonal variation in MSE activities; MSEs with seasonal variations are considered closed only if they have ceased operation for more than a full year.

The study on existing MSEs includes basic information such as geographical distribution among localities of different population size strata, the types and sizes of such enterprises, their employment pattern, the role of females in such enterprises, and other details of static nature. The supplementary inquiry on existing MSEs further describes basic characteristics of such MSEs and their owners, the production or marketing practices employed by each business, secular changes over the life of the enterprise, and constraints faced at different phases of its life. The two studies on existing MSEs thus provide a much clearer picture of what is happening in the MSE sector in Botswana and may guide further targeted study of specific areas or subsectors. The major areas of inquiry on closed MSEs include reasons for closure, brief historical profiles of the enterprises, and the characteristics of their owners.

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[3] There is a serious problem with trying to collect flow type (for example, expenditure or income) data for an extended period using a single or one-shot visit survey such as the present study. In comparing data collected in single visits with those recorded on a daily basis through repeated visits per week to minimize recall problems (or with data from businesses that keep books), it was found that the one-shot-visit data departed from the recorded data by a factor of up to two. In some cases, the data looked as if there was no connection between the two sources (see Fisseha, 1982). For the impossibility of collecting flow data from a single visit, see also Central Statistics Office (MFDP, GOB) publication, *1985/86 Household Income and Expenditure Survey*, 1988.

[4] The sample sizes for the different surveys were as follows: 1,243 cases (MSEs) for the primary, 256 of the 1,234 MSEs for the supplementary, and 153 for the closed MSEs (some of whose owners may be operating existing MSEs).

Several studies on Botswana MSEs have been done in the past, although their scope and objectives are less ambitious than the present one. Some of the these studies are also referred to in the present report.

SAMPLING APPROACH AND LOCATION OF SURVEY AREAS

Similar studies of small-scale enterprises in other countries have consistently shown that their prevalence and characteristics may systematically vary with the population size and with the economic characteristics of localities where they are found.[5] Thus, if localities could be grouped or stratified according to similar socioeconomic characteristics, fewer area sampling units need to be sampled than would be the case if there was much diversity among them. The present survey was conducted on a random sample of stratified area sampling units to conserve time and resources by taking advantage of this tendency towards uniformity within a stratum (see Table 1). There is no logical reason to expect that any two Enumeration Areas (EAs) would have identical socioeconomic characteristics. However, EAs of similar socioeconomic and demographic environments would exhibit characteristics that are also similar as they pertain to the basic attributes of MSE activities. This is the rational for first stratifying the whole country on the basis of these EAs before the sample is drawn.

The Botswana area sampling units or EAs are geographically distinct localities delineated, as is done in other countries, by the Central Statistics Office for population census purposes. The office notes that "one enumeration area is approximately equivalent to the area that one enumerator could expect to cover during the period of the census." The area size is usually inversely related to the size of the population living there. Some EAs are larger in area but have smaller population sizes, while others may have larger populations but smaller areas. Thus, in areas with a heavy concentration of population (for example, in urban areas or large rural villages), there would be many EAs per given geographical area; the reverse is true for sparsely populated rural areas.

The area sampling units included in the survey were randomly selected from each stratum after the whole country was divided into eight major groupings or strata on the basis of the attributes mentioned above and on the size of their population. The eight strata consisted of five urban and three rural strata.

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[5] In addition to recent studies in Southern Africa, major summaries of such findings are included in *Small Scale Industries in Developing Countries: Empirical Evidence and Policy Implication*, MSU International Development Paper No. 9, Liedholm and Mead (1987); and *The Contribution of Small-Scale Forest-Based\Processing Enterprises to Rural Non-Farm Employment and Income in Selected Developing Countries*, FAO publication MISC/85/4, Fisseha (1985).

TABLE 1

POPULATION AND SAMPLE SIZE
ACCORDING TO NATIONAL STRATA

Strata	Population Size		Sample Size and Its Distribution			
	Total Number of People	Total # of EAs	Population in Sample	% of Population in Sample	# of EAs in Sample	% of Total EAs in Sample
Urban Areas	**316,347**	**643**	**25,000**	**7.9%**	**52**	**8.1%**
Gaborone - Residential	125,763	237	10,622	8.4	21	8.7
Gaborone - Commercial	6,690	17	2,038	30.5	6	35.3
Gaborone - Industrial	1,338	5	447	33.4	3	60.0
Medium Towns	130,787	286	7,175	5.5	15	5.2
Small Towns	51,769	98	4,718	9.1	7	7.1
Rural Areas	**1,008,944**	**1,982**	**24,935**	**2.5%**	**45**	**2.3%**
Large Villages	224,420	362	12,343	5.5	20	5.5
Small Villages	72,867	137	4,856	6.7	10	7.3
Rural Eas	711,657	1,483	7,736	1.1	15	1.0
TOTALS	**1,325,291**	**2,625**	**49,935**	**3.8%**	**97**	**3.7%**

The urban strata included three in Gaborone — residential, commercial, and industrial zones — and two others for the Medium Towns and Small Towns; the rural strata consisted of Large Villages, Small Villages, and Rural Enumeration Areas (REAs). The REAs include very small concentrated settlements as well as stretches of sparsely populated rural areas.[6] A random sampling approach was necessary to make references to or estimates

[6] Using the *Stats Brief: No. 91/4* by the Central Statistics Office, MFDP, the population sizes constituting the strata are in round numbers as follows: Gaborone, 135,000; the Medium Towns, each greater than 25,000; the Small Towns, between 2,000 and 25,000; Large Villages, 12,000 to 25,000; Small Villages, 5,000 to 12,000; and the totality of Enumeration Areas representing all remaining rural localities with population below 5,000. The full description of the strata and their individual components are given in Appendix C.

for the country as a whole and to have some degree of statistical measure of confidence in the resulting estimates. Thus, the purpose of the survey was not to look at areas of MSE concentration; similarly, due to the variability in size, distance, and number of component members in each stratum, strictly proportional sampling across all strata was not used.

The number and proportion of EAs surveyed for each stratum as well as the proportion of its population covered in the enumeration are shown in Table 1. All together, 97 EAs were covered in the sample; as usual, the sample size also reflects budgetary and time considerations. Data collection points are illustrated on the map of Botswana in Figure 1 (where circles show general vicinity of field work).

The final outcome of the sampling procedure shows a remarkable similarity of th sampling fraction whether one uses the national population (3.8 percent) or the total number of enumeration areas (3.7 percent). In both cases, the portion covered in the survey account for almost 4 percent of both the population and the number of EAs for the whole country. The lower proportion of EAs and population surveyed for the rural EAs reflects the smaller variability of characteristics expected within the rural EAs, thus requiring a lower sampling fraction. Furthermore, because the population of Botswana is concentrated in the eastern part of the country, an overwhelming number of the EAs in the sample are also drawn from that part of the country.

ENUMERATION METHOD

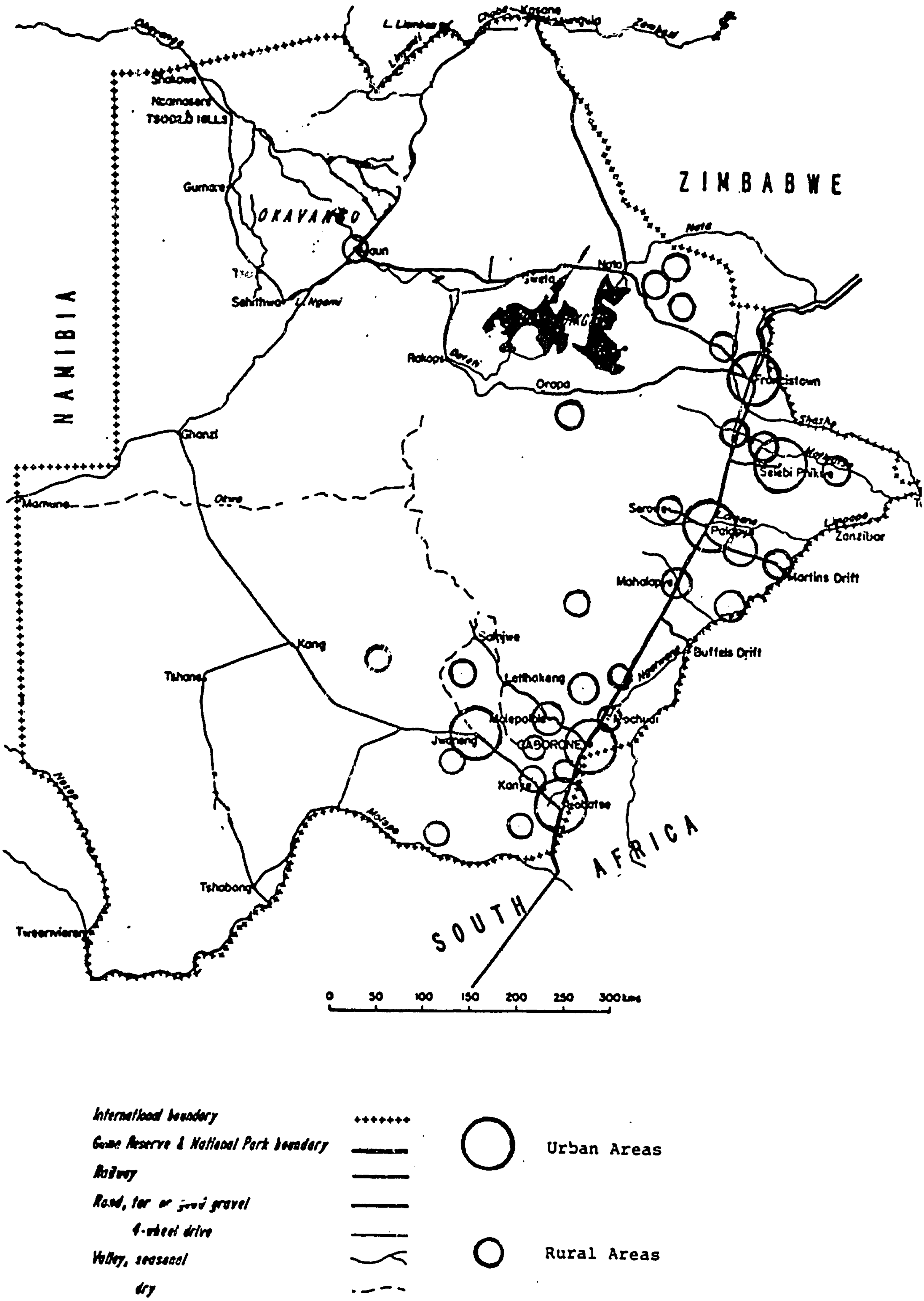
Field enumeration was done by 17 0-level students divided into three teams of enumerators, each under a field supervisor. The enumerators and supervisors were trained for a week. This training was followed by field pretesting of questionnaires and enumerators.

Although it was modified to suit the Botswana situation, the format of the questionnaire for the primary or enumeration survey was the same as the one used in many other countries in the region by the Small Scale Enterprise unit at Michigan State University. It is designed for easy completion, efficiency in accommodating a lot of basic information, simplicity, and quick and easy verification of data, and has a structural layout whose completion results in a systematic and sequential listing of all enterprises enumerated. Thus, if properly kept, the set of completed questionnaires makes a suitable list for a sampling frame for possible future study of MSEs.

To complete the primary questionnaire, enumerators had to go from street to street and from house to house checking and recording the presence (or absence) of MSEs in the sample localities. Completed questionnaires were coded and checked before they were sent for computer entry. In addition to such manual verification, the data were entered twice into the computer — once for initial entry and a second time for verification.

Figure 1
Enumeration Areas Selected in 1992 MSE Survey

MAP OF BOTSWANA



In addition to the enumeration questionnaire, a more detailed supplementary questionnaire was completed for a random sample of 256 MSEs taken from those in the enumeration survey. There was no easy way of employing a statistically simple random sample to choose the respondents for the supplementary questionnaire as it was applied at the same visit as the enumeration questionnaire. The method designed for the present survey was that if a respondent happened to fall into a predetermined sequence or position of enumeration during the Phase 1 survey, then that respondent would be interviewed for the supplementary questionnaire at the same time.

As already indicated, MSE activity in this study is defined as enterprises that employ 1-10 people. The word employment does not necessarily imply paid employment and is used here in the context of **working in** or **being engaged in** an MSE activity. Thus, it includes the proprietor, family members, trainees, and paid workers. And although they were covered in the enumeration process, enterprises or businesses with a labor force greater than 10 are not included in this report. In any case, only 116 larger-scale firms (with employment greater than 10) were found in all the localities enumerated during the survey. As for the types of enterprises enumerated and their classifications at the different International Standard Industrial Classification (ISIC) levels, Appendix A has the details.

References to "urban" and "rural" follow the classification used by the Central Statistics Office of the Government of Botswana (GOB).

Finally, the word "household" refers to a family or a group of people who eat from the same table or pot. They pool their resources and incomes and share in the responsibilities.

SECTION THREE

SURVEY RESULTS

MAGNITUDE AND INCOME CONTRIBUTION TO HOUSEHOLD

As indicated earlier, 10,586 households were visited during the survey. However, because the premises for 4,052 (38.3 percent) of these households were closed (no one was available to give information on MSE activities), contacts or interviews were made with only 6,534 households or 61.7 percent of the total.[1] For these 6,534 households, 1,243 MSEs (with labor force size of 1 to 10 workers) were identified and data collected for them (see Appendix Table 6). After discounting secondary enterprises within the same household, this means that 16 percent of the Botswana households had or were operating MSEs. The percentage of households with MSEs is much lower in Botswana compared with Lesotho (30 percent), Swaziland (39 percent), or Zimbabwe (35 percent). As the percentage of MSEs with employment between 10 and 50 is small in any of the countries, this cannot be a significant factor in explaining the lower percentage in Botswana.

EXTRAPOLATION OF RESULTS

Sample data collected in this survey were extrapolated to represent the Botswana MSE sector nationwide. To extrapolate, generalize, or "gross up" to the rest of the country (that is, to the target population of EAs), one multiplies the sample number of MSEs (1,243) by the reciprocal of the sampling fraction, because each enumeration area in a given stratum has an equal probability of being selected. The sampling fractions for the different strata are shown on the last column of Table 1 in Section Two.

The resulting weighted and extrapolated figures show that there are 29,660 MSEs (see Table 2) employing 54,435 people, or about 30,000 MSEs employing some 54,000 people. These figures must, however, be considered as minimum because they do not reflect an adjustment for the 40 percent of households that were closed, and which represent some (uncounted) MSEs as well as some corresponding employment. The detailed list of MSEs after extrapolation is shown in Appendix Table 7.

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[1] The percentage of households closed at the time of the visit is much higher compared with Lesotho (22 percent) but about the same as Swaziland (45 percent). A factor that might have contributed to the high percentage of households closed both in Botswana and Swaziland is the fact that both surveys were done during the agricultural season when many people are normally out in the fields.

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TABLE 2

EXTRAPOLATED RESULTS, UNADJUSTED FOR CLOSED HOUSEHOLDS

Stratum	Total Population		Botswana MSEs and Employment			
			Total MSEs		Total Employ't	
	Number per Stratum	Per-cent	Number per Stratum	Percent	Number per Strat.	Percent
Urban Areas	**316,347**	**23.9%**	**9,485**	**32.0%**	**16,502**	**30.3%**
Gaborone - Residential	125,763	9.5	2,575	8.7	4,265	7.8
Gaborone - Commercial	6,690	0.5	340	1.1	1,306	2.4
Gaborone - Industrial	1,338	0.1	108	0.4	376	0.7
Medium Towns	130,787	9.9	4,096	13.8	7,077	13.0
Small Towns	51,769	3.9	2,366	8.0	3,478	6.4
Rural Areas	**1,008,944**	**76.1%**	**20,176**	**68.0%**	**37,933**	**69.7%**
Large Villages	224,420	16.9	3,455	11.6	7,183	13.2
Small Villages	72,867	5.5	1,521	5.1	2,850	5.2
Rural Eas	711,657	53.7	15,200	51.2	27,900	51.3
TOTALS	**1,325,291**	**100.0**	**29,660**	**100.0**	**54,435**	**100.0**

By forgetting the closed households, we commit an obvious omission that results in gross underestimation. On the other hand, if they are included, what proportion of them could be expected to have MSEs? In the absence of additional information on these closed households, field experience from a similar study in Kenya (Parker and Dondo, 1991) is employed here to get a rough estimate for the possible highest number of MSEs in Botswana. Although convincing similarities exist between Botswana and Kenya, the countries are far from identical. However, in the absence of proof to the contrary, the Kenyan results could be taken as illustrative of the situation in Botswana.[2]

In the Kenyan study, a subsequent contact with the closed households showed that there was no significant difference with respect to the incidence of MSE activities between those households contacted and those closed at the time of the first visit. On the other hand, even if the Kenyan findings are not relevant for Botswana, in the absence of evidence to the contrary, the logical assumption to employ under the circumstance is to tentatively conclude that closed households are similar to contacted households as far as MSE activity is concerned. This is an important assumption.[3]

If one accepts the assumption of similarity between closed and contacted households, it means that the 29,660 MSEs calculated from the interviewed households represent only 61.7 percent of the estimated total of MSEs in the country. A weighted analysis of the survey data using a proportional approximation shows that the MSE sector in Botswana consists of approximately 48,000 enterprises employing some 88,000 people. Table 3 illustrates these national figures after adjustment for closed households as well as population estimates from the 1990 census. These larger figures could conceivably be viewed as the maximum estimates while those arrived at by excluding the closed MSEs (in other words, 30,000 and 54,000) could be considered as the absolute minimum. The type and number of individual MSEs after extrapolation are shown in detail in Appendix Table 7.

[2] There is no logical or analytical approach that could verify with certainty what proportion of the closed households could be expected to have MSE activities (short of an exhaustive, immediate postenumeration visit to ascertain the facts). Actually the issue is much more complex than that. In an approach where enumerators are not available on a continuous basis, for example, it is not clear how long one should keep on trying to contact missing households and at what cost relative to the potential benefits.

[3] The number of MSEs and the resulting employment figure are the only key figures affected by the assumption. All the same, this is an issue on which some members of the Reference Group felt a strong need to explain the matter fully.

TABLE 3

NATIONAL EXTRAPOLATION WITH ADJUSTMENT FOR CLOSED MSEs

Stratum	Total Population		Extrapolated Number of MSEs and Employment for the Country			
	Per Stratum	Per-cent	No. of MSEs	Per-cent	Employ-ment	Per-cent
Urban Areas	**316,347**	**23.9%**	**14,906**	**31.1%**	**25,832**	**29.3**
Gaborone - Resident'l	125,763	9.5	4,110	8.6	6,808	7.7
Gaborone - Commercial	6,690	0.5	547	1.1	2,093	2.4
Gaborone - Industrial	1,338	0.1	132	0.3	458	0.5
Medium Towns	130,787	9.9	6,610	13.8	11,318	12.8
Small Towns	51,769	3.9	3,506	7.3	5,155	5.8
Rural Areas	**1,008,944**	**76.1%**	**33,037**	**68.9%**	**62,329**	**70.7%**
Large Villages	224,420	16.9	6,536	13.6	13,588	15.4
Small Villages	72,867	5.5	2,561	5.3	4,799	5.4
Rural Eas	711,657	53.7	23,940	49.0	43,943	49.8
TOTALS	**1,325,291**	**100.0**	**47,943**	**100.0**	**88,161**	**100.0**

This table adjusts for closed households to estimate the total of MSEs (and employment) for the country as a whole.

One out of every six households owns or operates an MSE. These statistics are high compared to previous studies in Botswana. For example, Agrell et al. (1985) cited a review of the Financial Assistance Policy (FAP) in 1984 that estimated informal sector employment as approaching 30,000 people. A more recent estimate by Smith (1988) indicated that 10,313 people are employed in firms with fewer than six workers. Using this narrower definition of MSEs, this survey indicates that such firms employ almost 72,000 workers.

MSE activity in rural and urban areas is also illustrated in Table 2. Close to 70 percent of MSEs are located in the rural areas with the remaining 30 percent in urban areas. This reflects the fact that the majority of the population lives in the rural areas. These estimates are also typical of other countries in the region, particularly Zimbabwe and Swaziland, where 69 percent and 73 percent are located in rural areas, respectively (McPherson, 1991; Fisseha and McPherson, 1991).[4]

The magnitude and density of the MSE sector can also be illustrated by the density of MSEs and MSE employment per 1,000 inhabitants. Currently, there are 36 enterprises per 1,000 inhabitants and 67 out of every 1,000 inhabitants are employed by the MSE sector. Changing the definition of MSEs to include firms with 50 workers or fewer, the number of enterprises per 1,000 inhabitants increases to 37, while 81 out of every 1,000 inhabitants are employed by the MSE sector. By comparison, the MSE sectors in Zimbabwe and Swaziland are larger, employing 139 and 126 people per 1,000 inhabitants, respectively (McPherson, 1991; Fisseha and McPherson, 1991). Lesotho, on the other hand, has a smaller sector employing only 69 people per 1,000 inhabitants (Fisseha, 1991).

The importance of MSE activities to household welfare was assessed by the respondent's estimation of income contribution. Table 4 indicates that approximately 54 percent of MSEs contribute 50 percent or more of household income in both urban and rural areas. These are surprising findings, particularly in view of the fact that MSEs in Botswana are primarily full-time operations. On average, a Botswana MSE operates 11.5 months during the year and 27.9 days out of the month with no statistically significant difference between urban and rural areas.

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[4] Baseline studies were conducted in several countries in the region, including Zimbabwe, Lesotho, Swaziland, and South Africa. Unlike other countries, the Botswana baseline collected full information on both primary and secondary enterprises. These secondary enterprises, comprising only 13 percent of all MSEs, are included in the statistics in this report. Also, the Botswana baseline focused on MSEs with 10 workers or less, whereas the other baseline studies defined MSEs by 50 workers or less. Although these differences mean that the Botswana results are not directly comparable, 94 percent of all MSEs sampled with 50 workers or less fall into the 10 workers or less category. For this reason, some comparisons to other baseline studies are made in this report when appropriate. (Definitions of primary, secondary, and workers are located in Appendix B.)

TABLE 4

PERCENTAGE OF HOUSEHOLD INCOME CONTRIBUTED BY MSE

Percentage of Household Income Provided By MSE	Urban Areas	Rural Areas	Total
100 %	28.4%	26.2%	26.9%
Between 50% and 100%	12.5%	15.5%	14.6%
50 %	16.9%	10.9%	12.8%
Less Than 50 %	40.9%	46.2%	44.5%
TOTAL	100.0%	100.0%	100.0%

INDUSTRIAL STRUCTURE

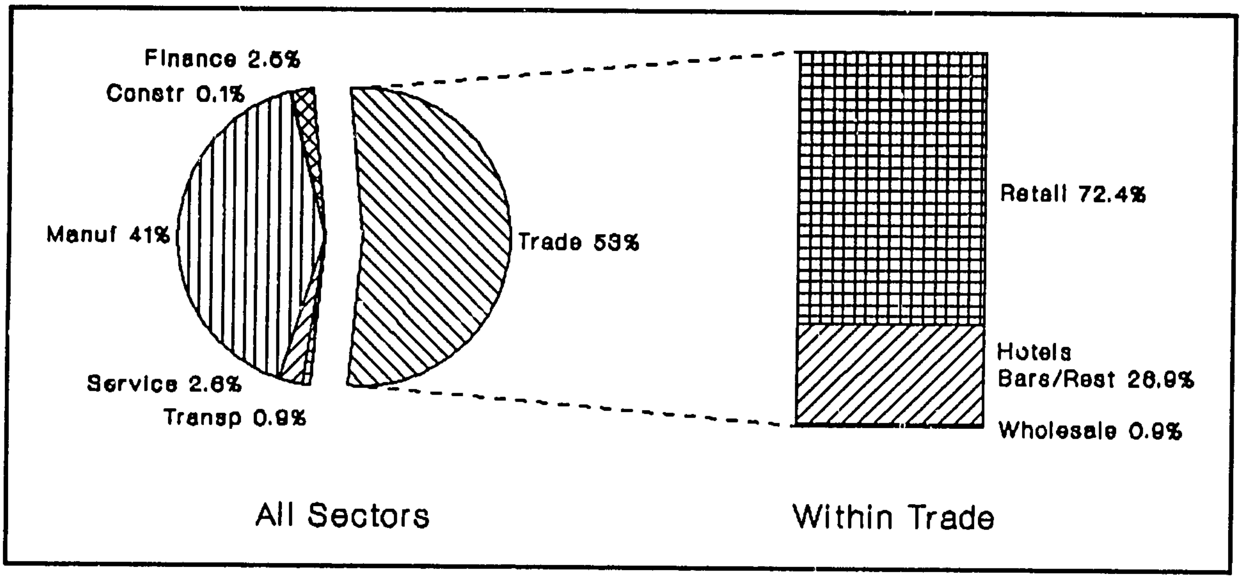
The industrial structure of the Botswana MSE sector consists primarily of trade and manufacturing, as illustrated by Figure 2. Of the 31,983 enterprises engaged in trade, 72 percent are retailers, 27 percent operate hotels, bars, and restaurants, while the remaining 1 percent are wholesalers. The predominance of trade activities in Botswana is striking compared to other countries in the region where manufacturing is the dominant sector. Only 23 percent of Zimbabwean MSEs are engaged in trade, 32 percent in Swaziland, and 30 percent in Lesotho (McPherson, 1991; Fisseha and McPherson, 1991; and Fisseha, 1991).

Within the manufacturing sector, food and beverage production are most prevalent, followed by textiles. These findings, presented in Table 5, are somewhat dissimilar from conclusions by Valdelin (1988) that manufacturing is dominated by four subsectors — meat, beverages, metal products, and textiles. Within the trade sector, bars, pubs, and shebeens are most prevalent (17 percent) followed by food retailing (16 percent).[5]

[5] Enterprises are classified throughout the report using International Standardized Industrial Classification (ISIC) codes. The main body of the report classifies enterprises at the ISIC one-digit and two-digit levels. Appendix A reports statistics at the ISIC four-digit level.

FIGURE 2

INDUSTRIAL STRUCTURE BOTSWANA, 1992



SIZE DISTRIBUTION

The size of MSEs was measured by the number of workers. This includes working proprietors, unpaid family members, paid workers, and trainees. Including only those enterprises with 10 or fewer workers, the average size of an MSE in Botswana is 1.8 workers. The average size of MSEs in urban and rural areas is 1.7 and 1.9, respectively, which does not represent a statistically significant difference. These statistics are very similar to those of Zimbabwe, Swaziland, and Lesotho, which range from 1.6 to 1.9 workers per MSE (McPherson, 1991, Fisseha and McPherson, 1991; and Fisseha, 1991).

Figure 3 illustrates the size distribution of MSEs in Botswana. The majority of Botswana MSEs are operated by the proprietor alone. As the size of the firm increases, the number of firms decreases.

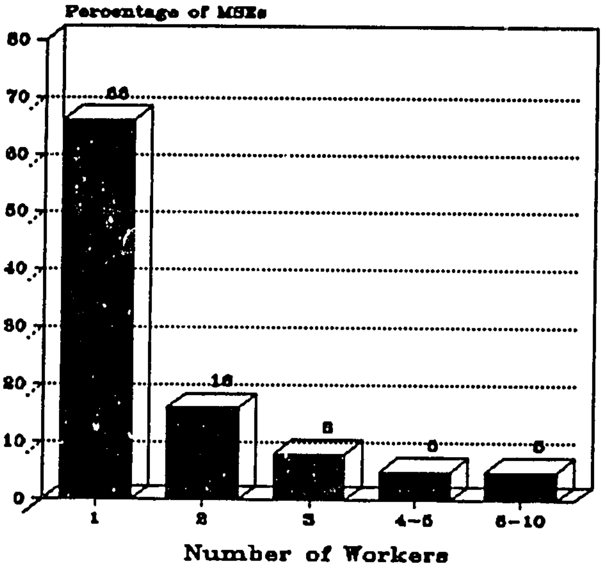
TABLE 5

SECTORAL DISTRIBUTION OF MSEs IN BOTSWANA, 1992

Sector	Sectoral distribution		
	Urban Areas	Rural Areas	Total
Manufacturing Total	**35.4%**	**44.1%**	**41.1%**
Food, Beverage, Tobacco Production	9.1	16.7	14.3
Textile, Wearing Apparel and Leather	6.0	10.0	8.8
Wood and Wood Processing	0.8	1.4	1.2
Non-Metallic Mineral Processing	1.9	1.1	1.4
Fabricated Metal Production	0.6	0.7	0.7
Other Manufacturing	1.6	0.8	1.0
Construction	**0.2**	**0**	**.1**
Trade Total	**50.9**	**53.4**	**52.6**
Wholesale Trade	0.1	0.7	.5
Retail Trade	51.4	46.8	48.2
Restaurant, Hotels, and Bars	15.0	19.3	18.0
Transportation	**2.2**	**0.3**	**0.9**
Finance, Real Estate, and Business	**7.1**	**0.5**	**2.5**
Services	**4.3**	**1.8**	**2.6**
TOTAL, ALL SECTORS	**100.0%**	**100.0%**	**100.0%**

FIGURE 3

SIZE DISTRIBUTION OF BOTSWANA MSEs



There is more variation in size across subsectors than differences between urban and rural areas. For example, the average construction firm has 7.5 workers, while manufacturing firms average 2 workers, as illustrated in Table 6.[6] At the ISIC four-digit level, MSEs with more than five average workers include flour mills, leather work, electrical repair, filling stations, and dry cleaning. All remaining subsectors average less than five workers per MSE.

MSE LABOR FORCE

General Characteristics

In both urban and rural areas, the MSE labor force in Botswana consists primarily of proprietors. As portrayed in Table 7a, over half of all MSE workers are proprietors. Although they represent the majority, the proportion of proprietors is relatively low compared to other countries in the region. Sixty-nine percent of all MSE workers are

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[6] The F statistic is a test of the null hypothesis that the means do not vary across sectors. The null hypothesis was rejected at the .001 level. This indicates that the probability of obtaining these data if the means were in fact equal is less than 0.1 percent.

TABLE 6

AVERAGE NUMBER OF WORKERS PER MSE

Sector	Average employment/MSE		
	Urban	Rural	Total
Manufacturing	1.6	2.1	2.0
Construction	7.5	*	7.5
Wholesale and Retail Trade	1.7	1.7	1.7
Transport	2.5	3.8	2.8
Finance and Real Estate Business	1.2	1.8	1.3
Services	3.0	1.9	2.5
TOTAL	1.7	1.9	1.8

* No observations found.

proprietors in Zimbabwe, 65.9 percent in Swaziland, and 85.5 percent in Lesotho (McPherson, 1991; Fisseha and McPherson, 1991; and Fisseha, 1991).

Alternatively, the number of hired workers is relatively high in Botswana compared to other countries. Thirty-two percent of MSE workers in Botswana are paid workers, while hired workers in Zimbabwe, Swaziland, and Lesotho represent 16.8 percent, 15.1 percent, and 9.6 percent of all MSE workers, respectively (McPherson, 1991; Fisseha and McPherson, 1991; and Fisseha, 1991).

Table 7b illustrates the percentage of females, children, and part-time workers in the MSE labor force. Similar to other countries in the region, females comprise a large percentage of the work force, with children and part-time employees represented by smaller proportions. The percentage of women varies considerably, however, across sectors. For example, in manufacturing, trade, and services, women represent 70.9, 74.9, and 63.9 percent of all workers, respectively. Alternatively, the percentage of women in construction, transportation, and finance is much lower, ranging from 13.6 percent in transportation to 53 percent in finance.

TABLE 7

LABOR FORCE COMPOSITION IN MSEs, 1992

7a. Worker Composition

Worker Type	Urban Areas		Rural Areas		Total	
	Avg. Nbr. per MSE	% of Total	Avg. Nbr. per MSE	% of Total	Avg. Nbr. per MSE	% of Total
Proprietors	1.0	55.3%	1.0	50.8%	1.0	52.2
Unpaid Family	0.2	14.0	0.2	8.4	0.2	10.1
Hired	0.5	29.5	0.6	33.6	0.6	32.4
Trainees	*	1.1	0.1	7.2	0.1	5.4
TOTAL	1.7	100.0%	1.9	100.0%	1.8	100.0%

* Less than .1 workers

7b. Other Worker Characteristics (Percentage of Total Work Force)

Worker Type	Urban Areas	Rural Areas	TOTAL
Females	67.8%	73.3%	71.7%
Children	3.7	1.1	1.9
Part-time	7.8	3.9	5.1

Information About Proprietors

Information about proprietors was collected on a subsample of primary enterprises during the survey period. A total of 256 interviews were conducted. The information presented below represents the sample responses.

The average age of a Botswana proprietor is 41 years. Within sectors, manufacturing, trade, and finance proprietors are typically above 40, while transport and construction proprietors on average are 28 and 30, respectively.

An attempt was made to determine the percentage of proprietors that are citizens of Botswana. Of the 256 respondents, 92 percent were born in Botswana. Out of those not born in Botswana, only 21 respondents answered whether or not they were citizens.

The average size of the proprietor's household in urban areas was 5.8 members, with 1.1 members in some form of wage employment. In the rural areas, the average household had 7.1 members, 1.3 of whom had wage employment.

Prior to operating their current MSE, around half of all proprietors were employed in another type of business. This varied, however, in urban and rural areas and across gender. As illustrated in Table 8, a much higher proportion of rural proprietors were previously engaged in traditional farming or working in the home. Comparing male and female proprietors, 77 percent of males proprietors were employed by or ran another business, while only 46 percent of women had a similar experience. Also, 24 percent of female proprietors were unemployed prior to their current activity compared to only 6.4 percent of male proprietors.

TABLE 8

PROPRIETOR ACTIVITY PRIOR TO CURRENT MSE, 1992

Prior Activity	Urban	Rural	Total
Ran a Similar Business	4.3%	7.3%	5.8%
Ran a Different Business	12.9	5.6	9.2
Employed in Similar Business	13.8	8.1	10.8
Employed in a Different Business	32.8	25.0	28.8
Formal School/Too Young to Work/Training	1.7	1.6	1.7
Unemployed/Piece Work	17.2	20.2	18.8
Traditional Farming/Worked in the Home	13.8	32.3	23.3
Other	3.4	0.0	1.7
Total	100.0%	100.0%	100.0%

Prior experience was measured by the number of years the proprietor was engaged in the current type of activity. The overall average was 7.5 years, with manufacturing proprietors averaging 9.6 years, service 9.2 years, transport 7.3 years, and trade and finance approximately 6 years. Comparing different firm sizes, those firms with five to six workers tended to have the greatest amount of previous experience, while firms with less than five and greater than six workers tended to have less experience. Hunter (1978) predicted that Botswana firms with three to five years of related experience were more likely to be successful than those with less experience.

The education and technical training of proprietors was relatively low. Twenty-nine percent of proprietors had no education at all, while 48 percent had completed only primary school. Comparing male and female education, 45 percent of male proprietors had completed higher levels of formal education beyond primary school, while only 17 percent of females had continued. Proprietors were also asked about technical training, such as the Brigades, Polytechnic, and Vocational Training Centers, or training outside of Botswana. Out of those who received formal training (only 7 percent of proprietors), 40 percent of them had received training outside of Botswana while 35 percent had received some type of technical training in Botswana. Only 13 percent had attended vocational training centers, 8 percent went to the Brigades, and 5 percent had attended polytechnic schools. Rempel (1992) attributes the limited amount of skilled labor and concomitant managerial constraint to the lack of education in the early stages of Botswana's independence.

Proprietors were also asked about how their MSEs were started and the principal source of start-up capital. Ninety-five percent of all proprietors indicated they started the MSE themselves with 86 percent drawing from household or personal savings. (See Section Four for more information on finance and credit sources.)

PATTERNS OF CHANGE

The analysis in this section uses changes in the size of an MSE's labor force as a rough indication of possible business growth or viability over the years.[7] Certain members of the Reference Group expressed reservations about using number of workers for such purposes because of the Financial Assistance Policy program in the country — the FAP provides grant funds to employers that, initially, fully cover the cost of jobs created and, therefore, an increase in employment may not be related to business viability. At present, FAP does not invalidate the use of the labor force for such measurement for the following reasons:

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[7] The average annual growth rate in employment is calculated as

[(A-B)/B]/C, where:

A = Number of workers at the time of the survey
B = Number of workers at start-up
C = Years MSE has been in operation.

- First, FAP's impact on the country as a whole is very small; our survey shows that those MSEs that received FAP grants account for only 4 percent of the total of MSEs in Botswana. Therefore, viewed against the vast number of MSEs, FAP's impact in raising employment at a relatively few enterprises would have been a drop in the ocean compared with the sector as a whole. In fact, when the FAP grantees are excluded from the analysis, that is exactly what happens — there is no change in the rate of growth for the remaining larger group;

- Second, our survey shows that although those proprietors who received FAP assistance account for only 4 percent, those who actually know about FAP account for 27 percent (including the 4 percent) of the total MSEs proprietors. If FAP made a difference, then comparing MSEs whose owners knew about FAP but did not get FAP grants and those owners who received FAP grants should show different rates of employment growth. But the rate of growth for these two groups of MSEs is almost the same and the small difference (in favor of FAP grantees) is **not** statistically significant except at 33 percent! The evidence is that at present FAP does not have a significant impact on the growth of employment in the MSE sector; and

- Finally, do firms that increase employment as a result of FAP continue to retain the new employment even after FAP has been discontinued? This is an empirical question that cannot be answered speculatively. But if FAP-induced employment is not retained, then what this means is that in the long run the annual average changes in employment as calculated here are not affected by the FAP program.

This does not mean that FAP is not important; it is important as long as it generates some lasting employment. The survey shows that those enterprises that received FAP grants are relatively larger in (labor force) size compared with the rest of MSEs in the sector, and FAP's impact may be greater with larger-scale enterprises (those employing more than 10) than with the MSE group proper.

The above points indicate that at present FAP's impact on employment growth is not large enough to affect noticeably the overall rate of change in employment in the MSE subsector. Therefore, as a result of the above evidence, FAP does not invalidate our approach of using labor force to show change of viability over the years.

Growth Patterns

The average annual employment growth rate of Botswana MSEs was 7.8 percent. Urban MSEs grew at a faster rate, 10.2 percent, than rural MSEs, which grew at a 6.7 percent growth rate. These rates are similar to those of Zimbabwe, Swaziland, and Lesotho, which experienced growth rates of 7, 7, and 6 percent, respectively (McPherson, 1991; Fisseha and McPherson, 1991; and Fisseha, 1991).

Although the average MSE grew at 7.8 percent, growth rates varied considerably across sectors as illustrated by Table 9. For example, construction had the highest growth rate (50.9 percent) while wholesale trade experienced no growth. Urban and rural growth rates also varied across sectors. In the urban areas, wood and wood processing experienced an 81.2 percent growth rate while two sectors, fabricated metal and finance, had negative growth rates. In the rural areas, textiles experienced the highest growth rate (28.1 percent), while wood processing and wholesale trade exhibited zero growth. Comparing urban and rural growth rates within sectors, the greatest disparity occurred in the wood and wood processing sector, which experienced an 81 percent and zero percent growth rate in urban and rural areas respectively.

Although Table 9 exhibits relatively high growth rates for most sectors, the majority of Botswana MSEs have not grown at all. As illustrated by Figure 4, over three quarters of Botswana MSEs have experienced no change at all, while 5.3 percent have contracted and 19 percent have increased in size. Of the 19 percent that did grow, the average growth rate was 44 percent. Sixty-one percent of the growing MSEs are owned by female proprietors, while 27 percent are owned by male proprietors, reflecting the higher proportion of female entrepreneurs. Also, considering only expanded MSEs, female-owned MSEs grew at a faster rate, 47.6 percent, than male-owned MSEs, which grew at 37.5 percent. This contradicts the hypothesis that female entrepreneurs are less likely to expand their business due to risk aversion.[8] Considering all female- and male-owned enterprises, however, only 15.3 percent of female-owned MSEs expanded, while 29.8 percent of male-owned MSEs expanded.

[8] See Downing (1990).

TABLE 9

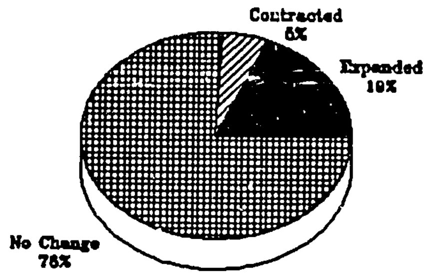
AVERAGE ANNUAL GROWTH RATE IN EMPLOYMENT BY SECTOR AND STRATUM, BOTSWANA, 1992

Sector	Among All Botswana MSEs			
	% of Firms Run by Women	Employment Growth Rate (%)		
		Urban Areas	Rural Areas	Total
Manufacturing Total	74.9%	11.4%	10.2%	10.5%
Food, Beverage, Tobacco Production	91.2	1.8	5.7	5.0
Textile, Wearing Apparel and Leather	80.6	8.8	28.1	24.1
Wood and Wood Processing	45.8	81.2	0.0	12.1
Non-Metallic Mineral Processing	3.2	16.0	0.5	7.3
Fabricated Metal Production	30.4	-1.6	1.0	0.3
Other Manufacturing	9.7	4.6	5.8	5.2
Construction	0.0	50.9	*	50.9
Trade Total	79.2	10.4	3.6	5.6
Wholesale Trade	30.4	*	0.0	0.0
Retail Trade	72.2	12.7	5.3	7.7
Restaurant, Hotels, and Bars	94.0	8.4	0.8	2.8
Transportation	16.4	4.4	26.6	9.7
Finance, Real Estate, and Business	57.3	-0.5	15.5	2.4
Services	55.8	12.3	3.2	8.5
TOTAL, ALL SECTORS	**75.7%**	**10.2%**	**6.7%**	**7.8%**

* No observations found.

FIGURE 4

CHANGE IN NUMBER OF WORKERS SINCE BIRTH
OF EXISTING ENTERPRISES
BOTSWANA, 1992



Other characteristics of firms that expanded compared to firms that contracted or remained the same are illustrated in Table 10. The statistics for MSEs that expanded are significantly different than no-growth firms in most categories. The average number of workers at start-up in expanded MSEs is much smaller at 1.33 workers compared to 3.9 workers in no-growth firms.[9] The average age of expanded MSEs ranges from 6.5 to 11 years old. In contrast, the average age of no-growth firms ranges from one year to 7.8 years. Finally, the percentage of MSEs that received credit is remarkably different in the two categories. Twenty-two percent of expanded MSEs received credit, while only 3 percent of no-growth MSEs received credit.

Comparing growth rates of sectors with gender of proprietors, Table 9 above illustrates the percentage of MSEs owned by female proprietors. Of the four sectors dominated by women (over 75 percent female-owned), male-owned MSEs grew faster in food and retail trade, while female-owned MSEs grew faster in textiles and restaurants. Considering all MSEs (contracted, expanded, and stagnant), female-owned MSEs grew at an annual average rate of 6.7 percent while male-owned MSEs grew at 10 percent. This does not, however, represent a statistically significant difference. In addition, although a smaller percentage of the female-owned MSEs grew compared to those owned by males, the average growth rate among these two groups is higher for the former.

[9] A Pierson correlation coefficient, significant at the .001 confident level, indicated a negative relationship between the number of workers at start-up and the simple annual average growth rate in employment.

TABLE 10

COMPARISON OF EXPANDED AND NO-GROWTH MSEs, 1992

Sector	Percent of Growth Rate		Average Number of Workers at Start-Up		Average Age of MSE (Years)		% That Received Credit from Formal Institution	
	MSEs That Expanded	No Growth MSEs	MSEs That Expanded	No Growth MSEs	MSEs That Expanded	No Growth MSEs	MSEs That Expanded	No Growth MSES
Manufacturing	48.4%	-0.7%	1.64	4.85	7.1	7.8	28.5%	2.9%
Construction	63.6	0.0	1.00	*	11.0	1.0	100.0	0.0
Wholesale and Retail Trade	41.1	-0.8	1.73	3.63	6.5	3.7	14.3	2.8
Transport	29.3	-2.1	1.36	2.60	12.1	5.7	43.4	29.4
Finance, Real Estate, Business	33.1	-1.3	1.43	2.00	8.3	4.6	0.0	4.3
Services	29.0	-0.2	1.67	10.00	6.6	4.8	5.6	5.2
Total	44.2%	-0.8%	1.67	4.03	7.0	5.4	21.8%	3.0%

Respondents were also asked to estimate their own perceptions of growth based on changes in market demand, the number of competitors, and the sales volume of their own business. As illustrated by Table 11, most MSEs reported an increase in all three categories. Under 12 percent in each category reported a decrease.

Age Profile of Botswana MSEs

The average age of a Botswana MSE is 5.6 years. Close to half of all MSEs, however, are less than two years old as illustrated by Figure 5. Ten percent are 3 years old, 14 percent are 4-6 years old, 14 percent are 7-10 years old, and the remaining 14 percent are more than 10 years old. The oldest MSE firm under one owner was a local beer brewing operation run by one woman in Tlokweng since 1930.

TABLE 11

SECULAR CHANGES AMONG BOTSWANA MSEs
OVER THE PRECEDING FIVE YEARS, 1992

11a. Proportion of Proprietors Aware of Change

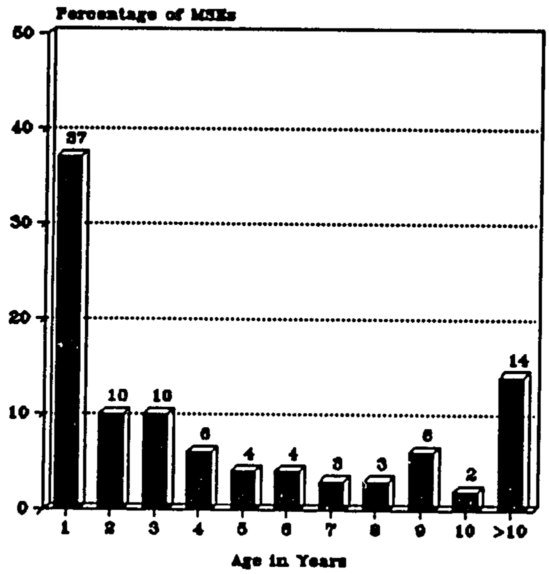
Proportion Proprietors	Types of Change		
	Market Demand	Number of MSEs	Volume of Own Business
Aware of Some Change	78.2%	59.0%	86.5%
Not Aware of Any Change	21.8	41.0	13.5
TOTAL	100.0%	100.0%	100.0%

11b. Types of Changes Among Botswana MSEs

Magnitude and Direction of Change	Percentage of Proprietors That Reported Specified Change		
	Market Demand	Number of MSEs	Own Business Volume
Much Increase	70.7%	67.6%	24.4%
Little Increase	17.6%	15.3%	44.6%
No Change	5.1%	9.5%	17.6%
Little Decrease	3.7%	3.7%	5.4%
Much Decrease	2.9%	3.7%	8.1%
TOTAL	100.0%	100.0%	100.0%

FIGURE 5

AGE DISTRIBUTION OF EXISTING MSEs
BOTSWANA, 1992



Disappearance of MSEs

A third questionnaire was administered to all households that operated an MSE that had been closed for at least one year. A total of 153 enterprises were enumerated. This number seems relatively low, but Smith (1988) argues that the vast majority of local entrepreneurs are the first generation to operate businesses, particularly service or manufacturing MSEs, which may account for the low number of closed MSEs.

The average life span of closed MSEs was eight years, while the average annual growth rate in employment was 1.4 percent. Although the average age is high, the largest percentage of MSEs closed after one year, as illustrated by Figure 6.[10] Thirty-six percent of respondents cited personal reasons, such as illness or family responsibilities, for closure; 26 percent cited unavailability of operating funds; 16 percent indicated marketing problems; while the remaining 21 percent cited new jobs or new MSEs as their reason for closure.[11]

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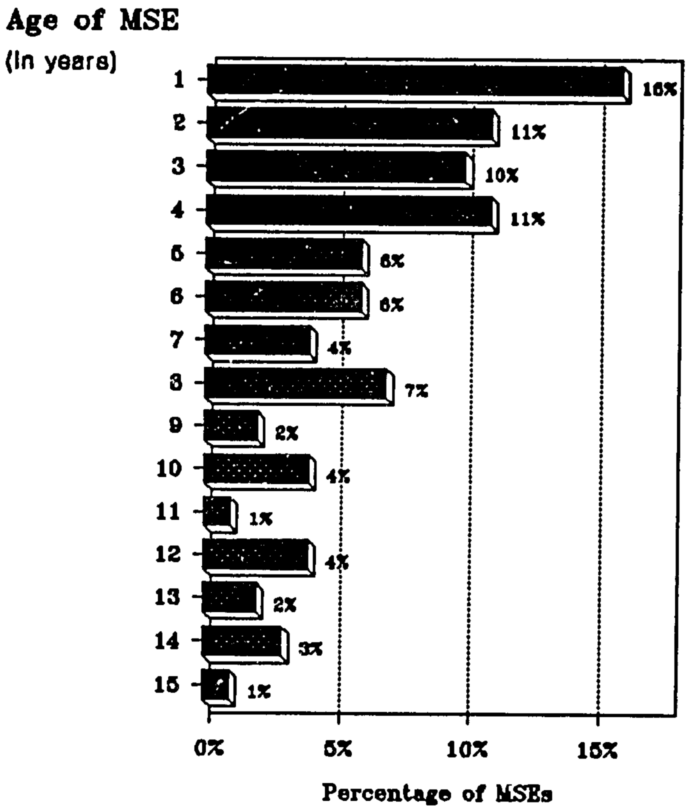
[10] Nine percent of MSEs were 16 to 75 years old at closure. These MSEs are not included in Figure 6.

[11] Twenty percent of the respondents did not answer this question.

FIGURE 6

AGE OF MSE AT CLOSURE
BOTSWANA, 1992



Approximately half of all respondents that operated a closed MSE indicated that they are currently unemployed. The remaining respondents were running a new related MSE (12 percent), running an unrelated MSE (24 percent), working for someone else (11 percent), or farming (1 percent).

GENDER AND BOTSWANA MSEs

Women represent the majority of proprietors in Botswana, operating 75 percent of all MSEs. This statistic is almost identical to Swaziland and Lesotho, where 78 percent and 76 percent of MSEs are run by women, respectively (Fisseha and McPherson, 1991; and Fisseha, 1991). Women also comprise the majority of the work force, representing 72 percent of all workers, including proprietors, paid workers, and apprentices (Table 7b).

Table 9 illustrated the percentage of female proprietors in each sector as well as average annual growth rates. Women represent over 75 percent of all proprietors in food and beverages, textiles, retail trade, and hotels and restaurants. As mentioned earlier, the textiles sector has a relatively high growth rate, while food and beverages, retail trade, and hotels and restaurants exhibit low growth rates. Also, considering only those firms that experienced growth (19 percent), women's firms grew faster (48 percent) than male-owned firms (38 percent).

Male- and female-owned MSEs exhibit several other significant differences. First, the average number of workers (including the proprietor) per firm is higher in male- versus female-owned firms, as illustrated by Table 12. Also, the number of paid workers per firm and their salaries are higher in male-owned firms at a statistically significant level. Female-owned firms also begin with a lower number of workers than their male counterparts.

TABLE 12

AVERAGE NUMBER OF WORKERS PER FIRM, 1992

Gender of Proprietor(s)	Urban Areas	Rural Areas	TOTAL
Female	1.5	1.6	1.6
Male	2.2	2.4	2.3
Mixed Group*	2.5	4.1	3.4
TOTAL	1.7	1.9	1.8

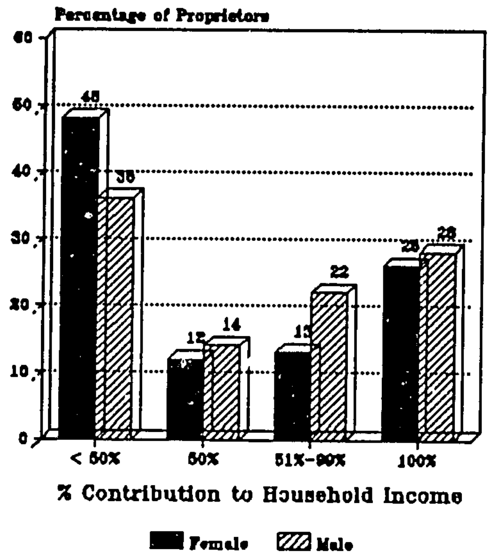
* Both females and males owning an MSE.

The income contribution of MSEs to the household also differs by gender. Figure 7 indicates that 38.6 percent of female-owned MSEs contribute more than 50 percent of household income, while 49 percent of male-owned MSEs contribute over 50 percent. Part of this difference may be attributed to household responsibilities. Twenty-three percent of female proprietors in the subsample were also the head of their household, creating additional responsibilities. A 1991 study in rural areas reported that women felt that home and child care responsibilities restricted their ability to run successful enterprises (SIAPAC, 1991).[12] The same study also found that the vast majority of female-owned agricultural enterprises are part-time operations. In contrast, this study found that both male- and female-owned firms are full-time operations.

[12] The SIAPAC study included agricultural firms and did not cover urban areas.

FIGURE 7

PERCENTAGE CONTRIBUTION TO HOUSEHOLD INCOME
BOTSWANA, 1992



Other differences between male- and female-owned enterprises, including education levels and prior activities, were discussed in previous sections. Constraints and access to training and credit differences by gender are discussed below.

OTHER CHARACTERISTICS OF BOTSWANA MSEs

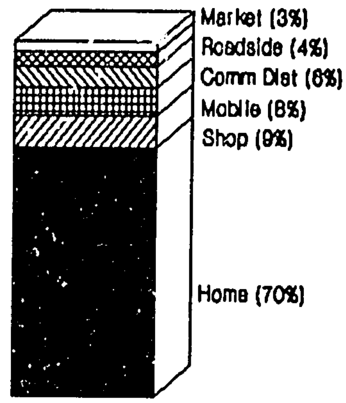
Location/Structure

The majority of Botswana MSEs are located at the home, as illustrated by Figure 8. Shops and mobile vendors represent the second highest categories at 9 and 8 percent, respectively. These proportions are similar across sectors and in urban and rural areas. They are also similar to corresponding figures in Zimbabwe, Swaziland, and Lesotho where 77, 68, and 60 percent of all MSEs are located at the home, respectively (McPherson, 1991; Fisseha and McPherson, 1991; and Fisseha, 1991).

Information was also recorded on the type of structure used to operate the MSE. In the trade and manufacturing sectors, over 68 percent of MSEs were located in permanent or semipermanent structures. The remaining MSEs were located in nonpermanent structures, in the open, or operated as mobile vendors.[13]

FIGURE 8

LOCATION OF MSEs
BOTSWANA, 1992



Forward and Backward Linkages

The overwhelming majority (99 percent) of Botswana MSEs sell directly to the final consumer. Although this varies across sectors, the majority of all MSEs in each sector sell to the consumer. For example, in manufacturing, trade, and services, over 94 percent of MSEs sell to consumers. Construction and transport MSEs sell primarily to consumers; however, 20 percent sell to other firms.

Those firms with forward links to enterprises exhibit both higher growth rates and higher employment levels. For example, firms that sell directly to the final consumer grew at an annual average rate of 7.5 percent while forward-linked firms grow at 24.6 percent. Also, the average number of workers in firms selling to consumers compared to forward-linked firms is 1.8 to 4.9 workers, respectively.

Respondents were also asked in the supplementary questionnaire about backward linkages to production processes. Only 5 percent of all proprietors made their own inputs. This statistic varied, however, across sectors. For example, within rural food and beverages manufacturing, as many as 44 percent of all proprietors produced (processed) their own inputs. Overall, 11 percent of proprietors in the manufacturing sector produced their own inputs. Linkages to wholesalers or larger retailers were fairly high. Fifty-nine percent of all proprietors purchased their inputs from one of these categories. Input purchases were also relatively high, with 15 percent of all proprietors purchasing goods directly from South Africa.

Proprietors were also asked where they go to purchase inputs. Over half of the proprietors in all sectors (with the exception of wood and wood processing) reported that they purchase inputs from Gaborone, Francistown, Lobatse, or Selibi-Phikwe. In the case of wood processing, 67 percent of proprietors go to small villages or ungazetted settlements.

[13] Insufficient responses were recorded for the remaining sectors to report their results.

Attempts were made to find out from proprietors whether their products were imported, locally produced, or both. It seems that there were two problems with this question: proprietors might have confused "imported" with locally available; and imported items that were reprocessed or repackaged before they were sold in Botswana might have been harder to isolate. As a result, the accuracy of the information from this particular inquiry is suspect.

TABLE 13

SOURCES OF MAJOR MSE INPUT, 1992

Source of Major Input	Urban Areas	Rural Areas	TOTAL
Local	81.4%	88.4%	86.3%
Imported	14.4	6.7	9.0
Both Local and Imported	4.2	4.4	4.3
Don't Know	*	0.5	0.3
TOTAL	100.0%	100.0%	100.0%

* Less than 0.1%

Competition

Proprietors were asked about their major competitors to determine if MSEs faced competition from larger firms. In the trade sector, the largest percentage of proprietors (45 percent) indicated that their primary competitors were smaller or same-size retailers. The highest percentage of manufacturing MSEs (40 percent) did not know who their major competitors were. The second highest percentage of responses in manufacturing indicated smaller and same-size retailers as their major competitors. Only 13 and 18 percent of proprietors in trade and manufacturing, respectively, indicated that wholesalers/larger retailers or larger producers were their major competitors. This indicates that the majority of MSEs are not inhibited by larger firms.[14]

[14] The number of respondents in the remaining sectors, construction, transport, finance, and services, was not sufficient to report their results here.

SECTION FOUR

MSE PROBLEMS AND ACCESS TO CREDIT AND TRAINING

MSE PROBLEMS

Problems and constraints of Botswana MSEs vary throughout their lifetime and across sectors and firm size. A subsample of proprietors were asked to report these problems based on their own perceptions. Table 14 illustrates problems reported at three points in the lifetime of the MSE: start-up, during sustained growth spurts, and current problems. Although the majority of proprietors experienced some problems, 1 percent reported no problem at start-up, 31 percent during growth spurts, and 21 percent reported no current problems. The following percentages represent only those proprietors reporting problems.[1]

At start-up, approximately half of all proprietors reported financial problems as their primary constraint. This was true regardless of the gender of the proprietor, the sector, or the size of the firm. The major financial problem was customers not repaying credit.

Proprietors were also asked specifically about problems at start-up created by government such as licensing, registration, taxing, or general discouragement. Over 92 percent of all proprietors claimed that none of these was a problem at start-up. Complaints about licensing were only reported in the manufacturing (8 percent), trade (9 percent), and transport (25 percent) sectors. Specifically, the time spent waiting in line was the most frequently cited problem concerning licenses.

Forty-five percent of proprietors reported a growth spurt during the life of their current MSE. Reasons cited for the growth spurt included demand or customer increase (65 percent), lack of competition (11 percent), better location (2 percent), and other reasons (9 percent); the remaining 12 percent were not sure.

Problems most frequently cited during the growth spurt included finance (24 percent), marketing problems (24 percent), and input problems (19 percent). The most common problem for female proprietors was finance (28 percent), followed by marketing problems (26 percent) during growth. The highest percentage of male proprietors (23 percent) reported input problems, with only 15 percent reporting finance. Considering the size of the firm, the largest percentage of MSEs with 1-2 workers and 4-5 workers reported finance problems, while firms with 3 workers reported marketing problems. Firms with 6-10 workers cited input problems most frequently.

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[1] The problems reported in this section are aggregated into 10 categories. A more complete breakdown of problems is provided in Appendix A.

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TABLE 14

PERCEIVED PROBLEMS OF MSEs, 1992

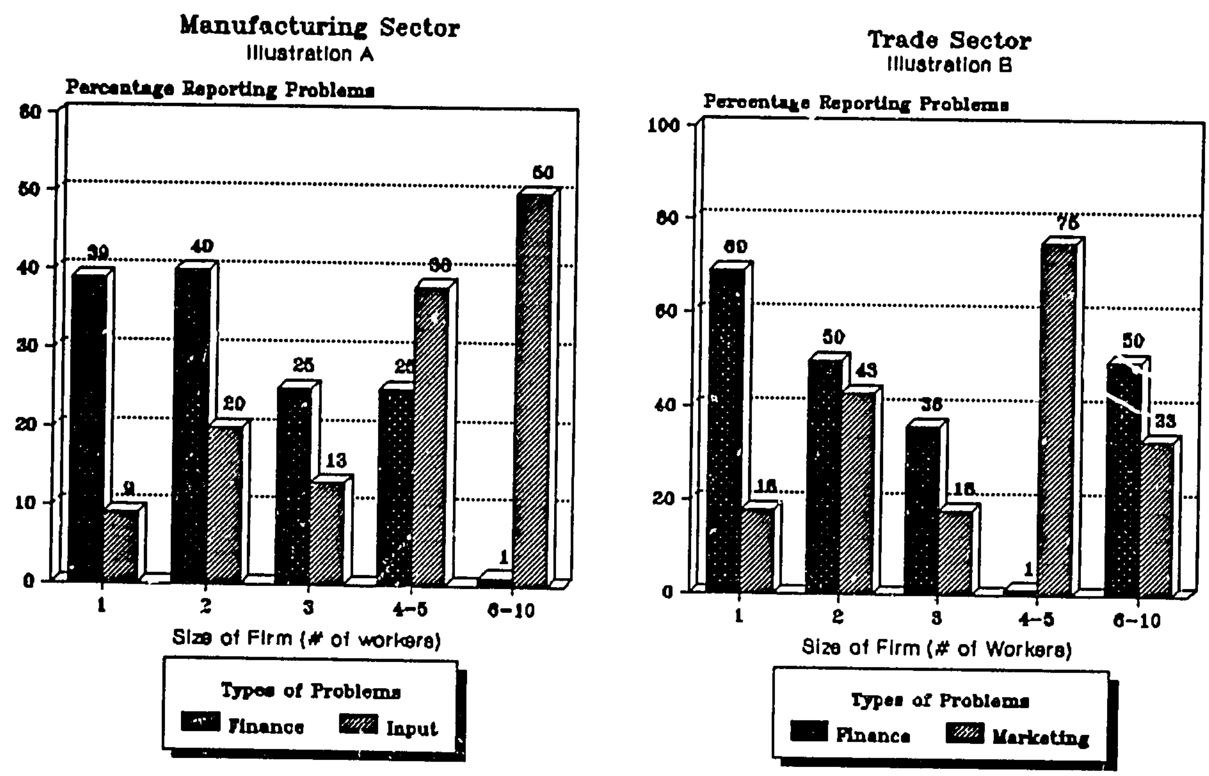
Problem	Period or Time Problem Occurred		
	At MSE Start-Up	During Growth	Currently
Finance	53.2%	23.5%	47.8%
Market Problems	17.3	23.5	24.5
Inputs	3.6	19.1	8.7
Transport	6.5	7.4	7.6
Labor	4.3	4.4	3.3
Miscellaneous	7.9	5.9	3.3
Tools or Machinery	2.2	5.9	2.2
Shop/Rental Space	0.7	2.9	2.2
Utilities	2.2	1.5	0.5
Technical	1.4	4.4	0.0
Government Policy	0.7	1.5	0.0

Current problems most frequently reported by proprietors include finance (48%) and marketing problems (25 percent). A higher percentage of female proprietors reported finance problems (54 percent) than male proprietors (34 percent). Considering the size of the firm, MSEs with 1-3 workers report finance as their main problem; firms with 4-10 workers cited marketing problems most frequently.

The size-related constraints above may confirm the hypothesis that a "missing middle" exists in African MSEs because of constraints at different points in the life cycle of the firm (Liedholm and Mead, 1991; Kilby, 1988). Figure 9 illustrates reported problems of firm sizes in the two main sectors of the economy, trade and manufacturing.[2] In the manufacturing sector, smaller firms most frequently cite financial problems as their primary constraint. As firm size expands, however, the highest percentage of proprietors report input problems. Illustration A portrays this decline in financial problems with the corresponding rise in reported input problems.

FIGURE 9

PERCEIVED PROBLEMS BY FIRM SIZE
BOTSWANA, 1992



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[2] Together, these comprise 94 percent of all Botswana MSEs.

In the trade sector, illustration B, financial problems are cited more frequently by smaller firms. As the firm expands, however, marketing problems are cited more frequently, while finance problems decline.[3]

ACCESS TO TRAINING AND CREDIT

As mentioned in the section on proprietor information, only 48 percent of proprietors had completed primary school with 29 percent having no formal education at all. Proprietors were also asked about formal training received outside of school such as management, technical training, bookkeeping, or marketing. Over 93 percent in all categories had not received training. When asked what type of training they would like to receive to improve their business, the highest percentage (38 percent) did not know. Another 13 percent reported that they did not need training. The remaining 49 percent were divided between management (14 percent), technical training (13 percent), bookkeeping (11 percent), and marketing (8 percent).

Access to credit was relatively low regardless of gender or sector. Eighty-nine percent of all proprietors had never received credit. This figure was identical for male and female proprietors. SIAPAC (1991) found similar results, concluding that gender is not a good predictor of access to financial assistance. For the few proprietors who did receive credit, the primary source was loans from family and friends.

Awareness of financial assistance programs was also low, as illustrated by Table 15. The only programs known to at least a quarter of the proprietors were the Financial Assistance Program and the National Development Bank. Although a higher number of respondents were aware of these programs, only 4.1 percent of all proprietors had received funds from FAP and none reported receiving funds from NDB.[4]

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[3] Although the missing middle most frequently refers to a gap in the number of firms with 10 to 50 workers, considering only firms with 10 or less employees, 87 percent of MSEs in Botswana have 1-3 workers. Considering all firms, regardless of size, 80 percent have 1-3 workers, 12 percent have 4-10 workers, and only 8 percent have 11-2,000 workers. Furthermore, only 1 percent of MSEs have above 50 workers. These statistics indicate that there is not a "gap" in the size of Botswana's MSEs, but rather a cut-off point after three workers.

[4] The titles of the credit programs in Table 15 are as follows: Agricultural Extension Small Projects Programme (AE10), Accelerated Remote Area Development Programme (ARADP), Botswana Enterprises Development Unit and Business Advisory Services (BEDU and BAS), Department of Cooperatives, Financial Assistance Policy (FAP), Ministry of Local Government and Lands (LG17), National Development Bank (NDB), Services for Livestock Owners in Communal Areas (SLOCA), Tswelelo. Further information on these programs is available in a report by SIAPAC (1991).

TABLE 15

AWARENESS OF FINANCIAL SOURCES, 1992

Source	Distribution of Proprietors		
	Urban Areas	Rural Areas	TOTAL
FAP	27.6%	25.6%	26.6%
NDB	28.4	28.8	28.6
AE10	0.9	0.0	0.4
SLOCA	2.6	0.0	1.2
LG17	1.7	0.8	1.2
ARADP	0.9	4.0	2.5
TSWELELO	8.6	4.8	6.6
BEDU & BAS	3.4	0.0	1.7
DEPT OF COOP	3.4	1.6	2.5

When asked what they would use credit for if they could receive it, the most common response (43 percent), was that they would buy additional inventory. This reflects the fact, however, that the majority of Botswana MSEs are in the trade sector. The pattern in the manufacturing sector is quite different. Fifty-nine percent of proprietors in the food, beverage, and tobacco sector would start a new business. Fifty-three percent of textile manufacturers and 67 percent of wood product producers would use credit to buy new tools and machinery. Finally, 59 percent of proprietors in retail trade and 60 percent of restaurants, hotels, and bars would buy additional inventory.

SECTION FIVE

CONCLUSIONS

The MSE sector in Botswana is growing at an average annual rate of 7.8 percent. With an estimated unemployment rate of 35 percent in 1988, and the prediction that 50 percent of graduates will not find employment in the 1990s, MSEs provide one avenue of employment creation. To assist the MSE sector, however, it is necessary to understand the composition of enterprises, their growth patterns, and problems and constraints.

The MSE sector in Botswana consists of approximately 48,000 enterprises employing over 88,000 people or 6.7 percent of the population. Up to 54 percent of MSEs provide 50 percent or more of household income in both urban and rural areas.

Trade and manufacturing represent 94 percent of all MSEs in Botswana. Within the trade sector, the majority of Botswana MSEs are retailers, followed by restaurants and wholesalers. Manufacturing MSEs are dominated by food, beverage and tobacco production, followed by textiles. Compared to other countries in the region, the percentage of MSEs in trade is quite high.

As mentioned above, the MSE sector is growing at an average annual rate of 7.8 percent. Although the average growth was positive, the majority of Botswana MSEs have not grown at all. Over three quarters have experienced no change at all, while 5.3 percent have contracted. Of the 19 percent that did increase, the average growth rate was 44 percent. Female-owned MSEs in this category grew at 47.6 percent while male-owned MSEs grew at 37.5 percent. Considering all MSEs, however, female-owned MSEs grew at an annual average rate of 6.7 percent while male-owned MSEs grew at 10 percent.

The prevalence of women in the MSE sector is similar to other countries in the region. Women represent the majority of proprietors in Botswana, operating 75 percent of all MSEs. They are particularly dominant in trade (75 percent) and manufacturing (71 percent) and to some extent in services (64 percent). They also comprise the majority of the MSE work force, representing 72 percent of all workers. Almost a quarter (24 percent) of the women were unemployed before their present MSEs compared to 6 percent of men. And although there is indication that they earn less from them, MSEs are very important for Botswana women.

Although fewer MSEs owned by women grow, those that grow tend to do so at a higher rate than those owned by men.

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Finance and marketing problems were consistently reported as primary constraints of MSEs at start-up, during growth, and at the time of the survey. Although these problems are cited most frequently, problems vary across sector and firm size. Development strategies should consider needs particular to each subsector and to firm size.

The characteristics of enterprises reviewed in this report provide an overview of the MSE sector. Although these results may guide MSE assistance, further research is necessary to determine appropriate development strategies. Specifically, further investigation at the subsector level is required to incorporate constraints and development needs particular to those subsectors. Additionally, more qualitative information is necessary to complement the statistics in this report by determining reasons for success or failure of enterprises and growth patterns.

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APPENDIX A

APPENDIX TABLES

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APPENDIX A

APPENDIX TABLES

Appendix Table 1
Number of Existing Enterprises and Workers in Sample
Botswana MSE Survey, 1992

Stratum	No. of MSEs in Sample	Percent	Sample Employment	Percent
Urban Areas	790	63.6%	1673	65.5%
Gaborone - Residential	224	18.0	371	14.5
Gaborone - Commercial	120	9.7	461	18.0
Gaborone - Industrial	65	5.2	226	8.8
Medium Towns	213	17.1	368	14.4
Small Towns	168	13.5	247	9.7
Rural Areas	453	36.4	882	34.5
Large Villages	190	15.3	395	15.5
Small Villages	111	8.9	208	8.1
Rural Eas	152	12.2	279	10.9
TOTALS	1,243	100.0%	2,555	100.0%

Appendix Table 2
Sectoral Distribution by Strata

Sector	Gaborone Residen-tial	Gaborone Commer-cial	Gaborone Indus-trial	Urban Medium Towns	Urban Small Towns	Rural Large Villages	Rural Small Villages	Rural Eas	Total
Manufacturing	17.0%	25.0%	18.5%	39.9%	50.6%	41.6%	38.7%	45.4%	41.4%
Construction	0.4	0.8	1.5	0.0	0.0	0.0	0.0	0.0	0.1
Wholesale and Retail Trade	64.3	50.8	63.1	47.9	40.5	52.6	55.9	53.3	52.6
Transport	2.7	0.8	0.0	2.8	0.6	1.1	0.9	0.0	0.9
Finance, Real Estate, and Business Services	11.6	1.7	6.2	5.6	5.4	1.1	3.6	0.0	2.5
Services	4.0%	20.8%	10.8%	3.8%	3.0%	3.7%	0.9%	1.3%	2.6%

Appendix Table 3
Comparison of MSE Characteristics Across Specific Strata

Characteristic	Gaborone Residen-tial	Gaborone Commer-cial	Gaborone Indus-trial	Urban Medium Towns	Urban Small Towns	Rural Large Villages	Rural Small Villages	Rural Eas	Total
% of MSEs Provide 50% or More of Household Income	52.7%	64.5%	66.7%	61.2%	56.1%	57.6%	49.1%	51.8%	54.3%
Avg. No. of Workers in MSE	1.7	3.8	3.5	1.7	1.5	2.1	1.9	1.8	1.8
Avg. No. of Females in MSE	1.01	2.4	1.97	1.19	1.1	1.52	1.31	1.36	1.32
Avg. Annual Growth Rate of Employment	14.6%	24.8%	31.0%	7.2%	7.7%	7.1%	13.5%	5.8%	7.8%
% of MSEs with Female Proprietor(s)	71.9%	54.7%	44.6%	63.4%	85.1%	73.5%	57.7%	81.6%	75.7%
% of MSEs That Received Loans from Formal Source	5.1%	26.5%	23.8%	2.9%	1.8%	5.4%	6.7%	8.2	7.1%

Appendix Table 4
MSE Location by Sector

Sector	Gaborone Residential	Gaborone Commercial	Gaborone Industrial	Urban Medium Towns	Urban Small Towns	Rural Large Villages	Rural Small Villages	Rural Eas	Total
Home	86.2%	22.5%	10.8%	55.9%	85.1%	65.3%	62.2%	71.5%	69.5%
Market	0.0	10.8	6.2	11.3	0.0	6.8	0.0	0.0	2.6
Commercial District	0.9	55.0	44.6	8.5	0.0	6.3	1.8	5.3	5.6
Shop by Roadside	0.0	0.8	4.6	8.0	6.0	14.7	24.6	8.6	9.2
Roadside	0.9	5.0	32.3	4.2	2.4	1.6	3.6	6.0	4.4
Mobile	12.1	5.8	1.5	11.7	5.4	3.7	8.1	8.6	5.8
Other	0.0	0.0	0.0	0.5	1.2	1.6	0.0	0.0	0.4

Appendix Table 5
Sectoral Distribution of Micro and Small Enterprises in Botswana, 1992

Sector	ISIC Code	Urban Areas	Rural Areas	Total
Manufacturing Total		35.4%	44.1%	41.4%
Butchery	3111	0.5	0.5	0.5
Flour Milling	3116	0.0	0.1	0.1
Bread, Biscuits, and Cake Baking	3117	0.1	0.4	0.3
Other Food Processing	3121	0.0	0.1	0.1
Beer Brewing	3133	8.4	15.1	13.0
Other Beverage Making	3134	0.0	0.5	0.3
Dressmaking	3221	2.4	5.0	4.2
Tailoring	3222	2.1	1.7	1.8
Knitting	3223	0.4	1.3	1.0
Other Textiles	3224	0.1	0.0	*
Weaving	3225	*	0.3	0.2
Other Leatherwork	3233	0.0	1.0	0.7
Shoework and Repairs	3240	0.9	0.7	0.8
Grass, Cane, Bamboo	3312	0.1	0.6	0.5
Coal and Wood Production	3313	0.1	0.1	0.1
Carpentry	3320	0.4	0.0	0.1
Furniture Making	3321	0.1	0.7	0.5
Glass Work	3620	*	0.0	*
Brick Making	3690	1.	1.1	1.2
Other Masonry	3699	0.4	0.0	0.1
Tinsmithing	3814	0.2	0.1	0.2
Other Metalwork	3818	0.2	0.5	0.4
Welding	3819	0.2	0.1	0.1
Jewelry Work	3901	0.1	0.0	*
All Other Manufacturing	3909	*	0.0	*
Auto Repair	3911	11.0	0.2	0.5
Electrical Repair	3912	0.1	0.0	*
Radio/TV Repair	3913	0.2	0.6	0.5
Other Repair	3915	0.1.	0.0	*

Sector	ISIC Code	Urban Areas	Rural Areas	Total
Construction	5000	0.2%	0%	0.1%
Trade Total		50.9%	53.%4	52.6%
Liquor Distributor	6100	0.0	0.2	0.1
Wholesaler	6110	0.0	0.5	0.3
Vending Food	6201	11.0	7.6	8.6
Vending Drinks	6202	1.8	3.0	2.6
Vending Farm Products	6203	2.6	0.8	1.4
Vending Garments	6204	7.5	1.7	3.5
Vending Forest-based Products	6205	1.0	1.0	1.0
Vending Hardware	6206	0.4	0.0	0.1
Other Vending	6208	4.3	6.2	5.6
Grocery	6213	0.7	1.4	1.2
Retail Food	6214	15.5	15.5	15.5
Bottle Store	6215	0.7	2.2	1.8
Retail Farm Products	6217	0.1	0.1	0.1
Retail Garments	6220	3.2	1.2	1.8
Retail Leather or Shoes	6221	0.1	0.1	0.1
Stationers/Bookstore	6240	*	0.0	*
Filling Station	6250	0.	0.2	0.2
Pharmacy	6251	*	0.0	*
Retail Hardware	6280	0.3	0.1	0.1
General Trader/Dealer	6290	1.6	4.9	3.9
Other Retail	6291	0.1	1.1	0.8
Restaurant	6310	*	1.4	1.0
Bar/Pub/Shebeen	6311	15.0	17.9	17.0
Transport Total		2	0.3	0.9
Bus or Taxi Service	7113	2.2	0.3	0.9
Renting Rooms or Flats	8310	7.1	0.5	2.5
Services Total		4.3	1.8	2.6
Traditional Healer	9331	0.6	0.5	0.5
Dry Cleaner	9521	*	0.0	*
Hair Salon or Barber	9591	1.1	0.5	0.7

Sector	ISIC Code	Urban Areas	Rural Areas	Total
Photo Studio	9592	*	0.0	*
Funeral Services	9597	0.0%	0.5%	0.3%
Other Services	9599	2.6	0.3	1.0
TOTAL, ALL ENTERPRISES		100.0%	100.0%	100.0%

* indicates less than 0.1 percent

Appendix Table 6
List of MSEs (Unweighted) Enumerated during the Survey

MSEs Types Enumerated During the Survey	Urban		Rural		Total for the Whole Country	
	Count	Percent	Count	Percent	Count	Percent
Tailoring	18	1.4%	10	.8%	28	2.3%
Dressmaking	27	2.2	13	1.0	40	3.2
Knitting	4	.3	6	.5	10	.8
Weaving	2	.2	3	.2	5	.4
Other Garment/Tex	1	.1			1	.1
Furniture Making	1	.1	3	.2	4	.3
Carpentry	3	.2			3	.2
Grass/Cane/Bamboo	1	.1	3	.2	4	.3
Coal/Wood Production	1	.1	1	.1	2	.2
Welding	3	.2	1	.1	4	.3
Tinsmithing	1	.1	2	.2	3	.2
Other Metalworks	1	.1	1	.1	2	.2
Auto Repair	9	.7	2	.2	11	.9
Electrical Repair	2	.2			2	.2
Radio/TV Repair	3	.2	2	.2	5	.4
Other Repairs	1	.1			1	.1
Shoework and Repairs	7	.6	4	.3	11	.9
Other Leather			2	.2	2	.2
Flour Milling			1	.1	1	.1
Butchery	7	.6	2	.2	9	.7
Bread/Biscuits/ Cake Baking	1	.1	4	.3	5	.4
Other Foods			1	.1	1	.1
Beer Brewing	57	4.6	66	5.3	123	9.9
Other Beverage Making			1	.1	1	.1
Brick Making	8	.6	4	.3	12	1.0
Sand/Gravel	3	.2			3	.2
Photo Studio	1	.1			1	.1
Glass Work	1	.1			1	.1
Jewelry Work	1	.1			1	.1
Other Manufacturing	1	.1			1	.1
Vending Foods	107	8.6	50	4.0	157	12.6
Vending Drinks	10	.8	16	1.3	26	2.1
Vending Farm Products	16	1.3	8	.6	24	1.9
Vending Forest-Based Products	6	.5	2	.2	8	.6
Vending Hardware	3	.2			3	.2

(continued)

MSEs Types Enumerated During the Survey	Urban		Rural		Total for the Whole Country	
	Count	Percent	Count	Percent	Count	Percent
Vending Garments	53	4.3%	11	.9%	64	5.1%
Vending Jewelry	6	.5	5	.4	11	.9
Semausu	86	6.9	59	4.7	145	11.7
Vending Other	9	.7	10	.8	19	1.5
Hawking	15	1.2	10	.8	25	2.0
Grocery	8	.6	7	.6	15	1.2
Retail Food	2	.2	10	.8	12	1.0
Bottle Store	9	.7	11	.9	20	1.6
Retail Farm Products	3	.2	1	.1	4	.3
Retail Hardware	5	.4	1	.1	6	.5
Retail Garments	34	2.7	8	.6	42	3.4
Retail Leather/ Shoes	5	.4	1	.1	6	.5
Stationers/ Bookstore	2	.2			2	.2
Filling Station	1	.1	2	.2	3	.2
General Trader/Dealer	13	1.0	24	1.9	37	3.0
Pharmacy	1	.1			1	.1
Retail Other	8	.6	3	.2	11	.9
Restaurant	2	.2	3	.2	5	.4
Liquor Distributor			2	.2	2	.2
Wholesaler			1	.1	1	.1
Bar/Pub/Shebeen	98	7.9	57	4.6	155	12.5
Dry Cleaning	1	.1			1	.1
Hair Salon/Barber	14	1.1	5	.4	19	1.5
Construction	3	.2			3	.2
Traditional Healer	6	.5	1	.1	7	.6
Funeral Services			1	.1	1	.1
Bus/Taxi Services	14	1.1	3	.2	17	1.4
Renting Flats/Rooms	53	4.3	6	.5	59	4.7
Professionals	12	1.0	1	.1	13	1.0
Other Services	20	1.6	2	.2	22	1.8
TOTAL	790	63.6%	453	36.4%	1243	100.0%

Appendix Table 7
List of Survey MSEs Extrapolated to Account for ALL MSEs
In Botswana: MSEs with Employment of 10 or less, 1992

Lost of Enumerated Enterprises (MSEs)	Urban Localities		Rural Localities		TOTAL, Both Urban & Rural	
	Count (#)	Percent (%)	Count (#)	Percent (%)	# of MSEs	Percent (%)
Tailoring	199	.7%	336	1.1%	535	1.8%
Dressmaking	226	.8	1,046	3.5	1,272	4.3
Knitting	36	.1	264	.9	300	1.0
Weaving	5	.0	55	.2	59	.2
Other Garm/Textile	11	.0			11	.0
Furniture Making	11	.0	132	.4	143	.5
Carpentry	34	.1			34	.1
Grass/Cane/Bamboo	14	.0	127	.4	141	.5
Coal/Wood Production	11	.0	18	.1	30	.1
Welding	15	.0	18	.1	33	.1
Tinsmithing	19	.1	27	.1	47	.2
Other Metalworks	19	.1	100	.3	119	.4
Auto Repair	94	.3	36	.1	131	.4
Electrical Repair	13	.0			13	.0
Radio/TV Repair	17	.1	118	.4	135	.5
Other Repairs	11	.0			11	.0
Shoework and Repairs	89	.3	146	.5	235	.8
Other Leather			200	.7	200	.7
Flour Milling			18	.1	18	.1
Butchery	48	.2	114	.4	162	.5
Bread/Biscuits/ Cake Baking	11	.0	68	.2	80	.3
Other Foods			18	.1	18	.1
Beer Brewing	834	2.8	3,033	10.2	3,866	13.0
Other Beverage Making			100	.3	100	.3
Brick Making	141	.5	232	.8	373	1.3
Sand/Gravel Prod.	40	.1			40	.1
Photo Studio	3	.0			3	.0
Glass Work	2	.0			2	.0
Jewelry Work	11	.0			11	.0
All Other Manufacturing	2	.0			2	.0
Vending Foods	1,040	3.5	1,483	5.0	2,523	8.5
Vending Drinks	172	.6	591	2.0	763	2.6
Vending Farm Products	250	.8	141	.5	391	1.3
Vending Forest-Based Products	91	.3	200	.7	291	1.0
Vending Hardware	34	.1			34	.1

(continued)

Lost of Enumerated Enterprises (MSEs)	Urban Localities		Rural Localities		TOTAL, Both Urban & Rural	
	Count (#)	Percent (%)	Count (#)	Percent (%)	# of MSEs	Percent (%)
Vending Garments	710	2.4%	341	1.2%	1,051	3.5%
Vending Jewelry	43	.1	77	.3	121	.4
Semausu	1,457	4.9	2,719	9.2	4,176	14.1
All Other Vending	147	.5	755	2.5	902	3.0
Hawking	216	.7	418	1.4	634	2.1
Grocery	72	.2	277	.9	349	1.2
Retail Food	6	.0	418	1.4	424	1.4
Bottle Store	67	.2	441	1.5	508	1.7
Retail Farm Products	8	.0	14	.0	22	.1
Retail Hardware	32	.1	14	.0	45	.2
Retail Garments	299	1.0	223	.8	522	1.8
Retail Leather/Shoes	12	.0	18	.1	30	.1
Stationers/ Bookstore	5	.0			5	.0
Filling Station	19	.1	32	.1	51	.2
General Trader/Dealer	153	.5	982	3.3	1,136	3.8
Pharmacy	3	.0			3	.0
All Other Retail	15	.0	218	.7	233	.8
Restaurant	3	.0	300	1.0	303	1.0
Liquor Distributor			36	.1	36	.1
Wholesaler			100	.3	100	.3
Bar/Pub/Shebeen	1,418	4.8	3687	12.4	5,105	17.2
Dry Cleaning	3	.0			3	.0
Hair Salon/Barber	105	.4	86	.3	191	.6
Construction	16	.1			16	.1
Traditional Healer	59	.2	100	.3	159	.5
Funeral Services			100	.3	100	.3
Bus/Taxi Services	201	.7	50	.2	251	.8
Renting Flats/Rooms	669	2.3	91	.3	760	2.6
Professionals	43	.1	18	.1	61	.2
All Other Services	198	.7	36	.1	234	.8
TOTAL (all MSEs)	9,485	32.0%	20,175	68.0%	29,660	100.0%

Appendix Table 8
Perceived Problems of MSE Proprietors, 1992

Perceived Problem	At Start-Up	During Growth	Currently
Finance	53.2%	23.5%	47.8%
Lack of Investment Funds	10.1	0.0	3.3
Lack of Operating Funds	16.5	7.4	23.4
Unavailable Credit	0.7	0.0	0.5
Customers Not Repaying Credit	25.2	16.2	19.6
Other Finance Problems	0.7	0.0	1.1
Tools/Machinery	2.2	5.9	2.2
Tools/Machinery Unavailable	1.4	2.9	0.5
Tools/Machinery Expensive	0.0	1.5	1.1
Repair Service Expensive	0.7	1.5	0.5
Market and Demand Problems	17.3	23.5	24.5
Not Enough Customers	8.6	4.4	17.4
Customers Don't Know About MSE	0.7	0.0	0.5
Number of Larger Competitors Increasing	0.0	4.4	0.5
Number of Same Size Competitors Increasing	0.0	0.0	0.5
Low Prices Received	1.4	0.0	0.0
Shoplifting	4.3	7.4	0.5
Orders Not Picked Up	0.7	1.5	0.5
Other Market Problems	1.4	5.9	4.3
Government Policy	0.7	1.5	0.0
Business Taxes	0.0	1.5	0.0
Other Government Problems	0.7	0.0	0.0
Shop/Rental Space	0.7	2.9	2.2
Shop Space Unavailable	0.0	1.5	0.0
Shop Space Inadequate	0.0	1.5	0.0
Lack of Shelter	0.7	0.0	1.1
Inputs	3.6%	19.1%	8.7%
Raw Materials/Stock Unavailable	2.2	19.1	7.1

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Perceived Problem	At Start-Up	During Growth	Currently
Raw Materials/Stock Expensive	0.7	0.0	1.1
Poor Quality Raw Materials/Stock	0.7	0.0	0.0
Other Input Problems	0.0	0.0	0.5
Transport	6.5	7.4	7.6
Public Transport Unavailable	0.7	1.5	0.5
Public Transport Expensive	0.7	0.0	1.1
Need Own Transport	5.0	4.4	4.9
Poor Road Conditions	0.0	0.0	1.1
Other Transport Problems	0.0	1.5	0.0
Labor	4.3	4.4	3.3
Skilled Labor Unavailable	1.4	1.5	1.1
Lack of Loyalty	1.4	0.0	1.1
Other Labor Problems	1.4	2.9	1.1
Utilities	2.2	1.5	0.5
Water/Electricity Unavailable	1.4	0.0	0.0
Telephone Service Unavailable	0.7	0.0	0.5
Unreliable Supply	0.0	1.5	0.0
Technical	1.4	4.4	0.0
Did Not Learn Needed Skills	0.7	2.9	0.0
Management Problems	0.7	1.5	0.0
Miscellaneous	7.9	5.9	3.3
Personal Health	3.6	1.5	1.6
Child Care	0.7	0.0	0.5
Household Responsibilities	0.7	4.4	0.0
Burglary	2.2	0.0	1.1
Other	0.7	0.0	0.0

APPENDIX B

VARIABLE DEFINITIONS

APPENDIX B
VARIABLE DEFINITIONS

DESCRIPTION OF ENTRIES (VARIABLES) ON MSEs ENUMERATION SURVEY QUESTIONNAIRE: EXISTING ENTERPRISES

The questionnaire has five distinct segments consisting of the following:

1. Identification of area sampling unit (coded);
2. Identification of enumerator and supervisor (uncoded);
3. Indication of households that are either not involved with MSEs or those whose premises are closed (tallied):
4. A segment on status of questionnaire data entry (uncoded); and
5. The basic data on MSE section (coded).

1-3. Area Sampling Unit (data are coded): The area sampling unit could have up to five levels of identification such as province, district, locality, stratum and sub-stratum. In some cases, it may have only two, namely the town and the urban zone. All the entries for the area sampling unit should be coded (and computer-recorded or entered).

Names of Enumerator and Supervisor (data uncoded): Information on names of enumerators and supervisors are not usually coded but are written on the questionnaire to facilitate quick and close supervision of data quality and quantity.

Households (data tallied): The word 'household' refers here to a group of people who pool their incomes, eat from the same pot/table and share responsibilities. As enumerators are in the field, they come across three types of household:
(a) *Households With No Activity* - a group not involved with any MSE activities - data tallied on the top of the questionnaire to make note of this fact;
(b) *Households Closed* - a second group of households not found at home at the time of the visit by enumerators to inform whether they own any MSE activities or not - data also tallied, in the second set of spaces at the top of the questionnaire;
(c) a third group of households operating or owning MSEs - data on their MSEs are entered in the main body of questionnaire (item #5 above).

Questionnaire Data Entry Status (data not coded): Here dates are written on the questionnaire to show when data were proofed (manually), computer entered ('punched' in) and computer verified.

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BASIC DATA ON MSEs:

This part has 31 columns containing the essential data for one MSE of a particular household on a single line. The data entries in the first four segments described above are common to a number of MSEs in a given sampled area, while those in this segment are enterprise- or household-specific. For the most part, the data that are entered on this part of the questionnaire are numerical codes provided on separate code sheets or at the bottom of the questionnaire. The different columns are briefly described below.

Sequence Number: All MSEs recorded by a given enumerator in a given sampled area are given sequential numbers. The numbering begins from 1 for each enumerator, for each locality of enumeration. These numbers are written by the enumerator. Such numbers are crucial in linking MSEs which also have separate supplementary questionnaires.

4. Unique ID Number: Each MSE has a unique identification number given by the coder or data entry person at the office. There is only one set of numbers written sequentially for all MSEs in all locations beginning with 1.

5. Enterprise Type: The enterprise type is written *in words* in this column. Again, all non-farm, non-fishing enterprises of market-oriented production, commerce or service activity in the compound will be included. This will include activities dealing with the processing of agricultural products or fish products.

6. Enterprise Code: A numerical code is given for each MSE activity, to be used in identification of an enterprise. The code number given to the activity is found on a separate code sheet, and is written in this column.

7. Sequence Number Within Compound: For those households that have more than one MSE *in the same enumeration area where you are working*, each MSE will be recorded on one line of the questionnaire. These will then be recorded in sequence. The first MSE will be recorded as "1" in column 7. The second MSE will be recorded as "2", etc. This sequence beginning with "1" should be started over for each new household.

8. Last MSE On Premises: Every time you finish entering information for an MSE, you will ask if there are more MSEs to record for that proprietor. If the answer is yes, then put "1" here; if the answer is no, then put "2" here.

9. Primary or Secondary Business Type: The *primary* business or MSE is the most important non-farm, non-fishing enterprise of market-oriented production, commerce, or service activity in the compound. Activities dealing with the processing of agricultural products or fish products will be included, but not the raising of wheat for milling. There are two crucial issues here: one to find whether a household is involved in MSE activities and secondly, if involved in more than one such activity in the given area, to identify which one is the primary one as far as income is concerned. If there is only one MSE then that activity is considered primary and will be recorded as "1" in column nine.

If there are two activities, then the secondary activity, in terms of income, will be recorded as "2" in column nine. If there are more than two enterprises, then all enterprises other than the primary enterprise will be recorded as "2". ***Remember,*** all enterprises will be recorded on one line of the questionnaire, no matter how many there are in the household.

10. **Total Number of MSEs Per Household**: Some households own more than 1 MSE. The total number of MSEs owned by each household is entered here, no matter where the enterprises are located.

11. **Percentage Share of All Household Income:** The percentage range or the share of family income contributed by the primary MSE is entered in this section. Family income is defined here as all sources of income including farming, outside employment, gifts, remittances or income from all MSEs.

12. **Location of MSE**: Refer to location code at bottom of the page.

13. **Number of Months of Work per Year:** Here the total number of months in a year that the MSE is normally operated or kept open to do business is recorded.

14. **Number of Days of Work per Month**: The total number of days per month that the business is ***usually*** open for business goes in this column.

USUAL TYPES OF WORKERS

This refers to the different types of people who work in the MSE on a regular basis during the months when it was open to do business. Regular does not necessarily mean full-time. Thus, a person who works only part of the time on a regular basis is counted. However, someone who drops in for a visit and does some work will not count. Depending on the nature of employment or remuneration, there could be four distinct types of workers in a MSE:

15. **Total Number of Workers**: This is the sum of the four labor types below. It includes the proprietor.

16. **Working Proprietor**: an owner or operator who ***works in the MSE;***

17. **Unpaid Family Members**: the proprietor's family members who are not paid or not fully paid for their labor contribution in the MSE;

18. **Paid Workers**: those who are fully paid for their MSE work, whether family members or not; and

19. Apprentices: those who are in the MSE primarily for the training they get and who are not fully paid (if they are paid at all) for their services or contribution.

    The number of workers for each of the above four labor types is entered in the relevant column; a zero is entered for a column where there is no relevant worker in it.

20. Number of Female Workers: This is asking for the total number of females among all the four types of labor force mentioned above: the proprietor, the family members, the hired workers, and the apprentices or trainees.

21. Number of Part-time Workers: Any one of the four types or categories of workers who works less than the normal full work time (hours and days) will be considered a part-time worker.

22. Number of Child Workers: Any worker less than 15 years old is considered a child.

23. Pay of Best Paid Worker: If the MSE pays more than one employee, then the salary of highest paid worker is recorded in this column. If there is only one paid worker, then that salary is recorded here. If there are no paid workers, then zero is recorded here.

24. Pay Period: The pay period, e.g. hour, day, week, or year, for the best paid worker in column 25 is recorded here using the codes at the bottom of the questionnaire.

25. Month and Year of Business Start: Year and month (if the proprietor can remember) in which the MSE was started, bought, or came under the control of the present owner.

26. Total Number of Workers at Start of MSE: This number is similar to the "total number of workers" in column 21 except this one is at the time when the MSE was started.

27. Sells to whom?: The codes indicate to whom a MSE's products are sold. If there are several buyers, then choose the one which is the most important in terms of the value of sales.

28. Source of Inputs: Here the code for the source of the most important input is entered. Importance is measured here by the total amount paid for the input.

29. Non-Startup Credit and Grant Source: The codes at the bottom of the questionnaire are used to determine if the proprietor has received credit or grants after starting the business.

30. Proprietor Gender: The gender code of the proprietor, whether he/she works in the MSE, is entered here.

31. Owner ID: Owner ID refers to the person who owns or runs the business being discussed. It is not necessarily the person you are talking to. If the business being

discussed is the respondent, then code "1" to represent "respondent" is recorded. If it is the spouse of the respondent, then "2" is selected. If it is another household female or male, other than the respondent, then "3" or "4" are recorded respectively. If a several households own one business, then code "5" is selected. Finally, if a business has a corporate ownership, code "6" is selected.

32. Proprietor's Name or Nickname, Business Name and Address: This should provide enough information to be able to locate the proprietor again, should this be necessary in any follow-up work.

33. Supplementary Questionnaire: If a supplementary questionnaire is filled out for this particular proprietor or household, then put "1"; if not put a "2".

34. Closed Enterprise Questionnaire: If this proprietor had a MSE in the past which is now closed or has ceased operating for more than one year, then write "1" in this column; otherwise, put a "2".

DESCRIPTION OF ENTRIES (VARIABLES) ON MSEs ENUMERATION SURVEY QUESTIONNAIRE: CLOSED ENTERPRISES

As enumerators come to each household or workshop, they will ask if the proprietor had any other enterprise (MSE) which he or she has closed for whatever reason. Such a MSE is considered "closed" if it has been closed for a year or more. Each such closed enterprise will be entered on a line on the Part II or on the **Closed Enterprise Questionnaire (CEQ)** of the enumeration survey. Sometimes a proprietor will have more than one closed MSE and each such closed enterprise must be entered on a separate line. Do not include closed enterprises that belonged to other members of the household at the time of closure. Our interest here is only those that belonged to the proprietor.

BRIEF DESCRIPTION OF CLOSED ENTERPRISE QUESTIONNAIRE:

1-3. Same as Part I of the **Existing Enterprise Questionnaire (EEQ)**

4. **Unique Household ID Number**: This column will be completed by the coder. Enumerators do not fill anything here. For a proprietor that has both an EEQ and a CEQ, this number is the same both in the EEQ (Col# 6) and CEQ. This number will help us to link in the analysis proprietors that have both existing and closed MSEs. Enumerators should not write anything in this column.

5. **Unique Closed MSE ID Number**: Just as MSEs in the EEQ (Col#6) have unique numbers, closed MSEs will also have unique ID numbers. This number is filled by the code. Enumerators should not write anything on this column.

6. **Closed Enterprise Type**: Just as we write the type of the existing business in the EEQ (Col# 10 of EEQ), the type of the closed MSE is also written here in words.

7. **Closed MSE Code**: Using the MSEs code list used in the EEQ (see Column 11 of EEQ), write the code number here for the activity.

8. **Percentage Share of All HH Income**: This is completed in the same manner as Col. 12 of the EEQ.

9. **Location Type**: The code for this column is the same as the one for Col. 13 of the EEQ. This is not asking for some indication of distance but the nature of the site or spot where the closed MSE was located.

10. **Location or Distance**: Note this is different from location type or site. This column is asking whether the place for the closed MSE was nearby or further away.

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11. Year/Month Closed MSE Started: Ask proprietors in what year the closed MSE was acquired/started; ask them if they know the specific month it was started. Use numbers to record both the year and the month: for the year, just use the last two digits (e.g., 1973 becomes just 73); for the month, start with January as 1 and continue till 12 for December.

12. Number of Workers at Start: Here put the total number of workers (i.e., including the proprietor, family members, hired and apprentices or trainees) that worked in the closed enterprise when it started (or was acquired).

13. Year/month Closed MSE Stopped Operating: Ask the proprietor in what year and month the MSE closed. The approach is the same as Col 13.

14. Number of Workers at Close: The information is similar to Col 14 but we are now asking at the time the MSE closed.

15. Highest Number of Workers: During the life of the closed MSE, its number of workers may have gone up or down. We want to know the highest level it reached at any time.

16. Year/month of Highest # of Workers: Same type of information as col # 13 and col # 15 except now we are asking for the time when the closed MSE had the highest number of workers.

17. Reason MSE Closed: Ask the proprietor why the closed MSE shut down and write down the answer as he or she states it. The answer must be specific and clear; you must understand the answer in order to be able to code it in Col# 20.

18. MSE Closure Code: The code for the reason the closed MSE shut down (as given in Col# 19) should be entered here. A separate code sheet will be given to you for common answers; however, do not try to fit an answer to a code. If you can not find the answer in the code sheet, then ask your supervisor or the survey trainers.

19. Present Occupation of Closed MSE Proprietor: Ask the person what he or she is doing currently. But, you do not need to ask this question if the person already has an EEQ and he or she is working there. Again, be sure you understand the answer and write exactly what the person says. **You may need to ask him or her more to find out exactly what he or she is doing. Do no accept general answers such as "I am working in the countryside."**

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20. Current Activity Code: The answer given in Col # 21 should be coded here. Again, separate code sheets will be given to you to use here. Code numbers are given at the bottom of the page.

21. Product Buyers: The question here is, to whom does the proprietor sell the product. If he/she has many products, take the one which is most important to his/her income. Codes are given at the bottom of the page.

22. Source of Closed MSE Inputs: As for the EEQ, this question explores the nature of the most important inputs. The codes are given at the bottom of the questionnaire. Again, if there are many inputs, ask for the most important one with regards to expenses.

23. Credit or Grant Source: As for the EEQ, this question explores the nature of credit. The codes are given at the bottom of the questionnaire.

24. Gender of Proprietor: The codes for this question are given at the bottom of the questionnaire.

25. Proprietor's Name and Address: The information sought here is similar to Col # 35 of the EEQ. Read that part carefully.

26. Existence of EEQ: If you have completed an EEQ for this proprietor, then write "1", if not write "0".

27. Last Closed MSE for HH: Every time you finish entering information for a closed MSE, you will ask if there are more closed MSEs to be recorded for that proprietor. If the answer is yes, then put "0" here; if the answer is no, then put "1" here.

Four Difficult Decision Points

1. Is it <u>one</u> business or <u>two</u>?

When you see that the respondent is carrying out two activities, you need to decide whether to count them as two businesses (and code them as PRIMARY and SECONDARY), or whether to count them as two parts of a single diversified business (and code the business according to which ever activity brings in the majority of the business's income).

The decision rule is based on TIME and SPACE considerations.

(a) If the two activities are undertaken in the SAME SPACE and at the SAME TIME, ...

Then the person has ONE diversified business.

(b) If the two activities are undertaken in the SAME SPACE but at TWO DISTINCTLY DIFFERENT TIMES,...

Then the person has TWO business activities.

(c) If the two activities are undertaken at the SAME TIME, but in TWO DISTINCTLY DIFFERENT PLACES, ...

Then the person has TWO business activities.

2. Is it a <u>production</u> or a <u>commerce</u> activity?

When you see that the respondent both produces and sells goods, should you code the business as a production/manufacturing activity, or a commerce activity?

The decision rule is the following:

(a) It the person sells goods that he/she PRODUCES, ...

Then the business should be classified as a PRODUCTION/MANUFACTURING activity.

(b) If the person sells goods that he/she PURCHASED, ...

Then the business should be classified as a COMMERCE activity.

(c) If the person sells BOTH SELF-PRODUCED AND PURCHASED GOODS, ...

Then WHICHEVER DOMINATES the value of stock sold is used to determine the code (if the majority of stock sold is self-produced, classify the business as production/manufacturing; if the majority of stock is purchased, classify the business as commerce).

3. Is the commerce activity <u>vending</u>, <u>retail</u>, or <u>wholesale</u>?

When you see a respondent clearly selling goods that he/she did not produce, do you code the business as a vending, retail, or wholesale business?

The decision rule is based on QUANTITY OF GOODS HELD FOR SALE.

(a) If the person has ONLY LIMITED DISPLAYED goods for sale (without stock to replenish the display), ...

Then the person is VENDING.

(b) If the person has enough stock to both DISPLAY AND REPLENISH the display as customers buy, ...

Then the person is RETAILING.

(c) If the person has SUFFICIENT STOCK TO SUPPLY OTHER BUSINESSES engaged in retailing those goods, ...

Then the person is WHOLESALING.

4. Is the business a <u>non-agricultural activity</u>?

When you find a person engaged in the sale of agricultural products, you need to determine whether the activity should be considered an agricultural or a non-agricultural activity. If the activity is agricultural, then the person SHOULD NOT BE INCLUDED IN THE SURVEY. If non-agricultural, then the person SHOULD BE INTERVIEWED.

The decision rule depends on WHETHER THE PERSON PRODUCES THE GOODS which are for sale.

(a) If the person is engaged in producing the agricultural products that they are selling (such as eggs, chickens, or vegetables), ...

Then the activity is AGRICULTURAL. (DON'T INCLUDE)

(b) If the person purchases the agricultural products on the market place, ...

Then the activity is NON-AGRICULTURAL. (INCLUDE)

(c) If both (a) and (b) are true, ...

Then include the activity as NON-AGRICULTURAL but information recorded must be for the non-agricultural part of the enterprise only.

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APPENDIX C

STRATA DEFINITIONS AND STATISTICS

Appendix C: Stratum Definitions and Statistics

Micro and Small Scale Enterprise

strata code	Strata	#EAs pop	#EAs sample	#HH pop	#HH sample	#Persons pop	#Persons sample	%pop in sample	Definition of Stratum
	Urban-Gaborone	259	30	36829	3899	133984	13107	9.8	
1	Urban-Gaborone-Residential	237	21		3224		10622		All EAs in Gaborone, not in industrial or commer
7	Urban-Gaborone-Commercial	17	6		534		2038		EAs in Gaborone with a commercial area
8	Urban-Gaborone-Industrial	5	3		141		447		EAs in Gaborone in industrial areas
2	Urban-Medium Towns (3)	286	15	34111	1923	130962	7175	5.5	Urban areas (CSO definition) , excluding
	Francistown								Gaborone, with more than 25000 residents
	Lobatse								
	Selebi-Phikwe								
3	Urban-Small Towns (5)	98	7	11159	1120	51749	4718	9.1	Urban areas (CSO definition) with 25000
	Orapa								or fewer residents
	Jwaneng								
	Sowa								
	Tlokweng								
	Palapye								
4	Rural-Large Village (9)	362	20	61493	2398	249747	12343	4.9	Villages with populations of 12855
	Molepolole								residents or more
	Kanye								
	Serowe								
	Mahalapye								
	Maun								
	Mochudi								
	Ramotswa								
	Mogodishane								
	Thamaga								
5	Rural-Medium Village (9)	137	10	15114	1042	74037	4856	6.6	Villages with more than 5000 and
	Moshupa								less than 12855 residents
	Tonota								
	Tutume								
	Letlhakane								
	Bobonong								
	Mmadinare								
	Gabane								
	Shoshong								
	Ghanzi								
6	Rural-Small Village	1483	15	154986	1346	685014	7736	1.1	Villages with less than 5000 residents
	TOTAL	2625	97	276863	11728	1325493	49935	3.8	

ENUMERATION AREA LIST CSO CODES:

Project List	CSO Codes	Project Codes	CSO Codes
1	1032	2	1690
3	1011	4	0182
5	0941	6	1402
7	0240	8	1232
9	0850	10	0381
11	0473	12	0561
13	0782	14	1550
15	0701	16	1310
17	0401	18	0300
19	1102	20	1442
21	0581	22	1341
23	1332	24	1353
25	1300	26	0680
27	0620	28	0921
29	0060	30	0340
31	0110	32	0810
33	0901		
35	0192	36	0140
37	0042	38	0181
39	0512	40	0142
41	0043	42	0285
43	0201	44	0082
45	0073	46	0054
47	0141	48	0230
49	0121		
60	0022		
61	0372	62	0412
63	1310	64	1301
65	0322	66	0423
80	0201	81	0014
82	0111	83	0131
84	0140	85	0241
86	0141	87	0182
88	0382	89	0091
90	1039	91	1299
92	0164	93	0051
94	0143	95	0212
96	0041	97	0111
98	0132	99	0091
105	0744	106	0492
107	0552	108	0052
109	0604	110	0602
111	0591	112	0014
113	0731	114	0011
130	0401	131	0872
132	1113	133	0650
134	0471	135	0351
136	0142	137	0320
138	0280	139	0572
140	0242	141	0791
142	0152	143	1232
144	0731		

APPENDIX D

QUESTIONNAIRES

EXISTING ENTERPRISE QUESTIONNAIRE: BOTSWANA, FEBRUARY, 19

( ) 1. District: ______________ Date Completed: ______________ Households With No Activity:(Tally) ______________

( ) 2. Stratum: ______________ Page #: ______________ ______________ Total ( )

( ) 3. Enum Area #: ______________ Enumerator: ______________ Households Closed:(Tally) ______________

Locality: ______________ Supervisor: ______________ ______________ Total ( )

Date Proofed: ______________

Date Entered: ______________

Date Verified: ______________

SEQUENCE NUMBER	UNIQUE ID NUMBER	ENTERPRISE TYPE (within compound or at place of business)	ENTERPRISE CODE	SEQUENCE # WITHIN COMPOUND	LAST MSE ON PREMISES (1=YES, 2=NO)	PRIMARY ENTERPRISE (1=YES, 2=NO)	TOTAL # OF MSES PER HH (IN BOTSWANA)	% SHARE IN ALL OF HH INCOME (a)	LOCATION TYPE (b)	# MONTHS PER YEAR	# DAYS PER MONTH	Total No. of Workers: TOTAL # OF WORKERS	# OF WORKING PROPRIETORS	# UNPAID FAMILY WORKERS	# OF PAID WORKERS	# OF APPRENTICES	Of Total: # FEMALES	# PART-TIME	# CHILDREN	PAY OF BEST PAID WORKER	PAY PERIOD (c)	MONTH/YEAR OF BUSINESS START	# WORKERS AT START (inc. prop.)	SELLS TO WHOM (d)	SOURCE OF INPUTS (e)	NON-START UP CREDIT & GRANT (f)	PROPRIETOR GENDER (g)	OWNER ID (h)	PROPRIETOR'S NAME, NICKNAME, ENTERPRISE NAME, PHYSICAL ADDRESS	SUPP QUEST.? (1=Yes, 2=No)	ANY CLOSED ENTERPR.? (1=Yes, 2=No)
	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34

Codes

a/ 1. Provides all of household income 2. Provides more than half of hh income 3. Provides less than half of hh income 4. Provides about half of hh income 5. Don't Know

b/ 1. Home/homestead 2. Market 3. Commercial district 4. Shop by the roadside 5. Roadside 6. Mobile 7. Other

c/ 1. Per hour 2. Per day 3. Per week 4. Per month 5. Per year 6. Other

d/ 1. Individuals 2. Urban commercial enterprises 3. Urban manufacturing enterprises 4. Rural commercial enterprises 5. Rural manufacturing enterprises 6. Agricultural Enterprise 7. Export 8. Other

e/ 1. Imported 2. Local 3. Both Local and Imported 4. Don't Know

f/ 0. Never received loans 1. Loans from family/friends with interest 2. Loans from family/friends without interest 3. Moneylender 4. Formal Credit Institution 5. Financial Assistance Policy 6. Parastatal 7. Other

g/ 1. Female, one proprietor 2. Male, one proprietor 3. Female, more than one proprietor 4. Male, more than one proprietor 5. Mixed-gender joint proprietorship

[illegible] 2. Spouse 3. Other HH female 4. Other HH Male 5. Multiple HH Ownership 6. Corporate Ownership 7. Other

( ) 1. District:__________ Date Completed:__________

( ) 2. Stratum:__________ Page #:__________

( ) 3. Enum Area #:__________ Enumerator:__________

Locality:__________ Supervisor:__________

Date Proofed:__________

Date Entered:__________

Date Verified:__________

UNIQUE ID NUMBER (same as prior unique id)	UNIQUE CLOSED ENTERPRISE ID NUMBER	CLOSED ENTERPRISE TYPE ANYWHERE IN BOTSWANA	CLOSED ENTERPRISE CODE	% SHARE OF ALL HH INCOME (a)	LOCATION TYPE (b)	LOCATION DISTANCE (c)	MONTH/YEAR MSE STARTED	# WORKERS AT START (INCL. PROP., FAMILY, PAID, & APPRENTICES)	MONTH/YEAR MSE CLOSED	# WORKERS AT CLOSE (INCL. PROP. FAMILY, PAID, & APPRENTICES)	HIGHEST NUMBER OF WORKERS (INCL. PROP. FAMILY, PAID & APPREN)	MONTH/YEAR OF HIGHEST NUMBER OF WORKERS	REASON MSE CLOSED	CLOSURE CODE (d)	WHAT ARE YOU DOING NOW?	CURRENT ACTIVITY CODE (e)	SOLD PRODUCT TO WHOM? (f)	SOURCE OF CLOSED MSE INPUTS (g)	CREDIT OR GRANT SOURCE (h)	PROPRIETOR GENDER(1)	PROPRIETOR'S NAME, NICKNAME, ENTERPRISE NAME, PHYSICAL ADDRESS	ENUM.: DID YOU FILL IN ES07 (1=YES, 2=NO)	LAST CLOSED MSE IN HH? (1=Yes, 2=No)
4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27

Codes

a/ 1. Provides all of household income 2. Provided more than half of income 3. Provided less than half of income 4. Provided about half of income 5. Don't Know

b/ 1. Home/homestead 2. Market 3. Commercial district 4. Shop by the roadside 5. Roadside 6. Mobile 7. Other

c/ 1. On these premises 2. In this area/nearby 3. Elsewhere

d/ 1. Market problems 2. Personal reasons 3. Unavailability of operating funds 4. Unavailability of stock or raw materials 5. Got a job 6. Started another MSE 7. Legal troubles/Gov't interference 8. Unable to Pay Back Loan 9. Other

e/ 1. New Related MSE 2. New Unrelated MSE 3. Works for someone else 4. Nothing 5. Farming 6. Other

f/ 1. Individuals 2. Urban commercial enterprises 3. Urban manufacturing enterprises 4. Rural commercial enterprises 5. Rural manufacturing enterprises 6. Agricultural enterprises 7. Export 8. Other

g/ 1. Imported 2. Local 3. Both Imported and Local 4. Don't Know

h/ 0. Never received loans 1. Loans from family/friends with interest 2. Loans from family/friends without interest 3. Formal Credit Institution 4. Moneylender 5. Financial Assistance Policy 6. Parastatal 7. Other

Botswana MSE Survey - CONFIDENTIAL

Supplementary Questionnaire

Prepared and Administered by GEMINI, with Support From SIAPAC-A..., for the Ministry of Finance and Development Planning, February-March, 1992

1) Enumeration Area: # → ________________ Code → ____

2) Enumerator: ________________

3) ID Number [ENUMERATOR: NUMBER FROM EEQ]: ____

4) [Supervisor's initials & print name: ________________]

5) *MmelRre o na le dinwaga tse kae?* What is your age?

6) *MmelRre o tsereltserwe?* Are you currently married? ____
   ____ - 1 yes
   ____ - 2 no

   6a) [If yes to 6, and respondent is female] *Ka 1991 a o kare rre o ne a le teng mo lwapeng / gae sebaka sa kgwedi tse difetang boraro?*
   During 1991, would you say your spouse was home for more than 6 months? ____
   ____ - 1 yes
   ____ - 2 no

7) *MmelRre o dirile lokwalo la bokae?* What is your highest formal education? ____
   ____ - 1 post secondary (> O level)
   ____ - 2 senior secondary (Forms 3-5 and O level)
   ____ - 3 junior secondary (Forms 1-2)
   ____ - 4 primary (Standards 1-7 or Department of Non-Formal Education)
   ____ - 5 no education

8) *Batho ba ba nnang mo lwapeng lwa gago ba kae?* How many people live in your household? [Exclude renters] ____

9) *Babereki ba kae mo lwapeng lwa gago?* How many people in your household are in paid employment? [Include full-time, part-time and casual employment] ____

10) *A o kile wa amogela dithuto tse di mabapi le kgwebo pele ga o simolola?* Did you receive any formal technical training prior to entering into business? [Refers to technical training lasting longer than 3 months] ____
   ____ - 1 yes
   ____ - 2 no

   10a) [If yes to 10] *Kae?* Where? ____
   ____ - 1 Brigades
   ____ - 2 Polytechnic
   ____ - 3 Vocational Training Centres
   ____ - 4 Outside Botswana
   ____ - 5 Other inside Botswana (specify) ________________

11) *O ne o dira eng pele ga o tsena mo kgwebong?* What did you do immediately before this business? ____
   ____ - 1 Ran another business - same type
   ____ - 2 Ran another business - different type
   ____ - 3 Employed in another business - same type
   ____ - 4 Employed in another business - different type
   ____ - 5 Formal school/too young to work/Training
   ____ - 6 Unemployed / Piece Work
   ____ - 7 Traditional Farming / Worked in the Home
   ____ - 8 Other (specify) ________________

12) *O na le sebaka se se kae o le mo madirelong a mofuta o, ke tsenya le kgwebo e?* How many years have you been engaged in this type of industry, including this business? ____

13) *Palo e ntsi ya babereki e o kileng wa nna le yone ke bokae?* What was the largest number of workers your business has ever had? ____

14) *E ne e le ka ngwaga ofe go diragala santlha?* In what year did this first occur? [Exclude businesses < 1 year old] 19____

15) *O ne ona le babereki ba le kae mo kgwebong ya gago nako e, mo ngwageng o o fetileng (1991)?* What was the total number of workers in your business at this time last year (1991)? [Exclude business < 1 year old] ____

   15a) *Ka 1990 gone?* What about 1990? [Exclude business < 2 years old] ____

16) *O simolotse jang kgwebo e?* How was this business started / acquired? ____
   ____ - 1 started myself / ourselves
   ____ - 2 purchased
   ____ - 3 inherited
   ____ - 4 rented
   ____ - 5 gift
   ____ - 8 other (specify) ________________

17) *O boneltsere kae madi a go simolola kgwebo?* What was the principal source of the money to start this business? ____

- ____ - 01 household / personal savings
- ____ - 02 loans from family or friends (with interest)
- ____ - 03 loans from family or friends (without interest)
- ____ - 04 formal credit institution
- ____ - 05 moneylender
- ____ - 06 gifts
- ____ - 07 Financial Assistance Policy
- ____ - 08 Parastatal (inc. NDB, Tswelelo, Dept. of Co-operatives)
- ____ - 09 inherited (did not need to raise money to start business)
- ____ - 10 other (specify) ____

18) *Ke eng o sa bule kgwebo ya gago ka dipaka tsotlhe?* Why do you leave your business for certain times of the year? ____

- ____ - 1 operating 12 months
- ____ - 2 farming
- ____ - 3 seasonal employment
- ____ - 4 other business
- ____ - 5 business too slow at times
- ____ - 6 extended holiday period
- ____ - 7 business < 1 year old
- ____ - 8 other (specify) ____

19) *Gantsi o reka thata kae dilwana tse o di rekisang kgotsa tse o di dirisang mo kgwebong ya gago?* What are your principal and secondary sources of inputs? [Enumerator: Rank 1 & 2. If goods purchased in SA, tick 5] ____ ____

- ____ - 1 wholesaler / larger retailer
- ____ - 2 larger producer
- ____ - 3 smaller and same size retailer
- ____ - 4 smaller and same size producer
- ____ - 5 I/someone go(es) to South Africa
- ____ - 6 farmer (direct producer)
- ____ - 7 own production
- ____ - 8 other (specify) ____

19a) [If purchase in Botswana] *Ke kae?* What destination do you go to get your inputs? ____

- ____ - 1 Gaborone/F'town/Lobatse/SP
- ____ - 2 Jwaneng/Orapa/Palap./Tlokweng
- ____ - 3 large / medium-sized village
- ____ - 4 small village/ungazetted settlements
- ____ - 5 other (specify) ____

20) *Bontsi jwa dilwana tse o di rekisang di rekwa ke bo mang thata?* Who are your principal and secondary customers for your goods? [Enumerator: Rank 1 & 2] ____ ____

- ____ - 01 consumers (direct public)
- ____ - 02 wholesaler / larger retailer
- ____ - 03 larger producer
- ____ - 04 smaller and same size retailer
- ____ - 05 smaller & same size producer
- ____ - 06 direct export
- ____ - 07 institutions
- ____ - 08 government
- ____ - 09 other (specify) ____

21) *A o kile wa nna le mathata fa o simolola kgwebo?* As you think back, did you face any problems when you first started / acquired this business? ____

- ____ - 1 yes
- ____ - 2 no

21a) [If yes to 21] *Ke afe mathata a matona a mabedi a o neng wa lebagana le one fa o simolola kgwebo?* What would you consider to be the two major problems you faced? ____ ____

____ ____

22) *A gona le nako nngwe e o kileng wa bona theko e ile kwa godimo?* Have you ever experienced a period of major growth in sales in your business? [Exclude businesses < 1 year old] [Enumerator: Major growth must last at least 6 months. Exclude growth < 6 months in length.] ____

- ____ - 1 yes
- ____ - 2 no

22a) [If yes to 22] *Go diragetse ka ngwaga ofe?* In what year did it first occur? [Exclude businesses < 1 year old] 19____

22b) *[If yes to 22] Ke afe mabaka o botlhokwo a mabedi o a dirileng kgolo e o ya dithekiso?* What would you consider to be the two most important reasons for this growth?

______ - 1 do not know
______ - 2 overall demand grew (secular trend)
______ - 3 more customer, because old customers recommended me
______ - 4 more customers, because I knew what products / services people liked
______ - 5 larger / better premises
______ - 6 moved to busier location
______ - 7 I have no / little competition
______ - 8 other (specify) ______________

22c) *[If yes to 22] Fa dithekiso di le kwa godimo ke afe mathata a matona a mabedi a one wa lebagana le one?* When your business was growing, what would you consider to be the two most important problems you encountered?

1) ______________________ 2) ______________________

23) *Ke afe mathata a matona a mabedi a o nang le one gompieno?* What are the two main problems, if any, your business *currently* faces?

1) ______________________ 2) ______________________

24) *Ke bomang ba ba iteisanang borathana le wena?* Who are your competitors?
[Enumerator: Rank 1 & 2]

______ - 1 wholesaler / larger retailer
______ - 2 larger producer
______ - 3 smaller and same size retailer
______ - 4 smaller and same size producer
______ - 5 someone outside Botswana
______ - 6 importers
______ - 7 Don't Know
______ - 8 other (specify)______________

25) *Dikgwebe tse dikgolwane mo go ya gago tse di rekisang dilwana tse di tshwanang le tsa gago di oketsegile go le kae mo ngwageng tse tlhano tse di fetileng?* How has the number of businesses just like yours (same size) changed over the past five years? *[Exclude if < 2 years old]*

______ - 1 much increase
______ - 2 little increase
______ - 3 no change
______ - 4 little decrease
______ - 5 much decrease
______ - 6 do not know

26) *Ka kakaretso tlhokego ya dilwana tse o di rekisang e o ketsegile go le kana kang mo dingwageng tse di fetileng?* How has the overall demand for products just like yours changed over the past five years? *[Enumerator: Exclude if < 2 years old]*

______ - 1 much increase
______ - 2 little increase
______ - 3 no change
______ - 4 little decrease
______ - 5 much decrease
______ - 6 do not know

27) *Kgwebo ya gago e nnile le kgolo e e kang kang mo dingwageng tse tlhano tse di fetileng?* How has the volume of your own business changed over the past five years?
[Enumerator: Exclude if < 2 years old]

______ - 1 much increase
______ - 2 little increase
______ - 3 no change
______ - 4 little decrease
______ - 5 much decrease
______ - 6 do not know

28) *Fa o ntse o tsweletse a o kile wa tsenalamogela dithuto kgotsa kgakololo e e mabapi le kgwebo ya gago?* Have you had any formal short-term training or advice for your business activities?

______ - 1 yes
______ - 2 no

28a) *[If yes to 28] Dine dile ka ga eng?* What type of training did you receive?
[Tick as many as appropriate]

______ - 1 management
______ - 2 technical / production
______ - 3 book keeping / accounting
______ - 4 marketing
______ - 5 other (specify) ______________

29) *Ke dife dithuto tse di ka go thusang go tokafatsa kgwebo ya gago?* What type of training would help you improve your business? *[For training < 3 months]*

______ - 1 management
______ - 2 technical / production
______ - 3 book keeping / accounting
______ - 4 marketing
______ - 5 none
______ - 6 do not know
______ - 8 other (specify) ______________

30) *Ke afe mananeo a dithuso tsa madi a o a itseng a a ka go thusang mo kgwebong ya gago?* Which financial assistance sources, if any, are you aware of which might assist you with your business? [Tick as many as appropriate]

_____ - 01 Financial Assistance Policy
_____ - 02 National Development Bank
_____ - 03 AE10
_____ - 04 SLOCA
_____ - 05 LG17
_____ - 06 ARADP
_____ - 07 Tswelelo
_____ - 08 BEDU & BAS
_____ - 09 Department of Co-operatives
_____ - 10 none [tick alone]
_____ - 11 other (specify) _____

31) *A o kile wa kopa dithuso tsa madi?* Have you ever applied for financial assistance?

_____ - 1 yes - applied & received
_____ - 2 yes - applied & refused
_____ - 3 yes - applied & pending
_____ - 4 no

31a) [If applied and received] *Dithuso tsa madi tse o di amogetseng di ne di tswa kae?* What financial assistance package did you receive? [Tick as many as appropriate]

_____ - 01 Financial Assistance Policy
_____ - 02 National Development Bank
_____ - 03 AE10
_____ - 04 SLOCA
_____ - 05 LG17
_____ - 06 ARADP
_____ - 07 Tswelelo
_____ - 08 BEDU & BAS
_____ - 09 Department of Co-operatives
_____ - 10 none [tick alone]
_____ - 11 other (specify) _____

32) *Fa o ne o ka amogela dithuso tsa madi one o ka di dirisa mo go eng?* If you could receive financial assistance, what would you use it for?

_____ - 1 buy tools and machinery
_____ - 2 buy additional stock
_____ - 3 payment for workers
_____ - 4 repair / rent / buy premises or shop
_____ - 5 purchase transport
_____ - 6 open a new business
_____ - 7 other (specify) _____

33) *A go na le melawana ya Puso e e neng ya go kgoreletsa fa o simolola kgwebo ya gago?* Are there specific Government policies that have hindered you when you were starting your business? [Tick as many as appropriate]

_____ - 1 yes - licensing
_____ - 2 yes - zoning
_____ - 3 yes - registration
_____ - 4 yes - tax regulations
_____ - 5 yes - Government discourages this type of business
_____ - 6 yes - policies which do not exclude foreigners from my business area
_____ - 7 yes - other (specify) _____
_____ - 8 no

33a) *A go tsaya letla ya go tsamaisa kgwebo gone ga go fa mathata?* Has licensing presented a problem? _____

_____ - 01 yes - took much time to wait in line
_____ - 02 yes - process unclear
_____ - 03 yes - forms too complicated
_____ - 04 yes - money and time to travel
_____ - 05 yes - license too expensive
_____ - 06 yes - we are chased away
_____ - 07 no - need one but did not get one
_____ - 08 no - do not need one
_____ - 09 yes - other (specify) _____
_____ - 10 no - other (specify) _____

34) *O tsaletswe ko lefatsheng lefe?* What country were you born in?

_____ - 1 Botswana
_____ - 2 any other country

34a) [If any other country to 34] *A o santse ole moagedi wa lone lefatshe le o?* Are you still a citizen of that country?

_____ - 1 yes
_____ - 2 no

35) [Enumerator observation] Structure characteristics

_____ - 1 mobile
_____ - 2 in the open
_____ - 3 non-permanent structure
_____ - 4 semi-permanent structure
_____ - 5 permanent structure

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