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MAPS

Manual for Action in the Private Sector

MICROENTERPRISE CONSOLIDATION

Draft Report

U.S. Agency for International Development

Bureau for Africa

Office of Market Development and Investment

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--DRAFT--

SUMMARY OF DATA COLLECTED AND DIALOGUE RESULTS
FROM SMALL AND MICROENTERPRISES

Prepared for:

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Bureau for Africa
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1. Introduction

MAPS implementations include a systematic review of the role, performance and prospects of the small scale and microenterprise sector. During the implementation of MAPS views regarding the business climate, the key obstacles to growth in productive efficiency and sales, and opportunities for growth are sought from a wide spectrum of persons operating in the microenterprise sector, including individual entrepreneurs, as well as representatives from agencies which work extensively with these types of firms. The MAPS Teams have in effect helped Missions "keep an ear to the ground" and designed assistance strategies which take into account the needs, strengths and special concerns of this important segment of the private sector.

This document has consolidated in a uniform format key statistical and interview data on various categories of "small" and "micro" enterprises from MAPS research and dialogue activities undertaken over the period of November 1988 to June 1990. The countries in which MAPS exercises were completed over this time period were: Lesotho, Swaziland, Kenya, Ghana, Rwanda and Cameroon.¹

Sources of Data. The MAPS process elicits information from the small and microentrepreneurs through a variety of ways. One mechanism is the survey of firms. On average about one third to one half of the firms interviewed in these surveys have been small and microenterprises.² Data on these firms from the survey appear in the Statistical Appendices at the end of this text (see Annex A). Annex A in this report shows the total number of firms in each of the size categories interviewed as part of these surveys. The Appendices provide AFR/MDI with an overview of the contribution MAPS studies have made to the state of knowledge on small and microenterprises. They are meant to be an easy to use reference of performance indicators and characteristics for these types of firms and serve as a baseline for assessing the progress of this important segment of the African private sector over time. The key

¹A MAPS exercise was completed in Botswana, but it did not include extensive data gathering activities targeted to the microenterprise sector.

²Not all surveys covered the same topics, nor covered them in the same depth. What was covered depended primarily on the topics of interest to the Mission, and the extent to which there were data available from sources other than MAPS studies which could provide similar information. For this reason, not all the country appendices may cover the exact same set of issues, or provide the same level of detail. The Appendices focused on data points which were indeed comparable.

results of the survey are summarized in Section 2 of this report. Firm level data gathered from the surveys have been complemented and augmented through data from secondary sources (government reports, donor sponsored studies, particularly World Bank, IMF and UNDP). Key results of this secondary research are also presented at the end of Annex A.

In addition, MAPS exercises have included extensive dialogue sessions with representatives of the small and micro enterprise sectors in these countries. The dialogue sessions, typically held in small groups of 3 to 8 people and lasting 2-3 hours, have been used to discuss at length the entrepreneurs' perceptions of the business environment, key resource constraints, and served as brainstorm sessions to search for mechanisms and approaches to help them overcome obstacles to growth. The sessions helped the MAPS Teams refine the scope of work of the survey and secondary source research efforts as well as obtain feedback on the results and interpretation of the data gathered from these types of firms. While firm level data collected through the survey revealed some important commonalities between smaller firms which cut across all sectors and countries, dialogue sessions helped alert the MAPS Teams and Mission to the remarkable variety in the activities and outlook of the small entrepreneur within each country. These sessions suggested the need to develop a variety of mechanisms and strategies for assisting firms in these sectors. Section 3 of this report provides highlights of these dialogue sessions, particularly showing how insights gained from these encounters led to improved USAID strategy design in a variety of countries. Annex B provides the names of the key persons in the small and micro enterprise sectors consulted throughout the MAPS process in each country. These lists do not include all the entrepreneurs contacted, which number literally in the hundreds.

Definition of Small and Micro Enterprises. The Statistical Appendices provide data on owner-operated, micro and small scale firms³ for each of the countries mentioned above. In addition a third column in each country appendix computes average responses for all firms in the country, allowing the reader to compare characteristics, perceptions and performance of owner-operated, micro and small firm characteristics with those of the "average" firm in each country. Since the purpose of this document is to facilitate cross-country analysis, the attempt has been made to use uniform definitions whenever possible. But definitions which make sense in one country may not apply to another. In Lesotho

³Unless noted elsewhere in the text, the definitions of this size category are as follows: Owner-operated refers to those firms having no other full time employee other than the owner; micro-enterprises are those employing 1 to 5 people; small firms employ 6-10 people.

and Ghana, a 25 person firm is large, relative to the average size of firms in the country. In Swaziland, the presence of a relatively large number of bigger foreign and local corporations means firms employing less than 25 persons are still small. In all cases, the definition of firm size has been determined solely based on the total number of full time equivalent employees, rather than fixed assets. The latter lends itself to greater error, since firms tend to systematically want to undervalue their fixed assets.

Topics covered. The statistical appendices arrange the data by country and topic. They focus on those topics of special interest to AFR/MDI and the Africa Bureau:

- o Firm Characteristics: Labor Force Size and Composition, Participation of Women in Ownership and Labor Force.
- o Finance: Current Use and Constraints to Use of Formal and Informal Credit Sources
- o Marketing: Factors Affecting Sales, Market Orientation, Sources of Marketing Information, Marketing Constraints
- o Production: Costs, Constraints (e.g. access to foreign exchange, raw materials, infrastructure, transport)
- o Labor Force: Training needs and Plans
- o Business Climate: Past and Expected Business Growth Patterns
- o Associations: The Distribution of Membership, the Types of Services Desired from Associations

2. Survey and Secondary Source Data

This section highlights some of the main issues raised by a cross-country analysis of the data in the Statistical Appendices provided in Annex A. But the statistical appendices contain far more information than is highlighted in these brief summaries.

2.1 Firm Characteristics

- 2.1.1 Most of the micro and small enterprises operate in the informal sector. Government and donor definitions of "informal" varied by country, but in MAPS studies it was used to denote firms which do not appear on government registries (either tax rolls or census bureau lists) and/or trade association registries. The only country where all the small and informal sector firms were registered almost in their entirety was in Swaziland, due to an ambitious cataloguing effort sponsored by CARE and undertaken by Coopers and Lybrand.
- 2.1.2 Participation of women in the private sector (as owners, managers and employees) tends to concentrate in the smaller firms. Most (on average almost 60 percent) women-owned firms are microenterprises. On average, over 30 percent of the microenterprises are women-owned. Generally, the participation of women in the labor force and management positions is higher in the smaller firms. MAPS dialogue sessions revealed that in part higher participation by women in smaller firms reflected the fact that labor laws sometimes made it costlier for employers to hire women (in Kenya women are not allowed to work in the night shifts, for example). Smaller firms, often operating outside the formal sector, may have greater flexibility in terms of compliance with the law; they may also, by virtue of their location and/or nature of the goods produced, be better able to accommodate working women with more flexible working hours and conditions (allowing women to do some of their work at home, for example).
- 2.1.3 Most of the firms in these size categories are very young and inexperienced. On average small firms in all countries reported operating less than 3 years, and many firms had scarcely been operating more than one year. Their limited "track record" made it difficult for them to qualify for financing (see point 3.2 below).
- 2.1.4 On average, over 60 percent of small and microenterprises operate in the services (including commerce) sector; over 40 percent operate in the commerce sector. The exception

were Ghana and Lesotho; in Ghana 47 percent of the small firms operated in the manufacturing sector, while in Lesotho 41 percent operated in the agroprocessing sector.

Surveys thus far have concentrated on the for profit business sector. Thus the subsistence agriculture sector, though clearly part of "private sector production," and an important element of economic activity, has been excluded. They have also excluded health and education firms from the sampling frame.

2.2 Finance

2.2.1 Sources. Few small and microenterprises have access to formal credit sources. In addition, MAPS surveys showed that informal credit does not play a large role in microenterprise financing. Therefore, on average, 90 percent of the small and microenterprises in the countries studied depended on personal finances for over 50 percent of their operating credit. The one exception was Cameroon, where tontines accounted for over 30 percent of owner-operated firm and 19 percent of microenterprise credit; this reduced their need to rely on personal finances: small and micro enterprises obtained less than 50 percent of their operating credit from personal sources.

2.2.2 Constraints. The largest barrier to formal credit access, according to entrepreneurs in micro and small firms are bank collateral requirements. Dialogue sessions with bankers and small entrepreneurs revealed that high collateral requirements (as well as a number of add-on fees) exist in part to compensate banks for the restriction placed on loan spreads.⁴ Unable to cover perceived higher risks through greater spreads, bankers rely on heavily collateralized loans. In most countries where MAPS has been undertaken, land tenure laws and customs increase difficulties meeting collateral requirements. For example, in Lesotho and Swaziland land belonged to the crown and was allocated locally through chiefs; difficulties interpreting ownership rights in these cases often meant in practice that banks preferred not to use land as collateral. In Kenya, land could be owned, but survey results showed that the overwhelming majority of small and micro enterprises lacked any title or leasing right to the land, again making it difficult to use land for collateral. Lack of title is but part of the problem of course; even in countries where

⁴Low spreads are often the result of interest rate ceilings.

obtaining a title is less of a problem (such as Ghana), there exist numerous cultural problems using land as collateral.

Bank bureaucracy presents in some countries another serious obstacle to formal credit. According to the survey this problem was particularly acute in Rwanda.

Generally, high interest rates have not been perceived as a major constraint by the small entrepreneur; in fact, survey responses suggest many small businesses pay exceedingly high interest rates to informal lenders. Government policies which keep interest rates deliberately low to facilitate access to credit, often simply dampen credit flow to this sector, because bankers cannot charge higher rates for riskier loans. Thus in the end interest rate controls simply cut access to formal credit for the indigenous entrepreneurs, often the same group who are said to be ostensibly benefiting from such policies.

In Lesotho and Ghana, distance to banks and the general lack of rural credit delivery mechanisms, particularly for the small rural-based firms, was also perceived to be a serious obstacle to formal credit access.

In several countries, particularly Ghana, Lesotho and Swaziland, women entrepreneurs faced special difficulties due to their legal status. In Lesotho unmarried women are considered minors, and not able to sign for loans themselves; even in countries where legally women are adults, bank regulations often still require that a male relative or spouse sign on a woman's behalf.

2.3 Marketing

2.3.1 Small and micro enterprises are, as is to be expected, oriented virtually exclusively to the domestic market (where on average they sell over 98 percent of their goods and services). And most firms in these size categories sell over 80 percent of their goods within a very limited radius. In part this reflects the nature of the goods and services they market; many of these firms operate in the services sector (hairdressers, tailors), and thus find most of their clientele locally.

2.3.2 Most small firms acknowledge their lack of marketing information and marketing know-how. Smaller firms in all countries surveyed would like most to receive assistance in this area. In Kenya, Cameroon and Rwanda,

less than 50 percent of the small firms felt they had adequate information about the local market for their goods. In Swaziland and Lesotho, the percentage was 65. Over 90 percent of these firms in all countries surveyed depended primarily, if not exclusively, on personal contacts for their market information.

2.4 Production

2.4.1 In all countries surveyed, the key constraint to production is lack of access to finance, start-up and working capital. As noted above, few small and micro enterprises in any country have access to formal or informal lending, and must rely heavily on their personal finances.

2.4.2 Aside from finance, the key factors negatively affecting small and micro enterprise productivity varied widely across countries. In Cameroon, even the smaller firms complained about the burden of regulations, permits and licensing requirements placed upon the entrepreneur. In Ghana and Swaziland poor access to electricity and transport had the largest negative effect on small business productivity. In Kenya, import regulations created shortages in spare parts and equipment which hindered firms' ability to produce efficiently. In Lesotho and Rwanda, where many of the smallest firms operated outside the large urban center, the lack of access to reliable and cheap transport were perceived as the key factors adversely affecting firm efficiency.

2.5 Labor and Training

2.5.1 Smaller firms were generally less interested in investing in personnel training than in other areas (such as marketing or improving production technology). This reflects the few number of workers employed by these firms, and their relatively low level of technology. Nevertheless even the smallest owner-operated enterprises in all countries demonstrated considerable interest in improving their management skills (on average over one third of the firms in this size category reported planning to invest in improving their own management skills).

2.5.2 In Lesotho and Swaziland, the smaller firms faced special problems obtaining access to skilled and supervisory labor: not only did the small indigenous entrepreneur have to compete with the larger firms in-country for this relatively scarce resource, but also with the relatively

lucrative opportunities offered by the RSA. Thus for smaller firms in these countries, the potential recruiting pool was very small.

- 2.5.3 In all countries, dialogue sessions revealed that the formal education system was viewed largely irrelevant to the needs of the private sector, and the small entrepreneur in particular. There are few ties between the education system and the private sector, though in all countries these ties, through internships, workshops and seminars, were improving significantly. Besides management skill training, there is a felt need for better vocational/technical education.

2.6 The Business Climate

- 2.6.1 Growth patterns and perceptions regarding the business environment varied considerably across countries. In Lesotho, Ghana, Rwanda and Swaziland, smaller firms generally reported slower past sales and expected slower growth in the future than the average firm in the country. In Kenya and Cameroon, smaller firms reported faster sales growth and expected faster growth in the future than other firms in the country. Data from other surveys and official estimates in Kenya and Ghana confirm the fact that most of the growth in the private sector has come from small scale enterprises (see end of Annex A).

This variation may in part reflect the overall enabling and regulatory climate for firms. The regulatory burden in Kenya and Cameroon, as measured by the responses to the MAPS survey and in dialogue sessions with entrepreneurs, was perceived as high and increasing. Governments in Lesotho, Swaziland, Rwanda and Ghana had to a large extent dismantled many of the onerous reporting, tax and other regulatory obstacles or burdens on the private sector, leading to increased growth by the larger firms. In addition, the industrial development policies and incentive packages available in Swaziland and Lesotho were perceived by the small entrepreneurs to at best be neutral towards SSEs, and at worst to heavily favor large foreign businesses and parastatals.

Finally, in Lesotho and Swaziland, part of the difficulty faced by the smaller firms stems from the fact that so many of these firms are women-owned. Legal restrictions on signing contracts, or owning land, and custom make it difficult for women to operate businesses.

However, these variations in perceptions of the business

climates notwithstanding, small and microenterprises are characterized by a greater degree of uncertainty concerning the future than the sample at large in all countries where this data was available. In Cameroon 71% of the owner operated firms could not predict what would happen next year as opposed to 43% of the total sample. In Swaziland the percentages were 40 and 17 respectively. While in other countries the differences were not as striking it can be concluded that small firms face a higher degree of uncertainty than other firms.

2.7 Associations

- 2.7.1 The majority of small and micro entrepreneurs do not belong to a business or trade association. In Swaziland, Kenya and Cameroon, less than one quarter of firms in these size categories belonged to an association. In Rwanda the percentage was higher (42%), while in Lesotho and Ghana over 70 percent did. The higher percentage in Lesotho reflects primarily the fact that the survey in this country targeted almost exclusively registered firms. On the other hand, higher percentages in Ghana and Rwanda reflect the fact that the smaller firms in these countries seemed to be better organized.
- 2.7.2 The majority of the small and micro firms in all countries would like to see trade or business associations offer programs to facilitate access to credit, as well as access to market intelligence.
- 2.7.3 Associations are doing very little to promote linkages between small and large firms. Few business associations, except for Cameroon's Chamber of Commerce,⁵ have a diversified membership. Those associations to which the larger firms belonged, had very few if any small firms as members.

In some countries this was starting to change, however. In Kenya, a program sponsored in part by the Chamber of Commerce and members of the Kenya Association of Manufacturers recruits executives in large firms to provide consulting expertise and advise to the smaller firms. In Lesotho a similar program was being designed by the Chamber of Commerce.

⁵In which, by law, all firms had to register.

3. Dialogue with Microentrepreneurs

This section presents highlights of the dialogue sessions with representatives of the small entrepreneur sector. It illustrates the type of insights provided to the private sector strategy design through the extensive dialogue sessions which have taken place under MAPS.

3.1 **Cameroon: a New Look at the Chamber of Commerce.** One of the key issues pertaining to private sector assistance is always: how does one channel assistance most effectively? The perception of the Mission, prior to MAPS, was that the Chamber of Commerce in Cameroon, a parastatal, was an ineffective implementing agent. As such Mission private sector strategy should seek to fortify or create other channels of assistance. But the dialogue and survey sessions in Cameroon proved that the Chamber of Commerce, despite its management and political problems, also had a surprisingly good reputation among a vast spectrum of entrepreneurs. It was generally highly regarded by small and large firms alike. It also had a fairly diversified membership base; as such it was already serving as a bridge between the small and the larger entrepreneur. These linkages could be enhanced and exploited through carefully placed USAID assistance.

3.2 **Ghana: Measuring the Distribution of the Costs and Benefits of Structural Adjustment.** MAPS dialogue and research activities showed that despite the well documented costs of the Structural Adjustment process, the small and informal sector in the country was nevertheless thriving, while the larger, formal, previously protected enterprises were the ones being hurt. These results were important feedback to the Mission, as it tried to adjust its development strategy and leverage its assistance effectively to support the needs of the indigenous private sector in the adjustment process. It indicated to USAID the need to continue to support this program on the conviction that the private sector was generally benefitting.

In addition, MAPS dialogue sessions showed liquidity was the main constraint on microenterprises. As a result of MAPS findings, as well as other key finance sector studies, USAID began examining the role of rural finance within the broader context of rural agro-related development; in the future this information would lead to some form of assistance to credit unions, cooperatives, etc. affecting directly "microentrepreneurs".

3.3 Kenya: The Need to Coordinate Microenterprise Assistance.

The microenterprise sector in the country had been one of the few growth points in an otherwise sluggish economy. The government and donors were focusing an increasing amount of their assistance in these firms. But there was much confusion regarding the causes and sources of growth in this sector, and the types of obstacles constraining its development. Survey and dialogue activities under MAPS helped clarify assistance needs and strategy, and promote wider cooperation among donors. Consultations with a wide spectrum of small firms took place: from the one person metalworking operation who sells its product directly to retail customers to the relatively sophisticated 5 person jewelry design firm exporting to the EEC. These sessions revealed the vast diversity within the microenterprise sector: no one assistance strategy would suffice. The dialogue sessions also illustrated the special problems of the small entrepreneur whose growth and success brought on new marketing and management problems which remained largely unaddressed by the donor community. They also revealed that the larger informals had an even harder time obtaining capital than the smallest firms; cooperatives and informal lending mechanisms were playing a much more reduced role in enterprise credit than anticipated, donor programs were generally targeted for the smaller enterprises, formal bank sector lenders were unwilling to extend credit to these types of firms, given the present system of interest rate regulations. MAPS dialogue sessions revealed the need to encourage wider information sharing among donors, and set the foundation for greater cooperation among them, in terms of targets and assistance mechanisms.

- 3.4 Lesotho: Using Joint Venture Mechanisms.** Mr. Makhooane, a small agricultural inputs wholesaler, had a wonderful idea: why continue importing processed seeds from the RSA, when Lesotho had the land, expertise and equipment to produce improved seeds for less? He had the locale, the business development plans, but lacked the capital and the marketing and distribution channels. He had talked to government and multilateral donor agencies, and all expressed an interest but little else. MAPS private sector dialogue sessions gave Mr. Makhooane the opportunity to express his views to a variety of actors, including larger entrepreneurs and a variety of donor agencies. He also began making contacts, facilitated through the AFR/MDI database on investors, with the international agribusiness community. Within 9 months, Mr. Makhooane had struck a deal involving Pioneer Seeds and the Lesotho National Development Corporation (LNDC), to produce and market seeds in the country. The success of Mr. Makhooane led other small entrepreneurs in the country to see the importance and value of strengthening the linkages between small and large firms. The Chamber of Commerce, as a result,

began to design a program to encourage such networking and linkages through a variety of mechanisms, from local short-term seminars on marketing presented by executives of the larger firms, to informal get-togethers and exchanges.

3.5 Rwanda: Reaching out Beyond the Urban-Based Enterprises.

While most MAPS studies and dialogue sessions with smaller entrepreneurs have centered in the urban sector, in Rwanda, the growing pressure on the countryside caused by fast population growth and a dwindling land base required special efforts to reach out beyond the main urban centers and understand the evolving role of farm-based enterprises. The local MAPS project monitor drove out several hours into the country's central region to get a sense of the type of small business activity which took place beyond the main urban centers. Among the most common activities found was tanning. In one sense, tanning has been a very difficult business in Rwanda because it is in direct contradiction to the traditional Rwandan reverence for cattle. On the other hand, the fast population growth in an already densely populated country, has meant that an increasing percentage of the cattle population has had to be penned or slaughtered. As a result the tanning business has experienced fast growth, and sections of the country where no business activity beyond simple barter trade was contemplated began witnessing a new class of small entrepreneur. These small businessmen have been unable to access the type of capital needed to make improvements and keep up with the growth demanded of their business. Few banks reach out beyond the key urban centers. Government small business lending programs were geared primarily to the traders. Yet the MAPS dialogue sessions with these rural-based entrepreneurs clearly showed the need to re-orient lending priorities and programs; the country's fast shrinking land base was leading to radically altered sources of rural income. The MAPS dialogue sessions, complemented with firm level data, contributed to the Mission's design of its integrated Rural Enterprise Development Project.

3.6 Swaziland: Training as the Key Constraint to Business Growth.

Despite significant amount of assistance targeted to the education sector in Swaziland, most of it had benefitted public sector agencies and administrators. Dialogue with a wide spectrum of small businesses including a dress and uniform designer, soap maker, a child care provider, an electrician, suggested that the one problem they all shared was their inability to access trained accountants and managers. Small indigenous firms were unable to compete effectively with the growing number of the larger expatriate-owned firms for the relatively low number of trained Swazis in these areas. There existed few opportunities to contract

for these services within the country. As a result, the smaller firms remained unable to prepare books properly, impeding their ability to qualify for formal sector credit. Nor were they able to organize themselves effectively to meet the challenges of an increasingly competitive local private sector environment. Thus dialogue sessions illustrated the problems of targeting assistance based on credit alone; more and better targeted education and technical training programs were needed to fill the needs of the small enterprise sector. As a result, the Mission's follow-on training and education projects addressed more directly the technical training needs of the indigenous entrepreneur. In addition, alternative training and consulting services delivery mechanisms were explored to alleviate the trained manpower needs of the growing small scale enterprise sector.

ANNEX A

**CONSOLIDATED DATA ON SMALL AND MICROENTERPRISES
FROM MAPS SURVEY AND DESCRIPTION**

CAMEROON MICROENTERPRISES

FACTORS	OWNER-OPERATED*	MICRO-ENTERPRISE**	ALL
DESCRIPTIVE			
Number Interviewed	37	82	408
Number of Years Operating	3	5	10
% in INFORMAL SECTOR††	94%	69%	25%
Sector of Economic Activity			
% in Agriculture (including Agro-industry)	0%	2%	6%
% in Manufacturing	17%	20%	25%
% in Commerce	46%	54%	45%
% in Services	37%	24%	21%
Ownership			
% Cameroonian Ownership	91%	93%	70%
% GRC Ownership	0%	0%	23%
% French Ownership	0%	17%	45%
% Greek Ownership	0%	10%	7%
% Lebanese Ownership	0%	0%	4%
% FRG Ownership	0%	7%	2%
% UK Ownership	0%	0%	2%
% USA Ownership	0%	0%	2%
Ownership Structure:			
Sole Owner	94%	89%	43%
Partnership	6%	9%	22%
Corporation	0%	1%	34%
Business Turnover			
Less than 20 million FCFA†	100%	84%	41%
20-60 million FCFA	0%	13%	13%
60-200 million FCFA	0%	2%	14%
200-600 million FCFA	0%	0%	10%
More than 600 million FCFA	0%	0%	22%
Land Tenure			
Title Deed	9%	13%	34%
Lease	86%	81%	62%
Squatter	3%	2%	2%
Other	3%	3%	2%
Who Are Constrained by:			
Cost of Land	40%	27%	24%
Access to Land	14%	26%	14%
Incertainty of Tenure	41%	56%	25%
Lack of Clear Titling	23%	24%	14%
*Refers to firms with no full-time employees beside the owner			
**Refers to firms with 1-5 full time equivalent employees			
†At time of survey USS1=FCFA 280			
††Refers to firms that did not appear in any association registry and were selected from known clusters of informal activity			

Source: MAPS Private Sector Survey, March 1990

CAMEROON MICROENTERPRISES

FACTORS	OWNER-OPERATED	MICRO-ENTERPRISE	ALL
REGULATORY ISSUES			
<i>Needing this Number of Permits to Start Operations</i>			
•0-5 permits	97%	89%	59%
•6-10 permits	3%	10%	23%
•1-15 permits	0%	1%	10%
•16-20 permits	0%	0%	11%
•More than 20 permits	0%	0%	5%
<i>% Needing this Number of Months to Obtain Permits</i>			
•0-6 months	89%	79%	55%
•7-12 months	9%	16%	25%
•13-18 months	2%	2%	8%
•19-24 months	0%	1%	4%
•More than 24 months	0%	1%	8%
<i>% Needing this Number of Permits to Operate</i>			
•0-5 permits	97%	91%	64%
•6-10 permits	3%	6%	21%
•11-15 permits	0%	2%	7%
•16-20 permits	0%	0%	2%
•More than 20 permits	0%	0%	6%
<i>% Needing this Number of permits Renewed Annually</i>			
•0-5 annual renewals	97%	91%	85%
•6-10 annual renewals	3%	6%	9%
•11-15 annual renewals	0%	2%	3%
•16-20 annual renewals	0%	0%	0%
•Over 20 annual renewals	0%	0%	2%
<i>URC Regulations Affecting Sales</i>			
•Permits/Licenses	37%	51%	40%
•Price/Margin Controls	37%	55%	38%
•Labor Code Wage Regulations	6%	17%	18%
•Labor Code Hiring/Firing Regs	6%	14%	21%
•Customs Regulations	11%	31%	41%
•Tax Policies	29%	56%	46%
•Tariffs/Quotas	8%	18%	28%
•Investment Code	10%	14%	12%
•PIP	6%	16%	17%
•Tax Unique	10%	24%	18%

Source: MAPS Private Sector Survey, March 1990

CAMEROON MICROENTERPRISES

FACTORS	OWNER-OPERATED	MICRO-ENTERPRISE	ALL
Taxes			
<i>Paying Each Type of Tax</i>			
• PIT	20%	52%	66%
• DESCA	40%	55%	70%
• Other Registration Fees	74%	62%	77%
• Land/Forestry/Mining Fees	31%	27%	36%
• Credit Foncier	0%	24%	65%
• Apprenticeship Tax	0%	17%	42%
• PRCM	0%	10%	40%
• Sales Tax on Securities/Property	0%	7%	20%
• Duties on Sales	31%	40%	55%
• Tax on Insurance	3%	19%	45%
• Trade Union Tax	0%	23%	57%
• MFS	6%	10%	46%
• SS	3%	4%	38%
• Corporate Tax	3%	6%	47%
• Profit Taxes	6%	37%	56%
• Others	9%	33%	40%

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CAMEROON MICROENTERPRISES

FACTORS	OWNER-OPERATED	MICRO-ENTERPRISE	ALL
Labor Issues			
Number of FT Employees	1	3	72
Number of PT Employees	0	1	14
% Management Personnel	83%	35%	21%
% Skilled Labor	21%	39%	38%
% Unskilled Labor	N/A	26%	41%
% Management Cameroonian	93%	92%	77%
% Management Women	26%	9%	10%
% Women Employees	25%	22%	15%
Satisfied w/ Labor Productivity	91%	92%	90%
Access is Difficult for:			
Managers	57%	27%	21%
Secretaries/Clerical Personnel	87%	2%	6%
Technicians	67%	27%	24%
Professional Personnel	88%	29%	17%
Payment Mode:			
Labor Code	6%	26%	57%
Contract Basis/Piece Work	37%	54%	20%
Both	3%	11%	14%
Other	54%	10%	9%
% Who Give Incentives/Bonuses	60%	71%	70%

Source: MAPS Private Sector Survey, March 1990

CAMEROON MICROENTERPRISES

FACTORS	OWNER-OPERATED	MICRO-ENTERPRISE	ALL
Credit Issues			
<i>Sources</i>			
• Commercial Banks	6%	12%	23%
• Other Financial Institutions	0%	1%	3%
• Foreign Sources	0%	0%	10%
• Tontines	31%	19%	12%
• Credit Unions	0%	3%	2%
• Remittances	0%	1%	0.70%
• Suppliers Credit	0%	5%	9%
• Family Capital	14%	13%	7%
• Personal Capital	48%	45%	33%
Credit Access has Affected Business	76%	71%	70%
<i>Access to Credit is Difficult for:</i>			
• Short Term Loans	93%	71%	65%
• Medium Term Loans	92%	73%	69%
• Long Term Loans	92%	81%	86%
<i>Ability to Obtain Financing Impeded by:</i>			
• Collateral	46%	72%	55%
• Short-Term Interest Rates	50%	67%	64%
• Long-Term Interest Rates	33%	62%	56%
• Bank Fees	21%	38%	55%
• Credit Ceilings	38%	65%	62%
• Paperwork	25%	61%	51%
• Lack of Venture Capital	38%	33%	32%
• Distance to Banks	6%	8%	8%

Source: MAPS Private Sector Survey, March 1990

CAMEROON MICROENTERPRISES

FACTORS	OWNER-OPERATED	MICRO-ENTERPRISE	ALL
Business Climate			
Capacity Utilization TODAY	43%	44%	49%
•Capacity Utilization 3 YRS AGO	28%	48%	60%
•Business Climate Has Gotten Worse	100%	91%	82%
•Past Sales Declined	79%	76%	65%
•Future Sales will Decline	40%	24%	22%
•% Don't Know What Will Happen Nxt Yr	71%	50%	43%
Legal Environment			
•Contracts are Difficult to Enforce	54%	61%	61%
•Laws makes it Difficult to do Business	63%	57%	63%
Business Associations			
•% Member of any Association	20%	16%	42%
<i>Percent Belonging to:</i>			
•Industry	0%	0%	49%
•Chamber of Agriculture	14%	0%	18%
•Chamber of Commerce	29%	31%	67%
•Co-op/Commodity Associations	14%	8%	10%
•Restaurant-Hotel Association	0%	0%	7%
•Groupement des Hommes d'Affaires	43%	8%	28%
•Cooperatives	0%	8%	12%
<i>Associations Are Effective/Very Effective</i>			
•Industry	N/A	N/A	90%
•Chamber of Agriculture	100%	N/A	43%
•Chamber of Commerce	50%	100%	93%
•Co-op/Commodity Association	0%	100%	41%
•Restaurant-Hotel Association	N/A	N/A	25%
•Groupement des Hommes d'Affaires	67%	100%	81%
•Cooperatives	N/A	100%	42%
<i>Interested/Very Interested in Service</i>			
•Access to Credit	86%	80%	90%
•Technical Assistance	71%	62%	77%
•Personnel Training	66%	44%	78%
•Feasibility Studies	51%	40%	70%
•Lobbying	83%	56%	85%
•Info on GRC Regulations	71%	49%	85%
•Info on EXPORT MARKETS	58%	43%	76%
•Info on LOCAL MARKETS	74%	73%	94%

CAMEROON MICROENTERPRISES

FACTORS	OWNER-OPERATED	MICRO-ENTERPRISE	ALL
Market Information			
•Local Market Info Available	40%	43%	55%
•Export Market Info Available	6%	6%	19%
<i>Sources of Market Information</i>			
•Ministry of Trade	9%	23%	36%
•Personal Contacts	100%	100%	92%
•Foreign Partners	3%	15%	29%
•Syndustricam	0%	4%	22%
•Chamber of Commerce	3%	23%	41%
•CAPME	0%	16%	10%
•Trade Journals	34%	40%	59%
•INCPB	0%	5%	5%
Technology			
•Have Access to Appropriate Tech	57%	59%	59%
<i>Factors Hindering Access to Technology</i>			
•Lack of Info on Technology	67%	44%	51%
•Lack of Local Expertise	20%	26%	37%
•Cost of Technology	40%	56%	49%
•Investment Required too High	13%	18%	26%
•Imported Tech Inadequate for Mkt	7%	11%	18%
•BRC Licensing Regulations	0%	15%	19%
•Difficulty Obtaining Spare Parts	27%	26%	35%
•Maintenance Problems	27%	35%	42%

CAMEROON MICROENTERPRISES

FACTORS	OWNER-OPERATED	MICRO-ENTERPRISE	ALL
EXPORTING			
•Percent Sales Currently Exported	0%	1%	8%
•Percent Interested In Exporting	11%	21%	40%
•Percent Interested in IFZ	33%	80%	63%
<i>What is Best Export Market?</i>			
•IDEAC	0%	50%	58%
•Other Africa	0%	50%	7%
•EEC	0%	0%	19%
•Other Europe	0%	0%	4%
•USA	0%	0%	5%
<i>Constraints to Exporting</i>			
•Overvalued Exchange Rate	N/A	67%	54%
•Lack of Credit	N/A	84%	64%
•Bureaucratic Delays	N/A	33%	66%
•Taxes	N/A	67%	63%
•Lack of Appropriate Technology	N/A	84%	53%
•Inadequate Transport Infrastructure	N/A	66%	69%
•Other Transport Problems	N/A	33%	47%
•Packaging	N/A	67%	50%
•Raw Materials	N/A	67%	53%
•Low Labor Productivity	N/A	68%	69%
•Lack of Market Information	N/A	100%	84%
•Percent Interested in Joint Ventures	100%	76%	56%
<i>Interested in Joint Ventures for:</i>			
•Capital	100%	79%	87%
•Technology	50%	89%	84%
•Managerial Expertise	50%	37%	45%
•Access to Markets	100%	90%	89%

Source: MAPS Private Sector Survey, March 1990

CAMEROON MICROENTERPRISES

FACTORS	OWNER-OPERATED	MICRO-ENTERPRISE	ALL
OPPORTUNITIES			
<i>What Sector Offers Best Return?</i>			
•Agriculture for Domestic Mkt	3%	5%	5%
•Agriculture for Export Market	0%	4%	4%
•AgroIndustry for Domestic Mkt	11%	9%	13%
•AgroIndustry for Export Mkt	0%	6%	9%
•Manufacturing for Domestic Mkt	20%	12%	13%
•Manufacturing for Export Mkt	14%	7%	12%
•Commerce	29%	34%	21%
•Banking	3%	6%	8%
•Tourism	9%	12%	8%
<i>What Ag Sector Offers Best Return?</i>			
•Coffee	20%	0%	5%
•Cocoa	0%	5%	2%
•Bananas/Plantains	20%	16%	14%
•Other Fruits	0%	16%	9%
•Livestock	0%	26%	17%
•Fishing/Aquaculture	0%	8%	4%
•Palm Oil	40%	21%	10%
•Wood Products/Forestry	0%	5%	19%
•Vegetables	0%	0%	3%
Investment Plans			
<i>Percent Planning to Invest in:</i>			
•Personnel Training	40%	45%	49%
•Improved Production Technology	51%	54%	57%
•Physical Capital	46%	54%	52%
•Marketing	60%	77%	71%
•Procurement	69%	68%	72%
•Quality Control	60%	55%	65%
•Management Skills	80%	68%	71%

Source: MAPS Private Sector Survey, March 1990

GHANA MICROENTERPRISES

FACTORS	MICRO-ENTERPRISE*	SMALL	ALL
	(0-5 employees)	(6-10 employees)	
DESCRIPTIVE INFORMATION			
•Number Interviewed	93	78	300
•Date of Establishment	N/A	N/A	N/A
•% In Informal Sector†	80%	33%	40%
•Business Turnover	N/A	N/A	N/A
<i>Sector of Economic Activity</i>			
•% Agriculture/Agroindustry	27%	8%	14%
•% Manufacturing	43%	47%	49%
•% Commerce	14%	21%	15%
•% Services	16%	25%	22%
<i>Ownership Structure</i>			
•% Ownership Women	30%	23%	19%
•% Ownership Ghanaian	99%	96%	92%
<i>Number of Employees</i>			
	Average=3	Average=7	Average=30
•% Employees Women	34%	27%	29%
•% Employees Ghanaian	94%	100%	97%
•% Skilled Labor	33%	32%	31%
•% Skilled Labor Ghanaian	94%	94%	93%
REGULATORY INFORMATION			
•% Requiring Permits to Start Business	N/A	N/A	N/A
BUSINESS CLIMATE			
•% Think Bus. Climate has Worsened	66%	58%	62%
•% Sales in Last Year have Declined	63%	58%	62%
•% Think Sales Will Decline Nxt Year	39%	32%	25%
•% Uncertain about Nxt Year's Sales	N/A	N/A	N/A
SALES			
•% Domestic Market	98%	95%	96%
•% Exported	2%	5%	4%
<i>Factors Negatively Affecting Business Performance</i>			
•Price of Raw Materials	20%	24%	23%
•Access to Raw Materials	24%	23%	23%
•Interest Rates	54%	52%	43%
•Taxes	58%	63%	54%
•Access to Credit	52%	59%	54%
•Access to Skilled Labor	52%	59%	55%
*Sample of Owner-Operated firms too small (3% of total sample) to allow for analysis			
†Refers to firms that did not appear in any association registry and were selected from known clusters of informal activity			

Source: MAPS Private Sector Survey, May-June 1989

GHANA MICROENTERPRISES

FACTORS	MICRO-ENTERPRISE	SMALL	ALL
INPUTS			
•% Domestic Market	98%	64%	66%
•% Imported	2%	36%	34%
<i>Input Access Constrained by:</i>			
•Financing	81%	86%	79%
•Access to Transport	68%	73%	41%
•Cost of Transport	76%	76%	49%
•Middlemen Margins	53%	57%	22%
•Shortages	55%	68%	28%
PRODUCTIVITY			
<i>Business is Constrained by:</i>			
•% Access to Credit	52%	59%	55%
•% Access to Raw Materials	24%	23%	23%
•% Access to Land	29%	31%	23%
•% Access to Skilled Labor	9%	8%	10%
•% Access to Electricity	12%	13%	12%
•% Access to Transport	36%	32%	24%
•% Access to Telephone	23%	27%	23%
•% Price of Electricity	50%	59%	55%
•% Price of Transport	31%	26%	46%
•% Reliability of Electricity	25%	23%	26%
•% Reliability of Telephone	24%	29%	27%
•% Access to Equipment	33%	31%	28%
•% Access to Spare Parts	15%	25%	21%
LAND TENURE			
•% Constrained by Cost of Land	41%	40%	37%
•% Constrained by Access to Land	46%	55%	43%
•% Constrained by Uncertainty of Tenure	N/A	N/A	45%
LABOR ISSUES			
•% Satisfied with Labor Productivity	81%	84%	77%

Source: MAPS Private Sector Survey, May-June 1989

GHANA MICROENTERPRISES

FACTORS	MICRO-ENTERPRISE	SMALL	ALL
CREDIT ISSUES			
<i>Sources of Credit</i>			
From Commercial Banks			
•0%	69%	70%	73%
•1-20%	9%	15%	5%
•21-50%	6%	15%	14%
•51-100%	17%	0%	8%
From Informal Sources			
•0%	80%	90%	97%
•1-20%	0%	5%	2%
•21-50%	0%	0%	1%
•51-100%	20%	5%	0%
From Suppliers Credit			
•0%	49%	55%	87%
•1-20%	23%	40%	6%
•21-50%	23%	0%	6%
•51-100%	6%	5%	2%
From Family and Friends			
•0%	46%	55%	55%
•1-20%	29%	35%	25%
•21-50%	9%	5%	6%
•51-100%	17%	5%	16%
From Personal Capital			
•0%	6%	5%	12%
•1-20%	17%	35%	4%
•21-50%	74%	55%	19%
•51-100%	3%	5%	65%
<i>Access to Credit Constrained by:</i>			
•% Constrained by Collateral	65%	63%	55%
•% Constrained by Interest Rates	61%	68%	48%
•% Constrained by Bank Fees	39%	43%	16%
•% Constrained by Paperwork/Bureacracy	27%	29%	12%
•% Constrained by Distance to Banks	14%	11%	5%
TECHNOLOGY			
•% Access to Appropriate Technology	53%	42%	54%
INVESTMENT PLANS			
<i>% That Plan to Invest in.:</i>			
•Personnel Training	31%	55%	46%
•Improved Production Technology	58%	56%	59%
•Marketing	65%	68%	68%
•Quality Control	35%	47%	48%
•Management Skills	32%	47%	43%

Source: MAPS Private Sector Survey, May-June 1989

KENYA MICROENTERPRISES

FACTORS	OWNER-OPERATED*	MICRO-ENTERPRISE**	ALL
DESCRIPTIVE INFORMATION			
•Number Interviewed	90	300	778
•Average Number of Yrs Operating	N/A	N/A	N/A
•% In Informal Sector††	100%	80%	50%
•Business Turnover†	Average=KSh 8,000	Average=KSh 50,000	N/A
<i>Sector of Economic Activity</i>			
•% Agriculture	3%	1%	2%
•% Manufacturing (incl. Agroindustry)	16%	15%	13%
•% Commerce	41%	47%	38%
•% Other Services	43%	39%	39%
<i>Ownership Structure</i>			
•% Ownership Women	23%	53%	12%
•% Ownership Kenyan (African)	99%	70%	60%
<i>Number of Employees</i>			
•% Employees Women	27%	26%	22%
•% Employees Kenyan (African)	98%	84%	87%
•% Skilled Labor	100%	80%	27%
•% Skilled Labor Kenyan (African)	99%	75%	43%
REGULATORY INFORMATION			
•% Requiring Permits to Start Business	51%	10%	63%
BUSINESS CLIMATE			
•% Think Bus. Climate has Worsened	39%	34%	34%
•% Sales in Last Year have Declined	32%	31%	26%
•% Think Sales Will Decline Nxt Year	10%	10%	10%
•% Uncertain about Nxt Year's Sales	46%	43%	37%
SALES			
•% Domestic Market	100%	98%	96%
•% Exported	0%	2%	4%
<i>Factors Negatively Affecting Business Performance</i>			
•Price of Raw Materials	48%	45%	56%
•Access to Raw Materials	27%	35%	41%
•Interest Rates	21%	36%	53%
•Taxes	25%	44%	43%
•Access to Credit	45%	41%	60%
•Access to Skilled Labor	13%	18%	21%
*Refers to firms with no full-time employees beside the owner			
**Refers to firms with 1-5 full-time equivalent employees			
†At time of survey US\$1=Ksh 19			
††Refers to firms that did not appear in any association registry and were selected from known clusters of informal activity			

Source: MAPS Private Sector Survey, April-May 1989

KENYA MICROENTERPRISES

FACTORS	OWNER-OPERATED	MICRO-ENTERPRISE	ALL
INPUTS			
•% Domestic Market	98%	91%	85%
•% Imported	2%	9%	15%
<i>Input Access Constrained by:</i>			
•Financing	97%	88%	79%
•Access to Transport	10%	20%	39%
•Cost of Transport	44%	55%	38%
•Middlemen Margins	45%	38%	21%
•Shortages	76%	73%	69%
PRODUCTIVITY			
<i>Business is Constrained by:</i>			
•% Access to Credit	51%	46%	43%
•% Access to Raw Materials	19%	26%	31%
•% Access to Land	35%	32%	29%
•% Access to Skilled Labor	13%	17%	29%
•% Access to Electricity	28%	16%	16%
•% Access to Transport	16%	17%	13%
•% Access to Telephone	6%	15%	17%
•% Price of Electricity	33%	28%	27%
•% Price of Transport	24%	32%	30%
•% Reliability of Electricity	28%	16%	30%
•% Reliability of Telephone	N/A	N/A	N/A
•% Access to Equipment	32%	26%	28%
•% Access to Spare Parts	20%	24%	35%
LAND TENURE			
•% Constrained by Cost of Land	N/A	N/A	N/A
•% Constrained by Access to Land	42%	42%	41%
•% Constrained by Uncertainty of Tenure	58%	34%	36%
LABOR ISSUES			
•% Satisfied with Labor Productivity	100%	90%	85%

Source: MAPS Private Sector Survey, April-May 1989

KENYA MICROENTERPRISES

FACTORS	OWNER-OPERATED	MICRO-ENTERPRISE	ALL
CREDIT ISSUES			
<i>Sources of Credit</i>			
From Commercial Banks			
•0%	90%	80%	50%
•1-20%	10%	7%	25%
•21-50%	0%	7%	9%
•51-100%	0%	6%	16%
From Informal Sources			
•0%	90%	98%	95%
•1-20%	10%	2%	5%
21-50%	0%	0%	0%
51-100%	0%	0%	0%
From Suppliers Credit			
•0%	89%	85%	80%
•1-20%	11%	15%	15%
•21-50%	0%	0%	5%
•51-100%	0%	0%	0%
From Family and Friends			
•0%	85%	78%	50%
•1-20%	8%	10%	37%
•21-50%	1%	8%	7%
•51-100%	0%	4%	9%
From Personal Capital			
•0%	0%	0%	20%
•1-20%	9%	17%	13%
•21-50%	6%	7%	9%
•51-100%	85%	76%	58%
Access to Credit Constrained by:			
•% Constrained by Collateral	70%	64%	46%
•% Constrained by Interest Rates	50%	30%	20%
•% Constrained by Bank Fees	30%	28%	25%
•% Constrained by Paperwork/Bureacracy	8%	7%	2%
•% Constrained by Distance to Banks	0%	0%	0%
TECHNOLOGY			
•% Access to Appropriate Technology	36%	40%	45%
INVESTMENT PLANS			
<i>% That Plan to Invest in:</i>			
•Personnel Training	12%	17%	24%
•Improved Production Technology	17%	17%	24%
•Marketing	13%	30%	35%
•Quality Control	N/A	N/A	N/A
•Management Skills	8%	21%	25%

Source: MAPS Private Sector Survey, April-May 1989

LESOTHO MICROENTERPRISES

FACTORS	MICRO-ENTERPRISE*	ALL
DESCRIPTIVE INFORMATION		
•Number Interviewed	75	135
•Date of Establishment	Average = 2 years	8
•% In Informal Sector†	N/A	N/A
•Business Turnover	N/A	N/A
Sector of Economic Activity		
•% Agriculture	22%	35%
•% Agroindustry	49%	24%
•% Services	29%	41%
Ownership Structure		
•% Ownership Women	N/A	N/A
•% Ownership Basotho	76%	70%
Number of Employees		
•Number of Employees	Average = 5	Average=31
•% Employees Women	50%	60%
•% Employees Basotho	80%	70%
•% Skilled Labor	N/A	12%
•% Skilled Labor Basotho	N/A	N/A
REGULATORY INFORMATION		
•% Requiring Permits to Start Business	67%	
BUSINESS CLIMATE		
•% Think Bus. Climate has Worsened	35%	32%
•% Sales in Last Year have Declined	19%	14%
•% Think Sales Will Decline Nxt Year	5%	5%
•% Uncertain about Nxt Year's Sales	24%	20%
SALES		
•% Domestic Market	100%	78%
•% Exported	0%	22%
<i>Factors Negatively Affecting Business Performance</i>		
•Price of Raw Materials	58%	46%
•Access to Raw Materials	18%	36%
•Interest Rates	0%	12%
•Taxes	13%	20%
•Access to Credit	45%	46%
•Access to Skilled Labor	6%	6%
Note: Owner operated firms were not separated in original survey		
*Defined as firms with less than 10 employees, includes owner operated firms		
†Refers to firms which did not appear in any registry but were sampled from known clusters of informal activity		

Source: MAPS Private Sector Survey, April 1989

LESOTHO MICROENTERPRISES

FACTORS	MICRO-ENTERPRISE	ALL
INPUTS		
•% Domestic Market	60%	30%
•% Imported	40%	70%
<i>Input Access Constrained by:</i>		
•Financing	N/A	N/A
•Access to Transport	40%	31%
•Cost of Transport	10%	10%
•Middlemen Margins	20%	15%
•Shortages	20%	13%
PRODUCTIVITY		
<i>Business is Constrained by:</i>		
•% Access to Credit	45%	35%
•% Access to Raw Materials	18%	16%
•% Access to Land	11%	15%
•% Access to Skilled Labor	6%	5%
•% Access to Electricity	20%	17%
•% Access to Transport	40%	
•% Access to Telephone	16%	17%
LAND TENURE		
•% Constrained by Cost of Land	5%	6%
•% Constrained by Access to Land	8%	31%
•% Constrained by Uncertainty of Tenure	12%	34%
LABOR ISSUES		
•% Satisfied with Labor Productivity	60%	52%

Source: MAPS Private Sector Survey, April 1989

LESOTHO MICROENTERPRISES

FACTORS	MICRO-ENTERPRISE	ALL
CREDIT ISSUES		
<i>Sources of Credit</i>		
From Commercial Banks		
•0%	98%	47%
•1-20%	2%	21%
•21-50%	0%	19%
•51-100%	0%	14%
From Informal Sources		
•0%	80%	94%
•1-20%	20%	6%
•21-50%	0%	0%
•51-100%	0%	0%
From Suppliers Credit		
•0%	95%	80%
•1-20%	5%	20%
•21-50%	0%	0%
•51-100%	0%	0%
From Family and Friends		
•0%	90%	77%
•1-20%	10%	9%
•21-50%	0%	15%
•51-100%	0%	0%
From Personal Capital		
•0%	0%	42%
•1-20%	0%	7%
•21-50%	0%	10%
•51-100%	100%	41%
<i>Access to Credit Constrained by:</i>		
•% Constrained by Collateral	90%	44%
•% Constrained by Interest Rates	5%	12%
•% Constrained by Bank Fees	2%	5%
•% Constrained by Paperwork/Bureacracy	0%	0%
•% Constrained by Distance to Banks	0%	0%
TECHNOLOGY		
•% Access to Appropriate Technology	93%	80%
INVESTMENT PLANS		
<i>% That Plan to Invest in:</i>		
•Personnel Training	10%	38%
•Improved Production Technology	20%	40%
•Marketing	40%	44%
•Quality Control	N/A	N/A
•Management Skills	7%	15%

Source: MAPS Private Sector Survey, April 1989

RWANDA MICROENTERPRISES

FACTORS	OWNER-OPERATED*	MICRO-ENTERPRISE**	ALL
•Number Interviewed	36	133	260
BUSINESS CLIMATE			
•% Think Bus. Climate has Worsened	72%	70%	69%
•% Sales in Last Year have Declined	70%	57%	54%
•% Think Sales Will Decline Nxt Year	39%	13%	17%
•% Uncertain about Nxt Year's Sales	42%	53%	44%
SALES			
<i>Factors Negatively Affecting Business Performance</i>			
•Price of Raw Materials	50%	35%	39%
•Access to Raw Materials	27%	27%	29%
•Interest Rates	17%	38%	36%
•Taxes	63%	46%	50%
•Access to Credit	38%	36%	38%
•Access to Skilled Labor	N/A	16%	16%
INPUTS			
<i>Input Access Constrained by:</i>			
•Financing	50%	33%	32%
•Access to Transport	17%	26%	27%
•Cost of Transport	28%	29%	31%
•Middlemen Margins	28%	20%	23%
•Shortages	42%	41%	45%
PRODUCTIVITY			
<i>Operating Efficiency is Constrained by:</i>			
•% Access to Credit	53%	46%	37%
•% Access to Raw Materials	24%	30%	28%
•% Access to Land	20%	25%	26%
•% Access to Skilled Labor	N/A	17%	19%
•% Access to Electricity	29%	9%	10%
•% Access to Transport	22%	21%	20%
•% Access to Telephone	19%	25%	22%
•% Price of Electricity	19%	18%	19%
•% Price of Transport	42%	32%	34%
•% Reliability of Electricity	29%	40%	37%
*Refers to firms with no full-time employees beside owner			
**Refers to firms with 1-5 full-time equivalent employees			

Source: MAPS Private Sector Survey, October 1989

RWANDA MICROENTERPRISES

FACTORS	OWNER-OPERATED	MICRO-ENTERPRISE	ALL
LAND TENURE			
•% Constrained by Cost of Land	57%	66%	60%
•% Constrained by Access to Land	59%	64%	61%
•% Constrained by Uncertainty of Tenure	52%	64%	51%
LABOR ISSUES			
•% Satisfied with Labor Productivity	N/A	80%	85%
CREDIT ISSUES			
<i>Sources of Credit</i>			
From Commercial Banks			
•0%	100%	95%	92%
•1-20%	0%	2%	3%
•21-50%	0%	1%	2%
•51-100%	0%	1%	3%
From Informal Sources			
•0%	100%	95%	95%
•1-20%	0%	3%	3%
•21-50%	0%	3%	2%
•51-100%	0%	0%	0%
From Suppliers Credit			
•0%	76%	80%	74%
•1-20%	8%	9%	11%
•21-50%	13%	4%	6%
•51-100%	4%	7%	8%
From Family and Friends			
•0%	72%	69%	72%
•1-20%	7%	11%	9%
•21-50%	15%	5%	6%
•51-100%	7%	14%	12%
From Personal Capital			
•0%	11%	10%	12%
•1-20%	0%	3%	4%
•21-50%	0%	9%	10%
•51-100%	89%	77%	74%
<i>Access to Credit Constrained by:</i>			
•% Constrained by Collateral	25%	22%	19%
•% Constrained by Interest Rates	14%	17%	18%
•% Constrained by Bank Fees	6%	13%	13%
•% Constrained by Paperwork/Bureaucracy	20%	20%	21%
•% Constrained by Distance to Banks	3%	2%	4%
TECHNOLOGY			
•% Access to Appropriate Technology	39%	48%	42%

Source: MAPS Private Sector Survey, October 1989

RWANDA MICROENTERPRISES

FACTORS	OWNER-OPERATED	MICRO-ENTERPRISE	ALL
INVESTMENT PLANS			
<i>% That Plan to Invest in:</i>			
•Personnel Training	9%	17%	27%
•Improved Production Technology	33%	36%	45%
•Marketing	47%	48%	54%
•Quality Control	50%	46%	50%
•Management Skills	39%	37%	46%
BUSINESS ASSOCIATIONS			
•% Members of Any Association	42%	35%	47%
<i>% Interested in the Following Service</i>			
•Access to Credit	86%	68%	66%
•Technical Assistance	53%	55%	55%
•Personnel Training	51%	63%	64%
•Feasibility Studies	53%	59%	59%
•Market Information	62%	69%	70%
•Lobbying with Government	67%	50%	60%
<i>Reasons for Not Being Assoc Member:</i>			
•Services Offered are Insufficient	33%	42%	45%
•Don't Want to Pay Fees	5%	6%	6%
•Cannot Pay the Fees	48%	9%	13%
•Membership Restrictions	0%	7%	4%
EXPORTING			
•% Currently or Planning to Export	0%	4%	12%
MARKET INFORMATION			
•% With Access to Local Mkt Info	45%	56%	54%
•% With Access to Export Mkt Info	3%	4%	7%
<i>Sources of Market Information</i>			
•Government Sources	0%	1%	2%
•Personal Contacts	75%	89%	83%
•Trade and Business Associations	0%	2%	3%

Source: MAPS Private Sector Survey, October 1989

SWAZILAND MICROENTERPRISES

FACTORS	OWNER-OPERATED	MICRO-ENTERPRISE*	ALL
DESCRIPTIVE INFORMATION			
•Number Interviewed	20	62	200
•Average Number of Yrs Operating	2	3	15
•% In Informal Sector†	N/A	N/A	N/A
•Business Turnover	<E100,000	≤E100,000	46% >E100,000
Sector of Economic Activity			
•% Agriculture	5%	15%	7%
•% Manufacturing	70%	25%	32%
•% Commerce	15%	30%	30%
•% Other Services	10%	35%	29%
Ownership Structure			
•% Ownership Women	35%	69%	24%
•% Ownership Swazi	100%	88%	65%
Number of Employees			
•% Employees Women	60%	60%	50%
•% Employees Swazi	100%	90%	80%
•% Skilled Labor			60%
•% Skilled Labor Swazi	100%	80%	65%
REGULATORY INFORMATION			
•% Requiring Permits to Start Business			
BUSINESS CLIMATE			
•% Think Bus. Climate has Worsened	20%	25%	20%
•% Sales in Last Year have Declined	70%	40%	13%
•% Think Sales Will Decline Nxt Year	50%	25%	5%
•% Uncertain about Nxt Year's Sales	40%	20%	17%
SALES			
•% Domestic Market	100%	90%	60%
•% Exported	0%	10%	40%
<i>Factors Negatively Affecting Business Performance</i>			
•Price of Raw Materials	55%	40%	39%
•Access to Raw Materials	N/A	N/A	N/A
•Interest Rates	10%	10%	17%
•Taxes	18%	35%	17%
•Access to Credit	8%	25%	13%
•Access to Skilled Labor	50%	45%	53%
*Defined as firms employing less than 25 people and less than E100,00 in fixed assets (at time of survey USS1=E2.3)			
†Refers to firms not appearing in any registry and were selected from known clusters of informal activity			

Source: MAPS Private Sector Survey, March 1989

SWAZILAND MICROENTERPRISES

FACTORS	OWNER-OPERATED	MICRO-ENTERPRISE	ALL
INPUTS			
•% Domestic Market	N/A	N/A	50%
•% Imported	N/A	N/A	50%
<i>Input Access Constrained by:</i>			
•Financing	85%	75%	37%
•Access to Transport	45%	40%	20%
•Cost of Transport	30%	50%	13%
•Middlemen Margins	30%	60%	15%
•Shortages	0%	25%	25%
PRODUCTIVITY			
<i>Operating Efficiency is Constrained by:</i>			
•% Access to Credit	70%	45%	35%
•% Access to Raw Materials	20%	25%	37%
•% Access to Land	30%	18%	22%
•% Access to Skilled Labor	88%	45%	60%
•% Access to Electricity	60%	45%	37%
•% Access to Transport	45%	60%	32%
•% Access to Telephone	N/A	N/A	N/A
•% Price of Transport	30%	50%	32%
•% Reliability of Electricity	5%	5%	37%
•% Reliability of Telephone	0%	0%	0%
•% Access to Equipment	2%	0%	0%
•% Access to Spare Parts	40%	50%	24%
LAND TENURE			
•% Constrained by Cost of Land			
•% Constrained by Access to Land	40%	38%	25%
•% Constrained by Uncertainty of Tenure	N/A	N/A	25%
LABOR ISSUES			
•% Satisfied with Labor Productivity	40%	25%	25%

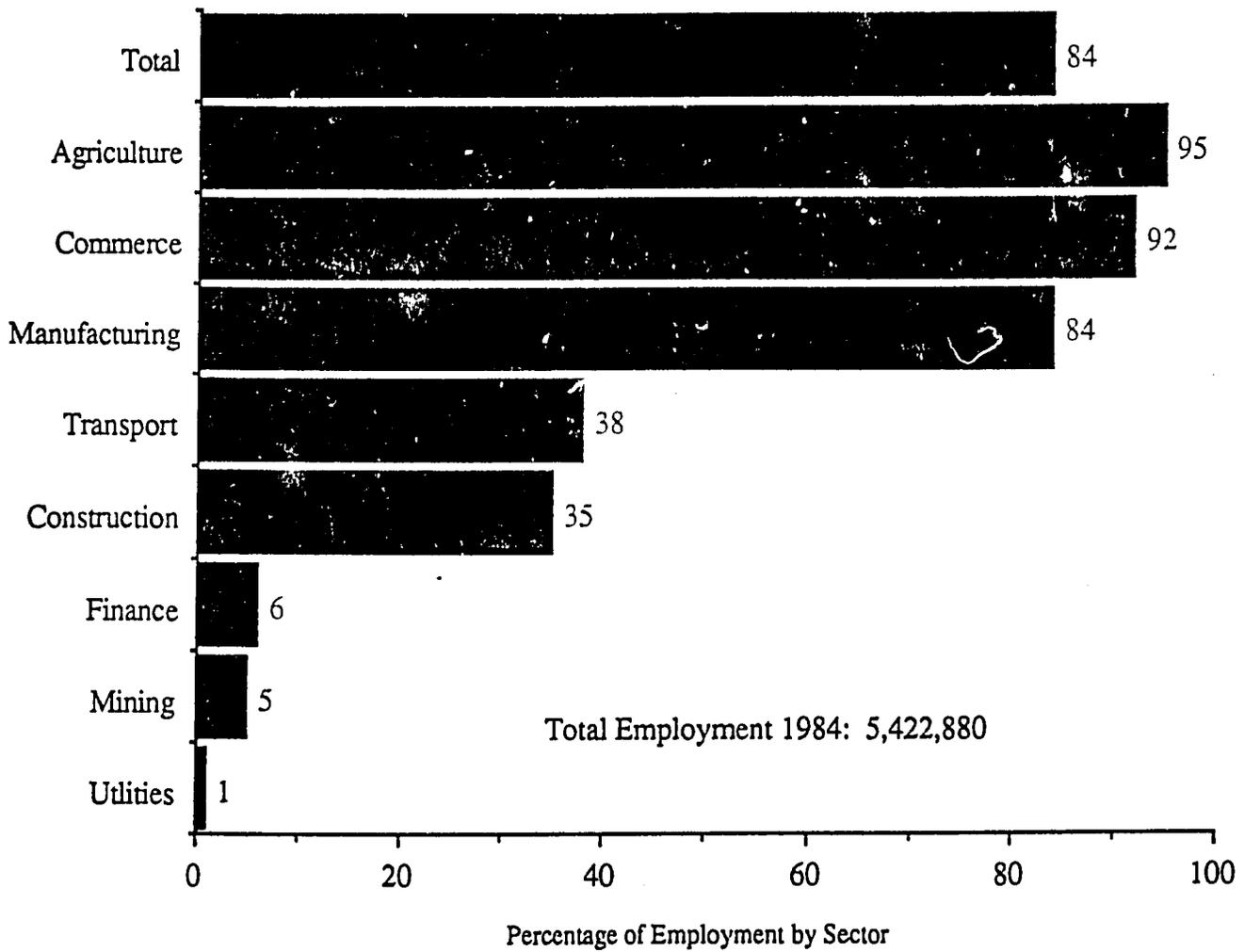
Source: MAPS Private Sector Survey, March 1989

SWAZILAND MICROENTERPRISES

FACTORS	OWNER-OPERATED	MICRO-ENTERPRISE	ALL
CREDIT ISSUES			
<i>Sources of Credit</i>			
From Commercial Banks			
•0%		75%	40%
•1-20%		10%	10%
•21-50%		5%	25%
•51-100%		10%	25%
From Informal Sources			
•0%		85%	90%
•1-20%		15%	10%
•21-50%		0%	0%
•51-100%		0%	0%
From Suppliers Credit			
•0%		75%	30%
•1-20%		25%	50%
•21-50%		0%	20%
•51-100%		0%	0%
From Family and Friends			
•0%		5%	50%
•1-20%		55%	20%
•21-50%		30%	15%
•51-100%		10%	15%
From Personal Capital			
•0%		0%	15%
•1-20%		10%	20%
•21-50%		15%	25%
•51-100%		75%	40%
<i>Access to Credit Constrained by:</i>			
•% Constrained by Collateral	40%	50%	50%
•% Constrained by Interest Rates	10%	10%	62%
•% Constrained by Bank Fees	N/A	N/A	N/A
•% Constrained by Paperwork/Bureaucrac	N/A	N/A	N/A
•% Constrained by Distance to Banks	10%	15%	10%
TECHNOLOGY			
•% Access to Appropriate Technology	70%	60%	75%
INVESTMENT PLANS			
<i>% That Plan to Invest in:</i>			
•Personnel Training	10%	35%	70%
•Improved Production Technology	25%	45%	60%
•Marketing	55%	65%	60%
•Quality Control	N/A	N/A	N/A
•Management Skills	35%	55%	65%

Source: MAPS Private Sector Survey, March 1989

GHANA
MICROENTERPRISE SHARE OF EMPLOYMENT
By Sector 1984



KENYA
GROWTH OF THE URBAN SMALL SCALE ENTERPRISE SECTOR
1974-85

(Employees '000)

<u>Year</u>	<u>Manuf</u>	<u>Repair</u>	<u>Other Serv.</u>	<u>Trade</u>	<u>Catering</u>	<u>Const & Transport</u>	<u>Total</u>
1974	10.9	8.6	3.6	50.6	1.3	1.2	76.2
1976	13.9	9.2	4.1	56.4	11.8	0.5	94.9
1978	17.0	10.8	4.9	64.7	15.3	1.2	113.9
1980	18.2	12.5	4.5	69.0	17.4	1.7	123.3
1981	25.9	11.6	6.6	85.6	26.0	2.2	157.9
1982	27.3	12.3	7.4	94.3	28.0	2.8	182.8
1983	29.6	12.8	7.7	101.3	28.6	2.8	182.8
1984	32.1	15.0	9.6	109.9	27.6	3.5	197.7
1985	37.3	17.7	11.7	121.8	25.8	3.8	218.1

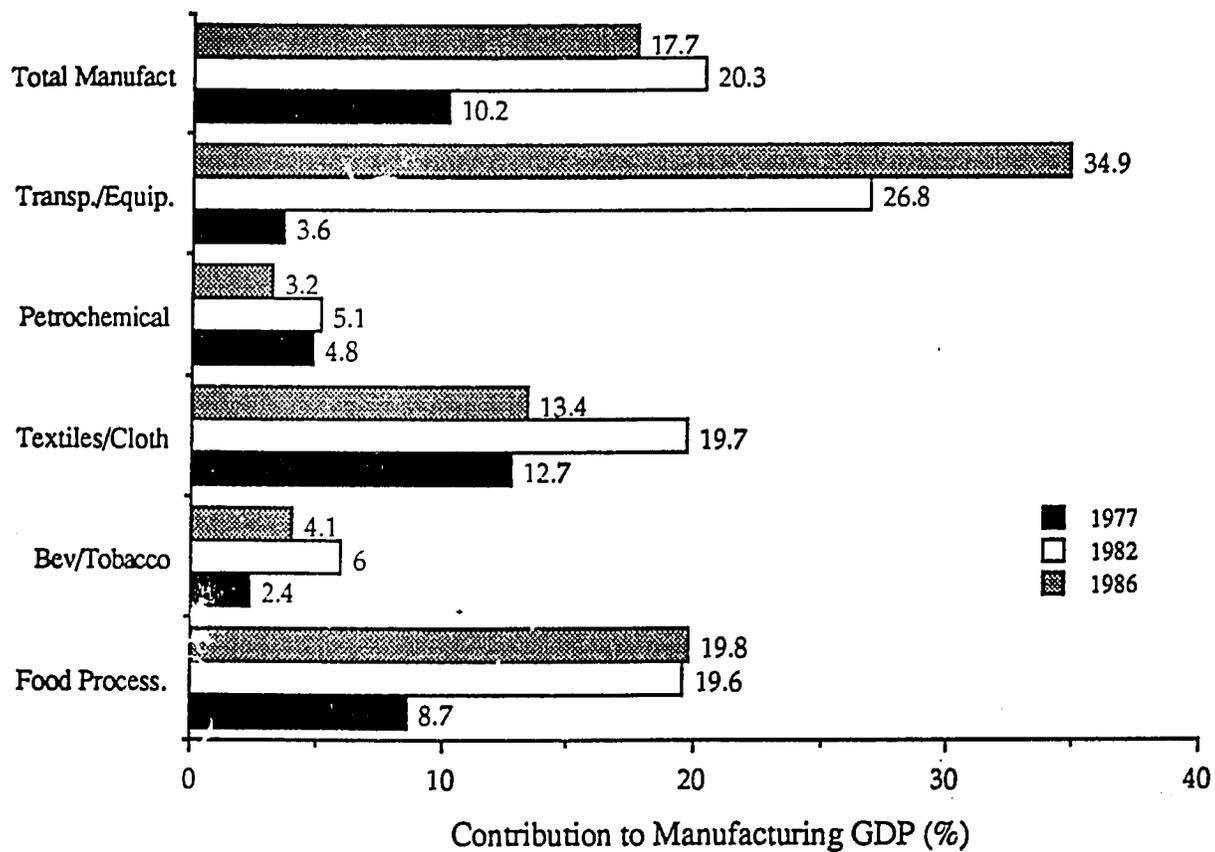
Source: World Bank Report No. 6711-KE, Kenya Industrial Sector, Policies for Investment and Export Growth June 30, 1987.

Taken From "MAPS Kenya, Private Sector Description, August 1989.", AMT Associates, Nairobi, Kenya.

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KENYA

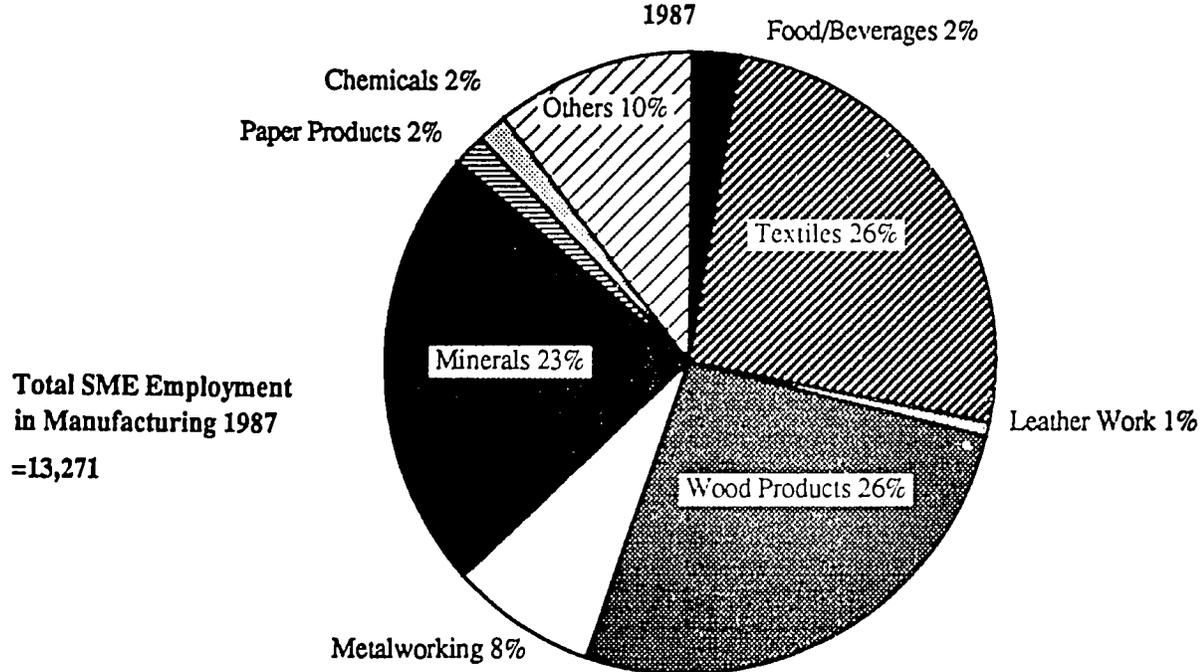
Small Firm Contribution to Manufacturing GDP



Source: Statistical Abstracts, various years

Taken from "Kenya Private Sector Description, August 1989". AMT Associates, Nairobi, Kenya.

RWANDA
Microenterprise Manufacturing Employment by Activity
1987



Source: Annual Report 1988: Ministry of Industry and Artisans

RWANDA
Growth of the Small Scale Commercial Sector

Number of Registered Traders by Prefecture
 1962-86

	<u>1962-71</u>	<u>1972-81</u>	<u>1982-86</u>
Kigali	284	1903	2736
Gitarama	225	699	1215
Butare	194	839	1323
Gikongoro	91	335	513
Cyangugu	97	291	481
Kibuye	119	260	411
Gisenyi	359	731	1077
Ruhengeri	323	505	807
Byumba	166	421	590
Kibungo	67	335	474
<u>TOTAL</u>	1925	6319	9627
% Change		228%	52%

Source: MINIFINECO: L'Economie Rwandaise: 25 Ans d'Efforts, 1988. p.104.

ANNEX B

**LIST OF SMALL AND MICRO ENTERPRISE REPRESENTATIVES
CONSULTED DURING MAPS DIALOGUE SESSIONS**

SWAZILAND

A.B. Ginindza	Executive President	SIBAKHO
Mrs. Mima	Owner	Swaziland Textiles
D.M. Maseko	Owner	Swazi Brake and Clutch
Reggie S. Misibi	President	Rise Management
		Consultancy, LTD.
W.D. Sukumaki	Gral. Secretary	Swazi Commercial
		Amadoda
Mike Memema	Managing Director	Express Textile Mills
A.S. Zwane	Director	Cletta's Uniforms

This list does not include another 12 microentrepreneurs identified with the help of CARE, with whom the results of the survey and description were presented.

LESOTHO

Albert Mokotso	Owner	Upper Qeme Fruits and Vegetables
M. Makhooane	Owner	Agrivet
G.T. Moneheng	Owner	
T.C. Mofolo	Gral. Manager	Blues Industrial Hardware
A.M. Mejera	Owner	
Teboho Kikine	Attorney	
T. Coetzee	Manager	Blues Aluminum Industries
May Ada Moteane	Owner	M.A. Moteane & Co.

KENYA

Jonathan Campaigne	Managing Director	CID Kenya
Mohammed Uerre	Program Director	CID Kenya
Wilson Muchiri	Nat'l Chairman	Kenya Small Traders Society
Teresa Mami	Program Coordinator	Kenya Women's Finance Trust
Richard Undeng'	Deputy Gral. Sec.	NCKK
Virginia Kirumba	Vice Chairman	Kenya Business and Professional Women
Kimathi Mutua	Dep. Director	Kenya Rural Enterprise Program
Richard Yuder	Managing Director	Kenya Rural Enterprise Program
Alfred Amisis	General Manager	PFK Kenya
Victor Pratt		K-MAP

GHANA

Frances Ademolat	Owner	The Loom
Elizabeth Sai	Owner	Bella's Catering
H.H. Phillips	Owner	Phillips Clinic

RWANDA

Nshimiyimana Thomas		KORA
Muvunyi Simsa	Legal Rep.	KORA
Nkusi Jean de Dieu	Coordinator	KORA
Mbaguta	Coordinator	Project PRIME
Jim Herne	Country Coordinator	Technoserve
Emmanuel Braun	Resident Rep.	ILO
Bernard Taillefer	Director General	Banques Populaires
Kamanzi Callixte	Director General	Direction de Artisanat et Petites et Moyennes Entreprises at the Ministry of Industry, Mining and Artisians